

Charity number: 1193244

KITE COLLEGE

Trustees' Report and Financial Statements

For the Year Ended 31 August 2023

KITE COLLEGE

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Reference and Administrative Details of the Charity, Its Trustees and Advisers For the Year Ended 31 August 2023

Trustees	Bob Law, Chair Josephine Campbell John Saville Bentley Julie Ely (resigned 8 July 2023) Simon Bounds Peter William Stewart Nikki Clark Timothy O'Connor Stephanie Baiardo (resigned 8 July 2023) Rose Bradley Pam Jones (appointed 14 August 2023) Nell Paul (appointed 14 August 2023)
Charity registered number	1193244
Principal office	Unit 1 & 2 Eurolink Way Bonham Drive Sittingbourne Kent ME10 3RY
Independent auditors	Xeinadin Audit Limited Chartered Accountants Statutory Auditor 12 Conqueror Court Sittingbourne Kent ME10 5BH

KITE COLLEGE

Trustees' Report For the Year Ended 31 August 2023

The Trustees present their annual report together with the audited financial statements of the KITE College for the year 1 September 2022 to 31 August 2023.

Objectives and activities

a. Policies and objectives

To be Kent & Medway's leading independent specialist education and training provision.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

b. Strategies for achieving objectives

To increase specialist provision for young people across East Kent (Sittingbourne, Sheppey, Maidstone and Thanet) subject to EHCP with SEMH and learning and behaviour difficulties, which ensures a better 'Local Offer' ensuring greater choice given to young people and their parents.

c. Activities undertaken to achieve objectives

To provide chances and opportunities to all young people with learning difficulties and SEMH needs through ambitious and inspirational lifelong learning and skills programmes.

These include vocational training in:

- Constuction,
- Motor Vehicle Technology,
- Hair and Beauty
- Maths and English
- Employability & Life Skills

The College, situated in the former Skills Centre located on the Euro Link Industrial Estate in Sittingbourne, opened on 1st September 2021.

Our Values

- Kindness
- Integrity
- Tolerance
- Excellence

d. Main activities undertaken to further the Charlty's purposes for the public benefit

The college provides a range of full time vocational training opportunities as well as Maths and English for its students, funded by the public purse, aimed ultimately at them being ready and able to enter the world of work and become a productive member of the community.

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Trustees' Report (continued) For the Year Ended 31 August 2023

Achievements and performance

a. Main achievements of the Charity

During the academic year, the college supported some 66 students, 56 were from Kent with 10 from 5 other local authorities. The split over the courses was as follows.

Course	No of Students
Construction	20
Hair and Beauty	9
IT	11
Motor Vehicle	20
Preparation for Learning	6

b. Key performance indicators

The college has a range of KPIs moving from the number of students it supports to more detailed ones that document the increasing academic/ vocational development of its students to how many of its students move into employment of further education.

c. Review of activities

The Principal reports on a regular basis on the activities and operation of the college and adjusts the offers available annually to the students based upon the demands/requests of the students and their families.

d. Factors relevant to achieve objectives

The college ensures they have employed the necessary quality staffing to teach and support the students and monitor this regularly.

e. Fundraising activities and Income generation

No fundraising activities other than an occasional grant bid

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue 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 accounting policies.

b. Reserves policy

The Trustees formally approved a policy on 16th July which has a target minimum reserve of £300k which is based upon two months running costs.

As the college is publicly funded the concerns are about delays in funding being received, a reduction in learner numbers and unforeseen emergencies.

KITE COLLEGE

Trustees' Report (continued) For the Year Ended 31 August 2023

c. Review

The College continued to grow during the year both in terms of student numbers and financially and the year ended with the College securing its EFSA high needs funding contract from August 2023 and received its first payment in August.

The College ended the financial year with a bank balance of £544,979 and reserves of £604,853.

As the College was still in its infancy and developing it had not established a Reserves policy that applied to that year other than needing to ensure that it had sufficient funds to allow the College to flourish. Going forward with the College continuing to grow it will put in place a Reserves policy.

The Colleges funding came from a funding agreement with KCC SEN along with Individual Funding Arrangements (IFAs) with a small number of Other Local Authorities for their individual young people at the College.

d. Principal risks and uncertainties

The college whilst being publicly funded and supporting a category of students where to numbers continue to rise locally is always at risk of the funding being reduced or not keeping pace with inflation and the funders reducing the number of students they are prepared to support.

e. Financial risk management objectives and policies

No policy is currently in place, but a Risk Register is due to be developed shortly. On an on-going basis the risks are considered at each meeting of the SFP when it reviews the management accounts

Structure, governance and management

a. Constitution

KITE College was registered with the Charity Commission on 26th January 2021 as a Charitable Incorporated Organisation (CIO) with a board of trustees consisting of 9 members.

b. Methods of appointment or election of Trustees

The management of the Charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

c. Organisational structure and decision-making policies

The Trust has one full Committee supported by 2 permanent sub committees:

- Staffing, Finance and Premises (SFP)
- Learning and Inclusion (LI)

And a Pay Committee is appointed when needed during the year.

Day to day operational and financial decisions are delegated to the Principal but the approved Finance Policy sets out when and where approval is needed from either the SFP or the Board.

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Trustees' Report (continued) For the Year Ended 31 August 2023

Structure, governance and management (continued)

d. Policies adopted for the induction and training of Trustees

Trustees are appointed to KITE College primarily based on their skills, experience, expertise, and qualifications.

1. **Skills and Expertise:** Trustees are appointed based on their specific skills and expertise that align with the needs of KITE College. For example, finance, business, HR, health and safety, Social Services, health & wellbeing, psychology, education and quality control inspection.

2. **Experience:** Trustees bring valuable experience from their professional or personal backgrounds that can benefit KITE College. This could include experience in leadership roles, strategic planning, fundraising, or community engagement.

3. **Qualifications:** Trustees may have specific qualifications that make them well-suited for their roles. These could include educational degrees, professional certifications, or relevant training in areas such as governance, law, or management.

4. **Diversity:** Diversity among trustees is crucial to ensuring a well-rounded and inclusive governing body. Trustees from diverse backgrounds bring different perspectives, ideas, and approaches to problem-solving, which can enrich the decision-making process and better represent the interests of the organization's stakeholders.

Skills-gap analysis is undertaken on a regular basis. When gaps are identified suitable practitioners are sort, approached & proposed by current trust members and/or the principal and if seconded then CVs and Bios are shared with all sitting trustees and voted on at full trustee meetings.

All Trustees receive a planned induction which is supplemented by external providers as necessary. New trustees are provided with a copy of "GUIDANCE The essential trustee: what you need to know, what you need to do", made aware of the instrument of governance for KITE-College and reminded that all trustees are required to follow the Nolan principles (conduct in public office).

e. Pay policy for key management personnel

All key management posts have a set grade and are increased annually after a review by the appointed Pay Committee and agreed by the Board of Trustees.

f. Related party relationships

The Trustees are drawn from a variety of organisations that support or have an interest in the type of student that the college supports.

The Chair of Trustees also holds positions at two other charities where there were financial transactions during the year.

Plans for future periods

The college is filling a gap in the support that is available to its students as is evident in the growing number of applications for places at the college that has more than doubled in the last year.

Looking forward, the Trustees plan to increase the numbers they can accommodate in Sittingbourne whilst expanding its operation to other locations across the county.

KITE COLLEGE

Trustees' Report (continued) For the Year Ended 31 August 2023

Disclosure of information to auditors

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

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

Auditors

The auditors, Xelnadin Audit Limited, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees on 23 July 2024 and signed on their behalf by:



23 July 2024

Bob Law
(Chair of Trustees)

KITE COLLEGE

Statement of Trustees' responsibilities For the Year Ended 31 August 2023

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees on 23 July 2024 and signed on its behalf by:



23 July 2024

Bob Law
(Chair of Trustees)

KITE COLLEGE

Independent Auditors' Report to the Members of KITE College

Opinion

We have audited the financial statements of KITE College (the 'charity') for the year ended 31 August 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2023 and of its incoming resources and application of resources 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 Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

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Independent Auditors' Report to the Members of KITE College (continued)

Other information

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees are responsible for the preparation of the financial statements which 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Other matters

The financial statements of the Charity for the year ended 31 August 2022 were unaudited due to being under the audit threshold.

KITE COLLEGE

Independent Auditors' Report to the Members of KITE College (continued)

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

As part of an audit in accordance with ISAs (UK), exercise professional judgement and maintain professional scepticism through the audit. We also:

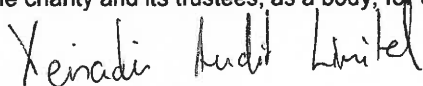
1. Assessed the susceptibility of the entity's financial statements to material misstatement, including how fraud may occur.
2. Held discussions with the client regarding their policies and procedures on compliance with laws and regulations.
3. Held discussions with the client regarding their policies and procedures on fraud risks, including knowledge of any actual suspected or alleged fraud.

We consider the entity's controls effective in identifying fraud. We do not consider there to be significant difficulty in detecting irregularities.

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



Xeinadin Audit Limited
Chartered Accountants
Statutory Auditor
12 Conqueror Court
Sittingbourne
Kent
ME10 5BH

Date: 25 July 2024

Xeinadin Audit Limited are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

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Statement of financial activities For the Year Ended 31 August 2023

	Note	Unrestricted funds 2023 £	Total funds 2023 £	As restated Total funds 2022 £
Income from:				
Donations and legacies	3	5,500	5,500	2,300
Charitable activities	4	1,564,915	1,564,915	550,340
Investments		3,000	3,000	-
Other income	5	2,246	2,246	2,491
Total income		1,575,661	1,575,661	555,131
Expenditure on:				
Charitable activities	6	1,092,962	1,092,962	511,732
Total expenditure		1,092,962	1,092,962	511,732
Net movement in funds before other recognised gains/(losses)		482,699	482,699	43,399
Other recognised gains/(losses):				
Actuarial gains on defined benefit pension schemes	23	143,000	143,000	15,000
Pension surplus not recognised	23	(103,000)	(103,000)	-
Net movement in funds		522,699	522,699	58,399
Reconciliation of funds:				
Total funds brought forward		82,154	82,154	23,755
Net movement in funds		522,699	522,699	58,399
Total funds carried forward		604,853	604,853	82,154

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

The notes on pages 14 to 28 form part of these financial statements.

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Balance Sheet As at 31 August 2023

	Note	2023 £	As restated 2022 £
Fixed assets			
Tangible assets	11	102,295	108,152
Current assets			
Debtors	12	12,025	44,135
Cash at bank and in hand		544,979	143,560
		<u>557,004</u>	<u>187,695</u>
Creditors: amounts falling due within one year	13	(54,446)	(185,693)
Net current assets		<u>502,558</u>	<u>2,002</u>
Defined benefit pension scheme asset / liability	23	-	(28,000)
Total net assets		<u>604,853</u>	<u>82,154</u>
Charity funds			
Restricted funds	16	-	-
Unrestricted funds			
Unrestricted funds excluding pension asset	16	604,853	110,154
Pension reserve	16	-	(28,000)
Total unrestricted funds	16	<u>604,853</u>	<u>82,154</u>
Total funds		<u>604,853</u>	<u>82,154</u>

The financial statements were approved and authorised for issue by the Trustees on 23 July 2024 and signed on their behalf by:



23 July 2024

Bob Law
(Chair of Trustees)

The notes on pages 14 to 28 form part of these financial statements.

KITE COLLEGE

Statement of Cash Flows For the Year Ended 31 August 2023

	2023 £	As restated 2022 £
Cash flows from operating activities		
Net cash used in operating activities	501,512	176,468
Cash flows from investing activities		
Purchase of tangible fixed assets	(25,205)	(42,813)
Net cash used in investing activities	(25,205)	(42,813)
Cash flows from financing activities		
Repayments of borrowing	(74,888)	(37,444)
Net cash used in financing activities	(74,888)	(37,444)
Change in cash and cash equivalents in the year	401,419	96,211
Cash and cash equivalents at the beginning of the year	143,560	47,349
Cash and cash equivalents at the end of the year	544,979	143,560

The notes on pages 14 to 28 form part of these financial statements

KITE COLLEGE

Notes to the Financial Statements For the Year Ended 31 August 2023

1. General Information

KITE College is a Charitable Incorporated Organisation registered in England and Wales. The registered office is KITE College, Unit 1 & 2 Eurolink Way, Bonham Drive, Sittingbourne, Kent, ME10 3RY.

The principal activity of the Charity is to provide independent specialist education and training to young people.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements 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 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

KITE College meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of 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.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.3 Expenditure

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

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

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Notes to the Financial Statements For the Year Ended 31 August 2023

2. Accounting policies (continued)

2.3 Expenditure (continued)

All expenditure is inclusive of irrecoverable VAT.

2.4 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of Financial Activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of Financial Activities as the related expenditure is incurred.

2.5 Taxation

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

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Improvements to leasehold property	- straight line over 10 years
Workshop equipment	- straight line over 2 years
Computer equipment	- straight line over 4 years

2.7 Debtors

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

2.8 Cash at bank and in hand

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

KITE COLLEGE

Notes to the Financial Statements For the Year Ended 31 August 2023

2. Accounting policies (continued)

2.9 Liabilities and provisions

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 Charity 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.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

2.10 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.11 Pensions

The Charity operates a defined benefit pension scheme by the Local Government Pension Scheme ("LGPS").

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Charity 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 current 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 services costs and the costs of scheme introductions, benefit changes, settlements and curtailments, they are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

2.12 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

KITE COLLEGE

Notes to the Financial Statements For the Year Ended 31 August 2023

3. Income from donations and legacies

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Grants	5,500	5,500	2,300
<i>Total 2022</i>	2,300	2,300	

4. Income from charitable activities

	Unrestricted funds 2023 £	Total funds 2023 £	As restated Total funds 2022 £
Educational Operations	1,564,915	1,564,915	550,340
<i>Total 2022 as restated</i>	550,340	550,340	

5. Other incoming resources

	Unrestricted funds 2023 £	Total funds 2023 £	As restated Total funds 2022 £
Other incoming resources	2,246	2,246	2,491
<i>Total 2022 as restated</i>	2,491	2,491	

KITE COLLEGE

Notes to the Financial Statements For the Year Ended 31 August 2023

6. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2023 £	Total 2023 £	As restated Total 2022 £
Educational Operations	1,092,962	1,092,962	511,732
<i>Total 2022 as restated</i>	511,732	511,732	

7. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £	As restated Total funds 2022 £
Educational Operations	642,190	450,772	1,092,962	511,732
<i>Total 2022 as restated</i>	244,350	267,382	511,732	

Analysis of direct costs

	Educational Operations 2023 £	Total funds 2023 £	As restated Total funds 2022 £
Staff costs	591,451	591,451	165,460
Curriculum resources	17,680	17,680	35,053
Learner registration and exam fees	11,190	11,190	2,546
Brought in professional services	21,869	21,869	41,291
	642,190	642,190	244,350
<i>Total 2022 as restated</i>	244,350	244,350	

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Notes to the Financial Statements For the Year Ended 31 August 2023

7. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational Operations 2023 £	Total funds 2023 £	As restated Total funds 2022 £
Staff costs	309,207	309,207	150,737
Depreciation	31,062	31,062	24,037
Staff development and training	5,689	5,689	4,613
ICT resources	31,117	31,117	14,361
Admin supplies	6,790	6,790	24,545
Building maintenance and repairs	18,662	18,662	17,075
Cleaning	2,197	2,197	1,473
Water and sewerage	1,566	1,566	787
Energy	9,858	9,858	7,857
Insurances	3,093	3,093	2,207
Catering supplies	5,379	5,379	-
Equipment leasing	1,333	1,333	78
Telephone and fax	-	-	1,431
Advertising	-	-	5,985
Legal and professional fees	-	-	7,361
Other	2,619	2,619	4,085
Governance costs	22,200	22,200	750
	450,772	450,772	267,382
<i>Total 2022 as restated</i>	267,382	267,382	

8. Auditors' remuneration

	2023 £	2022 £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	16,200	-
Fees payable to the Charity's auditor in respect of: All non-audit services not included above	5,500	-

In the prior year, the accounts were subject to an Independent Examination, this was undertaken by Alison Robinson, Aims Accountants for Business for £750.

KITE COLLEGE

Notes to the Financial Statements For the Year Ended 31 August 2023

9. Staff costs

	2023	<i>As restated</i> 2022
	£	£
Wages and salaries	661,399	211,468
Social security costs	63,610	13,364
Pension costs	175,649	91,365
	<u>900,658</u>	<u>316,197</u>

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

	2023	<i>As restated</i> 2022
	No.	No.
Teaching Staff	7	5
Leadership and Finance	6	4
Support	10	12
	<u>23</u>	<u>21</u>

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

	2023	<i>As restated</i> 2022
	No.	No.
In the band £60,001 - £70,000	-	1
In the band £70,001 - £80,000	1	-

The key management personnel of the charity comprise of the Principal and Business Manager. Total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the charity was £146,482.

10. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

During the year ended 31 August 2023, no Trustee expenses have been incurred (2022 - £NIL).

KITE COLLEGE

Notes to the Financial Statements For the Year Ended 31 August 2023

11. Tangible fixed assets

	Long-term leasehold property Imp'ments £	Garage Equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2022	90,545	18,616	23,139	132,300
Additions	4,485	5,139	15,581	25,205
At 31 August 2023	95,030	23,755	38,720	157,505
Depreciation				
At 1 September 2022	9,055	9,308	5,785	24,148
Charge for the year	9,504	11,878	9,680	31,062
At 31 August 2023	18,559	21,186	15,465	55,210
Net book value				
At 31 August 2023	76,471	2,569	23,255	102,295
At 31 August 2022	81,490	9,308	17,354	108,152

12. Debtors

	2023 £	As restated 2022 £
Due within one year		
Trade debtors	-	42,450
Other debtors	1,812	-
Prepayments and accrued income	10,213	1,685
	12,025	44,135

KITE COLLEGE

Notes to the Financial Statements For the Year Ended 31 August 2023

13. Creditors: Amounts falling due within one year

	2023	<i>As restated</i> 2022
	£	£
Other loans	-	74,888
Trade creditors	8,446	10,308
Other taxation and social security	18,277	7,317
Other creditors	125	6,685
Accruals and deferred income	27,598	86,495
	<u>54,446</u>	<u>185,693</u>

	2023	<i>As restated</i> 2022
	£	£
Deferred income at 1 September 2022	84,900	-
Resources deferred during the year	-	84,900
Amounts released from previous periods	(84,900)	-
	<u>-</u>	<u>84,900</u>
Deferred income at 31 August 2023		

14. Financial Instruments

	2023	2022
	£	£
Financial assets		
Financial assets measured at fair value through income and expenditure	<u>544,979</u>	<u>143,560</u>

15. Prior year adjustments

The prior year figures have been restated to incorporate the impact of the financial statements being prepared on an incorrect basis in the prior period being; the receipts and payments method rather than the accruals basis, fixed assets being expensed in year rather than capitalised inline with the accounting policy and the omission of the defined pension scheme liability.

The change has resulted in a decrease in reserves being available as at 31 August 2022, decreasing by £53,030:-

Summary of prior year accounting impact

Increase in fixed assets	27,510
Increase in debtors	44,245
Increase in creditors	(96,785)
Introduction of pension scheme liability	(28,000)
	(£53,030)

KITE COLLEGE

Notes to the Financial Statements For the Year Ended 31 August 2023

16. Statement of funds

Statement of funds - current year

	Balance at 1 September 2022 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2023 £
Unrestricted funds					
Unrestricted funds	110,154	1,575,661	(1,080,962)	-	604,853
Pension reserve	(28,000)	-	(12,000)	40,000	-
	82,154	1,575,661	(1,092,962)	40,000	604,853

Statement of funds - prior year

	Balance at 1 September 2021 £	Income £	Expenditure £	Balance at 31 August 2022 £
Unrestricted funds				
Unrestricted funds	23,755	555,131	(496,732)	82,154

17. Summary of funds

Summary of funds - current year

	Balance at 1 September 2022 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2023 £
General funds	82,154	1,575,661	(1,092,962)	40,000	604,853

Summary of funds - prior year

	Balance at 1 September 2021 £	Income £	Expenditure £	Balance at 31 August 2022 £
General funds	23,755	555,131	(496,732)	82,154

KITE COLLEGE

Notes to the Financial Statements For the Year Ended 31 August 2023

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	102,295	102,295
Current assets	557,004	557,004
Creditors due within one year	(54,446)	(54,446)
Total	604,853	604,853

Analysis of net assets between funds - prior year

	Unrestricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	108,152	108,152
Current assets	187,695	187,695
Creditors due within one year	(185,693)	(185,693)
Provisions for liabilities and charges	(28,000)	(28,000)
Total	82,154	82,154

19. Reconciliation of net movement in funds to net cash flow from operating activities

	2023 £	As restated 2022 £
Net income for the year (as per Statement of Financial Activities)	482,699	43,399
Adjustments for:		
Depreciation charges	31,062	24,147
Decrease/(increase) in debtors	32,110	(44,135)
Increase/(decrease) in creditors	(56,359)	110,057
Pension LGPS	12,000	43,000
Net cash provided by operating activities	501,512	176,468

KITE COLLEGE

Notes to the Financial Statements For the Year Ended 31 August 2023

20. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand	544,979	143,560
Total cash and cash equivalents	544,979	143,560

21. Analysis of changes in net debt

	At 1 September 2022 £	Cash flows £	At 31 August 2023 £
Cash at bank and in hand	143,560	401,419	544,979
Debt due within 1 year	(74,888)	74,888	-
	68,672	476,307	544,979

22. Contingent liabilities

Kite College has entered into a lease agreement with Kent County Council, under which rental payments are due. The college is currently in dispute with Kent County Council over remedial works which were due to take place prior to occupation but are still outstanding. It is the belief of the trustees that no rental amounts will be due until after the remedial works have taken place. If in the rare circumstance that KCC charge backdated rent at this point, the potential liability to the college will be £45,833.

23. Pension commitments

The Charity operates a defined benefit pension scheme.

The Charity's employees belong to Local Government Pension Scheme (LGPS), which is managed by Kent County Council.

The latest actuarial valuation of the LGPS related to the period ended 31 March 2022.

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £212,000 ((2022 - £55,000), of which employer's contributions totalled £167,000 (2022 - £42,000) and employee's contributions totalled £45,000 (2022 - £13,000). The agreed contribution rates for future years are 26.8 per cent for employers and variable per cent for employees.

KITE COLLEGE

Notes to the Financial Statements For the Year Ended 31 August 2023

23. Pension commitments (continued)

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	At 31 August 2023	At 31 August 2022
	%	%
Discount rate	5.25	4.20
Future salary increases	3.90	3.90
Future pension increases	2.90	2.90

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 2023	At 31 August 2022
	Years	Years
Mortality rates (in years)		
- for a male aged 65 now	20.7	21.0
- at 65 for a male aged 45 now	22.0	22.3
- for a female aged 65 now	23.2	25.0
- at 65 for a female aged 45 now	24.6	24.9

The Charity's share of the assets in the scheme was:

	At 31 August 2023	At 31 August 2022
	£	£
Equities	406,000	284,000
Gilts	4,000	2,000
Other bonds	88,000	57,000
Property	64,000	51,000
Cash and other liquid assets	7,000	7,000
Absolute return	46,000	31,000
Infrastructure	24,000	-
Total fair value of assets	639,000	432,000

The actual return on scheme assets was £-5,000 (2022 - £-1,000).

KITE COLLEGE

Notes to the Financial Statements For the Year Ended 31 August 2023

23. Pension commitments (continued)

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

	2023 £	2022 £
Interest income	(23,000)	23,000
Interest cost	20,000	-
Total amount recognised in the Statement of Financial Activities	(3,000)	23,000

Movements in the present value of the defined benefit obligation were as follows:

	2023 £	2022 £
Opening defined benefit obligation	460,000	-
Interest cost	20,000	-
Contributions by scheme participants	45,000	13,000
Actuarial (gains)/losses	(171,000)	362,000
Closing defined benefit obligation	354,000	375,000

Movements in the fair value of the Charity's share of scheme assets were as follows:

	2023 £	2022 £
Opening fair value of scheme assets	432,000	-
Expected return on assets	23,000	-
Actuarial (losses)/gains	(28,000)	377,000
Contributions by employer	167,000	42,000
Contributions by scheme participants	45,000	13,000
Closing fair value of scheme assets	639,000	432,000

The Charity has an unrecognised surplus of £103,000 in respect of its defined benefit pension scheme as it does not expect to recover the plan surplus either through reduced contributions in the future or through refunds from the plan.

KITE COLLEGE

Notes to the Financial Statements For the Year Ended 31 August 2023

24. Operating lease commitments

At 31 August 2023 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023 £	2022 £
Not later than 1 year	195	195

The following lease payments have been recognised as an expense in the Statement of Financial Activities:

	2023 £	2022 £
Operating lease rentals	780	-

25. Related party transactions

During the year, the college received a grant totalling £5,500 (2022: £Nil) from Red Hill Trust, a charity which Bob Law, the Chair of the College, is also a Trustee. Payments were made to The Social, Emotional and Behavioural Difficulties Association (SEBDA), a charity which Bob Law is a Trustee of, totalling £1,816 (2022: £Nil). At the Balance Sheet date, no amounts were owed or owing in relation to these transactions.

During the year, the college has made repayments of a loan from S Badder, the previous Principal, totalling £74,888 (2022 - £37,444). The loan was repaid with no interest charged in either year. At the year end, the outstanding balance due to S Badder was £Nil (2022 - £74,888).