

KITE COLLEGE

Trustees' Report and Financial Statements

For the Year Ended 31 August 2024

KITE COLLEGE

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KITE COLLEGE

Reference and Administrative Details of the Charity, its Trustees and Advisers For the Year Ended 31 August 2024

Trustees	Bob Law, Chair Josephine Campbell John Saville Bentley Simon Bounds (resigned 4 December 2024) Peter William Stewart (resigned 28 May 2024) Nikki Clark Timothy O'Connor Stephanie Baiardo (appointed 27 March 2024) Rose Bradley Pam Jones Neil Paul (resigned 31 December 2024) Emma Harvey (appointed 27 March 2024) Joanne Olagboyega (appointed 27 March 2024) Nicola Petri (appointed 27 March 2024) Emma Gray (appointed 4 December 2024) Neil Rees-Davies (appointed 9 October 2024)
Charity registered number	1193244
Principal office	Unit 1 Bonham Drive Eurolink Business Park Sittingbourne Kent ME10 3RY
Senior Management Team	S. Badder - Principal (resigned 31st January 2024) S. Miller - Interim Principal (appointed March 2024) G. Ward - Interim Business Manager (resigned 31st August 2024) H. Cardy - College Business manager (appointed 19th August 2024) A. White (resigned 30th December 2023)
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 2024

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2023 to 31 August 2024. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law.

Objectives and activities

a. Policies and objectives

To be Kent's leading independent specialist education and training provision for Post 16 learners with SEND, who hold a current EHCP.

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 Kent, developing the local offer. KITE College also accepts young people from other Local Authorities through statutory consultation. KITE College is not Section 41 approved, and therefore Local Authorities are unable to name this provision without agreement.

c. Activities undertaken to achieve objectives

To improve life 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:

- Construction,
- Motor Vehicle Technology,
- Hair and Beauty
- Employability & Life Skills

Additionally formal qualifications in Maths and English.

The College, is leased from Kent County Council and is 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 Charity'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.

KITE COLLEGE

Trustees' Report (continued) For the Year Ended 31 August 2024

Achievements and performance

a. Main achievements of the Charity

During the academic year, the college supported some 82 students, 68 were from Kent with 14 from 5 other local authorities.

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 2024

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.

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 College is funded through the ESFA funding agreement, as well as High Needs Funding received directly from KCC SEN. Individual Funding Arrangements (IFAs) with a small number of Other Local Authorities, are in place, for non-Kent 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.

KITE COLLEGE

Trustees' Report (continued) For the Year Ended 31 August 2024

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.

g. Financial risk management

The Trustees have assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of the Charity, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

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 2024

Disclosure of information to auditors

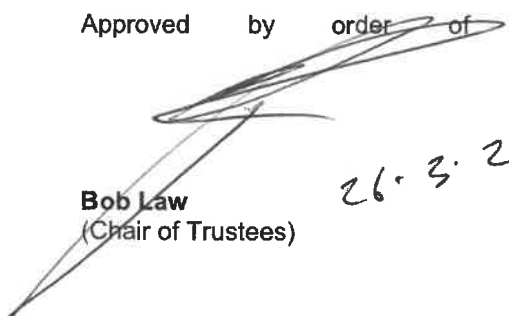
Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- 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, Xeinadin 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
and signed on their behalf by:


Bob Law
(Chair of Trustees)

26.3.25

KITE COLLEGE

Statement of Trustees' responsibilities For the Year Ended 31 August 2024

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
and signed on its behalf by:

Bob Law
(Chair of Trustees)

26 March 25

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 2024 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 2024 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.

KITE COLLEGE

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.

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.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

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

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: 3 April 2025

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

KITE COLLEGE

Statement of financial activities For the Year Ended 31 August 2024

		Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	As restated Total funds 2023 £
	Note				
Income from:					
Donations and legacies	3	-	2,401	2,401	5,500
Charitable activities	4	1,688,337	-	1,688,337	1,491,280
Investments		6,000	-	6,000	3,000
Other income	5	4,101	-	4,101	2,246
Total income		1,698,438	2,401	1,700,839	1,502,026
Expenditure on:					
Charitable activities	6	1,692,852	2,401	1,695,253	1,092,962
Total expenditure		1,692,852	2,401	1,695,253	1,092,962
Net movement in funds before other recognised gains/(losses)		5,586	-	5,586	409,064
Other recognised gains/(losses):					
Actuarial gains on defined benefit pension schemes	23	23,000	-	23,000	143,000
Pension surplus not recognised	23	(81,000)	-	(81,000)	(103,000)
Net movement in funds		(52,414)	-	(52,414)	449,064
Reconciliation of funds:					
Total funds brought forward		531,218	-	531,218	82,154
Net movement in funds		(52,414)	-	(52,414)	449,064
Total funds carried forward		478,804	-	478,804	531,218

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

The notes on pages 15 to 31 form part of these financial statements.

KITE COLLEGE

Balance Sheet As at 31 August 2024

	Note	2024 £	As restated 2023 £
Fixed assets			
Tangible assets	11	154,550	102,295
Current assets			
Debtors	12	17,420	12,025
Cash at bank and in hand		513,436	544,979
		<u>530,856</u>	<u>557,004</u>
Creditors: amounts falling due within one year	13	(206,602)	(128,081)
Net current assets		<u>324,254</u>	<u>428,923</u>
Total net assets		<u><u>478,804</u></u>	<u><u>531,218</u></u>
Charity funds			
Restricted funds	16	-	-
Unrestricted funds	16	478,804	531,218
Total funds		<u><u>478,804</u></u>	<u><u>531,218</u></u>

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

Bob Law
(Chair of Trustees)

26 March 25

The notes on pages 15 to 31 form part of these financial statements.

KITE COLLEGE

Statement of Cash Flows For the Year Ended 31 August 2024

	2024 £	2023 £
Cash flows from operating activities		
Net cash used in operating activities	56,512	501,512
Cash flows from investing activities		
Purchase of tangible fixed assets	(88,055)	(25,205)
Net cash used in investing activities	(88,055)	(25,205)
Cash flows from financing activities		
Repayments of borrowing	-	(74,888)
Net cash provided by/(used in) financing activities	-	(74,888)
Change in cash and cash equivalents in the year	(31,543)	401,419
Cash and cash equivalents at the beginning of the year	544,979	143,560
Cash and cash equivalents at the end of the year	513,436	544,979

The notes on pages 15 to 31 form part of these financial statements

KITE COLLEGE

Notes to the Financial Statements For the Year Ended 31 August 2024

1. General information

KITE College is a Charitable Incorporated Organisation, registered in England and Wales. The registered office is KITE College, Unit 1 Bonham Drive, Eurolink Business Park, 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 Going concern

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

2.3 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.

KITE COLLEGE

Notes to the Financial Statements For the Year Ended 31 August 2024

2. Accounting policies (continued)

2.4 Expenditure

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

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

All expenditure is inclusive of irrecoverable VAT.

2.5 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.

2.6 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.

2.7 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
Fixtures, Fittings and Equipment	- straight line over 4 years

2.8 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.

KITE COLLEGE

Notes to the Financial Statements For the Year Ended 31 August 2024

2. Accounting policies (continued)

2.9 Cash at bank and in hand

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

2.10 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.

2.11 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.

2.12 Redundancy and Termination Payments

Redundancy and termination costs are recognised as an expense in the Statement of Financial Activities and a liability on the Balance Sheet immediately at the point the College is demonstrably committed to either: terminate the employment of an employee or group of employees before normal retirement date; or provide termination benefits as a result of an offer made in order to encourage voluntary redundancy. The College is considered to be demonstrably committed only when it has a detailed formal plan for the termination and is without realistic possibility of withdrawal from the plan.

2.13 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.

KITE COLLEGE

Notes to the Financial Statements For the Year Ended 31 August 2024

2. Accounting policies (continued)

2.14 Agency arrangements

The college acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the college does not have control over the charitable application of the funds. The college can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. the funds received and paid, and any balances held are disclosed in note 26.

2.15 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.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

KITE COLLEGE

Notes to the Financial Statements For the Year Ended 31 August 2024

3. Income from donations and legacies

	Restricted funds 2024 £	Total funds 2024 £	<i>Total funds 2023 £</i>
Grants	2,401	2,401	5,500
<i>Total 2023</i>	5,500	5,500	

4. Income from charitable activities

	Unrestricted funds 2024 £	Total funds 2024 £	<i>As restated Total funds 2023 £</i>
Educational Operations	1,688,337	1,688,337	1,491,280
<i>Total 2023 as restated</i>	1,491,280	1,491,280	

5. Other incoming resources

	Unrestricted funds 2024 £	Total funds 2024 £	<i>Total funds 2023 £</i>
Other incoming resources	4,101	4,101	2,246
<i>Total 2023</i>	2,246	2,246	

KITE COLLEGE

Notes to the Financial Statements For the Year Ended 31 August 2024

6. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Total 2023 £
Educational Operations	1,692,852	2,401	1,695,253	1,092,962
<i>Total 2023</i>	1,092,962	-	1,092,962	

7. Analysis of expenditure by activities

	Activities undertaken directly 2024 £	Support costs 2024 £	Total funds 2024 £	Total funds 2023 £
Educational Operations	1,244,819	450,434	1,695,253	1,092,962
<i>Total 2023</i>	642,190	450,772	1,092,962	

Analysis of direct costs

	Educational Operations 2024 £	Total funds 2024 £	Total funds 2023 £
Staff costs	1,108,568	1,108,568	591,451
Curriculum resources	28,539	28,539	17,680
Learner registration and exam fees	10,214	10,214	11,190
Brought in professional services	67,605	67,605	21,869
Agency costs	29,893	29,893	-
	1,244,819	1,244,819	642,190
<i>Total 2023</i>	642,190	642,190	

KITE COLLEGE

Notes to the Financial Statements For the Year Ended 31 August 2024

7. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational Operations 2024 £	Total funds 2024 £	Total funds 2023 £
Staff costs	165,480	165,480	309,207
Depreciation	35,800	35,800	31,062
Staff development and training	30,577	30,577	5,689
ICT resources	43,312	43,312	31,117
Admin supplies	8,060	8,060	6,790
Building maintenance and repairs	46,136	46,136	18,662
Cleaning	13,288	13,288	2,197
Water and sewerage	1,578	1,578	1,566
Energy	38,261	38,261	9,858
Insurances	1,953	1,953	3,093
Catering supplies	13,188	13,188	5,379
Equipment leasing	4,473	4,473	1,333
Agency costs	4,725	4,725	-
Other	18,823	18,823	2,619
Governance costs	24,780	24,780	22,200
	<u>450,434</u>	<u>450,434</u>	<u>450,772</u>
<i>Total 2023</i>	<u>450,772</u>	<u>450,772</u>	

8. Auditors' remuneration

	2024 £	2023 £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	21,600	16,200
Fees payable to the Charity's auditors associates in respect of: All non-audit services not included above	<u>3,180</u>	<u>5,500</u>

KITE COLLEGE

Notes to the Financial Statements For the Year Ended 31 August 2024

9. Staff costs

	2024 £	2023 £
Wages and salaries	999,855	661,399
Social security costs	92,579	63,610
Contribution to defined contribution pension schemes	1,614	(6,351)
Operating costs of defined benefit pension schemes	180,000	182,000
	<u>1,274,048</u>	<u>900,658</u>

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £12,720 (2023 - £Nil).

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

	2024 No.	2023 No.
Teaching Staff	14	7
Leadership and Finance	5	6
Support	12	10
	<u>31</u>	<u>23</u>

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

	2024 No.	2023 No.
In the band £60,001 - £70,000	1	-
In the band £70,001 - £80,000	1	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 £205,732 (2023 - £146,482).

10. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2023 - £NIL).

During the year ended 31 August 2024, expenses totalling £1,419 were reimbursed or paid directly to 4 Trustees (2023 - £NIL). These expenses were incurred in the course of carrying out their duties as trustees and relate to travel, accommodation, and other related costs.

KITE COLLEGE

Notes to the Financial Statements For the Year Ended 31 August 2024

11. Tangible fixed assets

	Long-term leasehold property Imp'ments £	Garage Equipment £	Fixtures, Fittings and Equipment £	Total £
Cost or valuation				
At 1 September 2023	95,030	23,755	38,720	157,505
Additions	53,105	-	34,950	88,055
At 31 August 2024	148,135	23,755	73,670	245,560
Depreciation				
At 1 September 2023	18,559	21,186	15,465	55,210
Charge for the year	14,814	2,569	18,417	35,800
At 31 August 2024	33,373	23,755	33,882	91,010
Net book value				
At 31 August 2024	114,762	-	39,788	154,550
At 31 August 2023	76,471	2,569	23,255	102,295

12. Debtors

	2024 £	2023 £
Due within one year		
Trade debtors	4	-
Other debtors	-	1,812
Prepayments and accrued income	17,416	10,213
	17,420	12,025

KITE COLLEGE

Notes to the Financial Statements For the Year Ended 31 August 2024

13. Creditors: Amounts falling due within one year

	2024	As restated 2023
	£	£
Trade creditors	45,498	8,446
Other taxation and social security	22,650	18,277
Other creditors	9,546	6,686
Accruals and deferred income	128,908	94,672
	<u>206,602</u>	<u>128,081</u>

	2024	As restated 2023
	£	£
Deferred income at 1 September 2023	67,074	-
Resources deferred during the year	89,832	67,074
Amounts released from previous periods	(67,074)	-
Deferred income at 31 August 2024	<u>89,832</u>	<u>67,074</u>

Deferred income represents ESFA funding received in advance for the 24/25 academic year.

14. Financial instruments

	2024	2023
	£	£
Financial assets		
Financial assets measured at fair value through income and expenditure	<u>513,436</u>	<u>544,979</u>

15. Prior year adjustments

The prior year figures have been restated to reflect the correction of an error in the recognition of ESFA income. The income was recognised in the prior year when, due to the unavailability of the funding schedule at that time, it should have been deferred into the current period.

As a result of this adjustment, there is a decrease in reserves as at 31 August 2023, amounting to £73,635.

A summary of the impact on the prior year is as follows:

Reduction of income	73,635
Increase in other creditors	(6,561)
Increase in deferred income	(67,073)

KITE COLLEGE

Notes to the Financial Statements For the Year Ended 31 August 2024

16. Statement of funds

Statement of funds - current year

	As restated Balance at 1 September 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2024 £
Unrestricted funds						
Designated funds						
Designated funds	-	-	-	102,083	-	102,083
General funds						
Unrestricted funds	531,218	1,698,438	(1,692,852)	(102,083)	(58,000)	376,721
Total Unrestricted funds	531,218	1,698,438	(1,692,852)	-	(58,000)	478,804
Restricted funds						
Restricted Funds	-	2,401	(2,401)	-	-	-
Total of funds	531,218	1,700,839	(1,695,253)	-	(58,000)	478,804

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

The designated fund represents amounts set aside in relation to potential unpaid rental fees with Kent County Council following ongoing negotiations regarding the property in use.

Unrestricted funds are applied to the general work of the Charity to support all charitable objectives.

KITE COLLEGE

Notes to the Financial Statements For the Year Ended 31 August 2024

16. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 September 2022 £	As restated Income £	Expenditure £	Gains/ (Losses) £	As restated Balance at 31 August 2023 £
Unrestricted funds					
Unrestricted funds	110,154	1,502,026	(1,080,962)	-	531,218
Pension reserve	(28,000)	-	(12,000)	40,000	-
	<u>82,154</u>	<u>1,502,026</u>	<u>(1,092,962)</u>	<u>40,000</u>	<u>531,218</u>

17. Summary of funds

Summary of funds - current year

	As restated Balance at 1 September 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2024 £
Designated funds	-	-	-	102,083	-	102,083
General funds	531,218	1,698,438	(1,692,852)	(102,083)	(58,000)	376,721
Restricted funds	-	2,401	(2,401)	-	-	-
	<u>531,218</u>	<u>1,700,839</u>	<u>(1,695,253)</u>	<u>-</u>	<u>(58,000)</u>	<u>478,804</u>

KITE COLLEGE

Notes to the Financial Statements For the Year Ended 31 August 2024

17. Summary of funds (continued)

Summary of funds - prior year

	<i>Balance at 1 September 2022 £</i>	<i>As restated Income £</i>	<i>Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2023 £</i>
General funds	82,154	1,502,026	(1,092,962)	40,000	531,218

18. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2024 £	Total funds 2024 £
Tangible fixed assets	154,550	154,550
Current assets	530,856	530,856
Creditors due within one year	(206,602)	(206,602)
Total	478,804	478,804

Analysis of net assets between funds - prior period

	<i>As Restated Unrestricted funds 2023 £</i>	<i>As Restated Total funds 2023 £</i>
Tangible fixed assets	102,295	102,295
Current assets	557,004	557,004
Creditors due within one year	(128,081)	(128,081)
Total	531,218	531,218

KITE COLLEGE

Notes to the Financial Statements For the Year Ended 31 August 2024

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

	2024 £	As restated 2023 £
Net income for the period (as per Statement of Financial Activities)	5,586	409,064
Adjustments for:		
Depreciation charges	35,800	31,062
Decrease/(increase) in debtors	(5,395)	32,110
Increase in creditors	78,521	17,276
Pension LGPS	(58,000)	12,000
Net cash provided by operating activities	56,512	501,512

20. Analysis of cash and cash equivalents

	2024 £	2023 £
Cash in hand	513,436	544,979
Total cash and cash equivalents	513,436	544,979

21. Analysis of changes in net debt

	At 1 September 2023 £	Cash flows £	At 31 August 2024 £
Cash at bank and in hand	544,979	(31,543)	513,436
	544,979	(31,543)	513,436

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 £102,083.

KITE COLLEGE

Notes to the Financial Statements For the Year Ended 31 August 2024

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 2023.

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 2024 was £289,000 (2023 - £212,000), of which employer's contributions totalled £233,000 (2023 - £167,000) and employee's contributions totalled £56,000 (2023 - £45,000). The agreed contribution rates for future years are 26.8 per cent for employers and variable per cent for employees.

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

	At 31 August 2024	At 31 August 2023
	%	%
Discount rate	5.15	5.25
Future salary increases	3.80	3.90
Future pension increases	2.80	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 2024	At 31 August 2023
	Years	Years
Mortality rates (in years)		
- for a male aged 65 now	20.7	20.7
- at 65 for a male aged 45 now	22.0	22.0
- for a female aged 65 now	23.3	23.2
- at 65 for a female aged 45 now	24.7	24.6

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

	At 31 August 2024	At 31 August 2023
	£	£
Equities	564,000	406,000
Gilts	69,000	4,000
Other bonds	143,000	88,000
Property	91,000	64,000
Cash and other liquid assets	24,000	7,000
Absolute return	50,000	46,000
Infrastructure	46,000	24,000
Total fair value of assets	987,000	639,000

KITE COLLEGE

Notes to the Financial Statements For the Year Ended 31 August 2024

23. Pension commitments (continued)

The actual return on scheme assets was £60,000 (2023 - £-5,000).

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

	2024 £	2023 £
Current service cost	180,000	182,000
Interest income	(41,000)	(23,000)
Interest cost	35,000	20,000
Total amount recognised in the Statement of Financial Activities	174,000	179,000

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

	2024 £	2023 £
Opening defined benefit obligation	536,000	460,000
Current service cost	180,000	182,000
Interest cost	30,000	20,000
Contributions by scheme participants	56,000	45,000
Actuarial gains	(4,000)	(171,000)
Closing defined benefit obligation	798,000	536,000

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

	2024 £	2023 £
Opening fair value of scheme assets	639,000	432,000
Expected return on assets	41,000	23,000
Actuarial gains/(losses)	19,000	(28,000)
Contributions by employer	232,000	167,000
Contributions by scheme participants	56,000	45,000
Closing fair value of scheme assets	987,000	639,000

The Charity has an unrecognised surplus of £189,000 (2023 - £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 2024

24. Operating lease commitments

At 31 August 2024 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2024 £	2023 £
Not later than 1 year	12,817	195
Later than 1 year and not later than 5 years	11,211	-
	<u>24,028</u>	<u>195</u>

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

	2024 £	2023 £
Operating lease rentals	<u>2,230</u>	<u>780</u>

25. Related party transactions

During the year, the college received a grant totalling £2,400 (2023: £5,500) 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 £1,374 (2023: £1,816). Payments were also made to Challenger Troop CIC, an entity in which Bob Law is a non-executive director, totalling £3,600 (2023: £Nil). At the Balance Sheet date, no amounts were owed or owing in relation to these transactions.

During the prior year, the college made repayments of a loan from S Badder, the previous Principal, totalling £74,888. The loan was repaid with interest based on the Bank of England's rate of 0.1% totalling £75. At the year ended 31 August 2023, the outstanding balance due to S Badder was £Nil. No such transactions took place in the current year.

26. Agency Arrangement

The college distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2024 the college received £4,340 and disbursed £1,480 from the fund, including £217 for administration of the fund. An amount of £9,421 is included in other creditors relating to undistributed funds that is repayable to ESFA. Comparative for the accounting period ending 31 August 2023 are £6,561 received, £Nil disbursed and £6,561 included in other creditors.