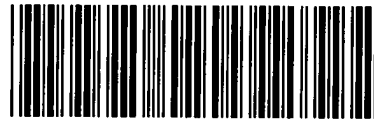


QED ACADEMY TRUST
(A Company Limited by Guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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QED ACADEMY TRUST
(A Company Limited by Guarantee)

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QED ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members

G Cooper (resigned 21 October 2019)
A Walker (resigned 12 May 2020)
P Carter
N Chakrabarti (appointed 8 June 2020)
P Arnold (resigned 9 June 2020)
M Day (appointed 18 November 2019)

Trustees

J Greening, Chair¹
P Carter¹
G Cooper (resigned 21 November 2019)
Y Larbi
N McLaughlin, Chief Executive and Accounting Officer¹
A Walker (resigned 12 May 2020)
A Wallis, Vice Chair
R Jacob (appointed 18 November 2019)¹

¹ Member of the Finance and Audit Committee

Company registered number

07493622

Company name

QED Academy Trust

Registered office

Northwood School
Pinner Road
Northwood
Middlesex
HA6 1QN

Company secretary

P Holliday (resigned 21 May 2020)
N Bhandari (appointed 21 May 2020)

Chief executive officer

N McLaughlin

Senior management team

N McLaughlin, Chief Executive
M Anderson, Headteacher, Northwood School
R Johnston, Headteacher, Queensmead School
J Martin, Headteacher, Coteford Junior School
N Bhandari, Chief Financial Officer (appointed 18 November 2019)

QED ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Independent auditors

Cooper Parry Group Limited
Chartered Accountants
Park View
One Central Boulevard
Blythe Valley Park
Solihull
West Midlands
B90 8BG

Bankers

Lloyds Bank plc
25 Gresham Street
London
EC2V 7HN

Solicitors

Browne Jacobson LLP
Victoria House
Victoria Square
Birmingham
B2 4BU

QED ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period from 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a Trustees' report and a Directors' report, including a strategic report, under company law.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Trust.

The Trustees are also the Directors of the charitable company for the purposes of company law. The charitable company is known as the QED Academy Trust.

Details of the Trustees who served throughout the period and to the date of this report are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Trustees' Indemnities

The Academy Trust has opted into the Department of Education's Risk Protection Arrangement ('RPA'), an alternative to insurance where UK government funds cover losses that arise. The scheme protects Members, Trustees and Local Governing Body members from claims arising from negligent acts, errors or omissions occurring whilst on Academy business, and provides cover up to £10,000,000.

Method of Recruitment and Appointment or Election of Trustees

Trustees are appointed by nomination of existing trustees, elected by the parent body or are appointed by the Members. Trustees are appointed for a four year period, except that this time limit does not apply to the Chief Executive. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re appointed or re elected. When appointing new Trustees, the Board of Trustees will give consideration to the skills and experience mix of existing trustees in order to ensure that the Board has the necessary skills to contribute fully to the Academy Trust's ongoing development.

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for Trustees will depend upon their existing experience. New Trustees will always be invited to tour the schools. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents they will need to undertake their role as Trustees. All new Trustees also have the opportunity to undertake National Governor Association training. As there are normally only a few new Trustee appointments each year, induction tends to be done informally and is tailored specifically to the individual.

Organisational Structure

At 31st August 2020, the Academy Trust comprised the following individual academies:

- Coteford Junior School
- Northwood Secondary School
- Queensmead Secondary School

QED ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational Structure (continued)

The Trustees are responsible for setting general policy, approving school development plans and budgets, approving the annual statutory accounts, monitoring the Trust by the use of budgets and other data, senior management team appointments and making the major decisions about the direction of the Trust.

The Board of Trustees normally meet six times a year. The Board establishes an overall framework for the governance of the Academy Trust and approves membership, terms of reference and procedures of Local Governing Bodies and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Local Governing Bodies through the minutes of their meetings. The Board of Trustees may from time to time establish working groups to perform specific tasks over a limited timescale.

There are five Committees of the Board of Trustees as follows:

- Coteford Junior School Local Governing Body
- Northwood School Local Governing Body
- Queensmead School Local Governing Body
- Finance and Audit Committee
- Remuneration Committee

Under Articles 100a and 101 the Academy Trust has established Local Governing Bodies which operate under a Scheme of Delegation. Each Committee has its own terms of reference detailing the responsibilities discharged to it.

The following decisions are reserved to the full Board of Trustees:

- consider any proposals for changes to the status or constitution of the Academy Trust and its committee structure;
- appoint or remove the Chair and / or Vice Chair; and
- appoint the senior management team.

The Board of Trustees delegates a number of functions to the Local Governing Bodies ('LGB') for each of the Academy Trust's schools. Each LGB reviews annual school plans and budgets, monitors progress against target and Ofsted standards and oversees parent and community liaison. The Chief Executive is the Academy Trust's Accounting Officer and has overall responsibility for the financial management of the Academy Trust.

The Trust Board delegates those decisions, as set out in the Scheme of Delegation and published on its website, to the CEO. The LGBs have devolved the day to day management of the schools to the Leadership Group ('LG'), which is led by the Head Teacher. The LG comprises the Head teacher, Deputy Head teachers and Business Managers. The LG implements the policies laid down by the LGB and Trustees and, through the LGB, reports back to them on performance.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Trustees consider the Board of Trustees and the senior management team to comprise the key management personnel of the Academy in charge of directing and controlling, running and operating the Academy on a day to day basis. No Trustee received any remuneration in the current or prior year, other than those Trustees who are also employees of the Academy Trust. Details of Trustees' remuneration and expenses are disclosed in note 12 of the financial statements.

The pay of the senior management team is reviewed annually by the Remuneration Committee in line with the Academy Trust's pay policy, by reference to published pay scales for both teaching and administrative support staff or, where appropriate, to prevailing rates within the sector.

QED ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Related Parties and Other Connected Charities and Organisations

There are no related parties or connected organisations which either control or significantly influence the decisions and operations of the Academy Trust.

Employee Involvement and Employment of Disabled Persons

The Academy Trust's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests. Information about matters of concern to employees is given through information bulletins, reports and meetings which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the Academy Trust's performance.

During employment the Trust seeks to work with employees, taking into account their personal circumstances, to ensure appropriate training, development and advanced employment opportunities are available to them to reach their full potential.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the Academy Trust continues and that the appropriate training is arranged. It is the Academy Trust's policy that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Trade Union Facility Time

The Trade Union (Facility Time Publication Requirements) Regulations 2017 require specified public-sector employers to report annually on paid time off provided to Trade Union representatives for Trade Union duties and activities. No employees of the Academy Trust were relevant Trade Union officials during the 2019/20 year and nor was any paid time off for Trade Union activities provided by any school within the Academy Trust during the year.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principle objects of the Academy Trust, as set out in its Articles of Association, are to:

- advance for the public benefit education in the UK, in particular but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum or educational institutions which are principally concerned with providing full-time or part-time education for children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless alternative provision is made for them or 16 to 19 Academies offering a curriculum appropriate to the needs of its students or schools specially organised to make special educational provision for pupils with Special Educational Needs.
- promote for the benefit of the inhabitants of the areas in which the Academies are situated the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

The aims of the Academy Trust during the year ended 31 August 2020 are summarised below:

Coteford Junior School

- Reading, writing and maths progress to be at least average.

QED ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

OBJECTIVES AND ACTIVITIES (continued)

Objects and Aims (continued)

Secondary Schools

- Progress 8 should be above the national average.

All Schools

- Overall effectiveness, as rated in the most recent Ofsted inspection report, should be at least "Good".

Trust

- An overall in year budget surplus.

Public Benefit

The Academy Trust aims to advance for the public benefit the education of young people in the communities surrounding its schools. In addition, it provides services to the community and other schools, both in the primary and secondary sectors and makes school buildings and facilities available for use outside school operating times. The Trustees confirm that they have complied with the requirement in the Charities Act 2011 to have due regard to the Charity Commission general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy Trust's aims and objectives and in planning its future activities.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

The Academy Trust is committed to providing a high quality education to all children and students in its schools. Trustees, through the LGBs, closely monitor academic performance both in absolute terms, i.e. in the grades achieved in national examinations, but also in terms of the value added by its schools, as measured by the improvement from the baseline when joining to eventual outcomes.

The Academy Trust is committed to continual improvement which is achieved in a number of ways including an annual review of targets in the development plans, which, in turn, informs the performance management of the leaders and highlights priorities for continuing professional development.

Schools set value added targets, based on prior attainment of the students. These are reviewed by the CEO on regular visits to the schools, by external Ofsted qualified consultants and by LGBs and Trustees.

The relative popularity of the Academy Trust's schools is reflected in a number of ways, including student and parent surveys and, importantly, the total number of children and students on roll. In the year ended 31 August 2020, the total students on roll was 2,633, but this has increased to 2,713 at the October 2020 census due to the increased demand for places at its schools.

The reporting of academic performance for schools in 2019/20 was impacted by COVID-19 with no published academic performance tables. Students received results based on teacher assessments at KS4 and KS5 but there is no aggregated data available. Both Northwood School and Queensmead School hold Outstanding Ofsted inspection grades whilst Coteford Junior School holds a Good grading.

Due to the COVID-19 pandemic, schools were closed from 20 March 2020 for all students with the exception of vulnerable students and children of key workers. All schools remained open with small numbers of students. Over the Easter holiday, Queensmead School and Coteford Junior School were closed as there were no students whilst Northwood School remained open with a small number of students. After the Easter holiday, all schools were open with small numbers of students.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

STRATEGIC REPORT (continued)

ACHIEVEMENTS AND PERFORMANCE (continued)

Utilising the Get help with technology programme from the DfE, schools were able to ensure that disadvantaged students had laptops and wireless routers accessible to them and that remote learning was possible as required. COVID-19 risk assessments were produced at each school and the schools operated in line with government guidelines with no issues reported when required to be open. The Trust Board and LGB meetings were still able to take place virtually and the school staff worked admirably to ensure that the schools ran smoothly in these difficult circumstances with no material impact on financial performance.

Key Performance Indicators

The Academy Trust uses a number of benchmarks or performance indicators to evaluate its financial performance and drive budgetary control and monitoring.

A key financial performance indicator for the Trust is the level of reserves held at the balance sheet date and, in particular, the amount of unrestricted reserves plus restricted income reserves at year end. At 31 August 2020, the balance of the unrestricted and restricted income reserves was £10,326,381 (2019: £10,824,491), which is after transfers of £1,112,338 to the restricted fixed asset fund to fund capital expenditure during the year. Further details on the level of reserves held by the Academy Trust are set out in the Reserves Policy section below.

As the majority of the Academy Trust's funding is based on pupil numbers, pupil numbers is also a key performance indicator. As noted earlier in this report, the total number of pupils during the year ended 31 August 2020 were 2,633, which is an increase of over 106 from the previous year.

Staffing costs are another key performance indicator for the Academy Trust and the percentage of total staff costs to total educational grant funding (being GAG funding plus other operating educational grants from the ESFA and / or Local Authority) for the year was 83.0% (2019: 82.2%), while the percentage of staff costs to total costs (excluding depreciation and LGPS FRS102 pension cost charges) was 84.0% (2019: 80.2%).

Going Concern

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

Promoting the Success of the Academy Trust

The Trustees have acted in the way which they consider, in good faith, promotes the success of the Academy Trust for the benefit of its pupils and their parents, the Department for Education and the Education and Skills Funding Agency as principal funders and regulators, its suppliers and local wider school community as a whole, and in doing so have given regard to (amongst other matters):

Our educational business relationships and community

With a highly committed and dedicated workforce, the Academy Trust takes great pride in listening to what our pupils, parents and local community want and continues to provide the level of education outcomes and results that they have come to expect. The Academy Trust continues to evolve and to adapt to the ever-changing educational environment, leading to the continued increase in the awareness of the Academy Trust's overall activities and educational performance.

As an educational focused charitable organisation, public benefit is also at the heart of all we do. The details in the "Objectives and Activities" and "Achievements and Performance" section of the Trustees' report above provide full details of the impact of our activities and our achievements for the year.

QED ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

STRATEGIC REPORT (continued)

ACHIEVEMENTS AND PERFORMANCE (continued)

Promoting the Success of the Academy Trust (continued)

With respect to suppliers, the Academy Trust's policy for the payment of suppliers is to agree to terms of payment in advance in line with normal commercial practices and, provided a supplier performs in accordance with the agreement, to abide by such terms.

The Academy Trust is also committed to contributing towards combating the threat of global warming by using energy efficient measures to reduce CO2 emissions throughout its buildings, facilities and operations.

Our stakeholders

In addition to our pupils, parents, suppliers and wider local community, the Trustees also recognise the importance of their relationship with the Department for Education (DfE) and the Education and Skills Funding Agency (ESFA), as principal funders, regulators and stakeholders. The Trustees are committed to the effective engagement with the DfE and the ESFA (and their representatives) and recognise that its success depends on the Trustees and senior management's ability to engage with them effectively and to work with them constructively, taking into account their guidance and best practice initiatives, whilst also working in line with the specific requirements of the Academy Trust's funding agreement and the Academies Financial Handbook.

Our people

The Academy Trust's key asset is its people. It employs over 250 staff, including agency workers, and it is only through the combined effort of this workforce, together with our supporters and volunteers, that we can change the lives of the children under our care. The Academy Trust encourages the involvement of all employees in decision making processes that impact on them directly and further details on our engagement with our people is detailed in the "Engagement with Employees (including Disabled Persons)" section of the Trustees' report above.

Our Members

The Trustees are committed and openly engaged with our Members through an Annual General Meeting and the active involvement of a Member as a Trustee.

Maintaining a reputation for high standards

The Academy Trust has been in existence for over 9 years, and is committed to continual improvement, which it achieves in a number of ways, including improvement planning, review meetings, continual professional development, lesson observations, performance management, self-evaluation, data analysis and action planning. The Academy Trust also continually develops strategies to maintain and grow its pupil base, including looking for new schools and academies to join the Trust, and further improve relationships with our suppliers.

The information in the "Achievements and Performance" section of the Trustees' report above provide full details of our achievements during the year and the standards of educational performance we have achieved for all our stakeholders.

FINANCIAL REVIEW

The majority of the Academy Trust's income is received from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2020 and the associated expenditure of these grants are shown as Restricted Funds in the Statement of Financial Activities. The Academy Trust may also receive grants for fixed assets from the ESFA and other organisations and funders and these are shown as Restricted Fixed Asset Funds in the Statement of Financial Activities. The balance of the Restricted Fixed Asset fund is reduced by the depreciation charges on the assets acquired using these funds.

QED ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

STRATEGIC REPORT (continued)

FINANCIAL REVIEW (continued)

During the year ended 31 August 2020, the total operational expenditure (that is, total expenditure less depreciation and FRS102 pension cost charges) of £15,631,442 (2019: £14,997,121) was covered by the recurrent grant funding received from the ESFA and other incoming resources (excluding capital grants) of £16,245,669 (2019: £15,196,598). The excess of total operating incoming resources over expenditure for the year was £614,228 (2019: £199,477).

The net book value of fixed assets at 31 August 2020 is £72,910,809. The fixed assets held by the Academy Trust are used exclusively for providing education and associated support services to the students of the Academy Trust.

The balance of total funds held at 31 August 2020 were £78,913,656 which comprised of the following:

Restricted Funds (excluding Pension Liability)	£5,575,901
Restricted Pension Liability Fund	(£5,245,000)
Restricted Fixed Asset Funds	£73,832,275
Unrestricted Funds	£4,750,480

Included within the Academy's balance sheet at year end is a defined benefit pension scheme liability of £5,245,000 (2019: £3,817,000), which arises from the deficit in the Local Government Pension Scheme ("LGPS") that is attributable to the Academy. The Company is not currently required to make accelerated payments to meet this liability, but, were arrangements to change, the Academy would maintain the ability to continue to deliver its educational outcomes with the available public funding it receives. The Trustees have noted however that the Government has provided a guarantee that in the event of an Academy closure, any outstanding LGPS liabilities would be met by the Department for Education.

The key financial policies reviewed and adopted during the period included the Finance Policy, which lays out the framework for the Academy Trust's financial management, including financial responsibilities of the Board of Trustees, head teachers, managers, budget holders and other staff, as well as the delegated authorities for spending.

Reserves Policy

The Trustees recognise the need for prudence in managing immediate and longer term use of both income receivable and the Trust's accumulated reserves. All schools set a surplus budget that reflects the level of expenditure required to achieve academic performance targets as well as creating appropriate contingencies for capital projects and exceptional future costs. In addition, the Trustees acknowledge that to fulfil the aspiration of increasing the number of schools that the Trust manages its reserves must reflect that intention. Queensmead School has earmarked approximately £2.3m as a contribution to a PSBP2 project that will enhance its teaching and learning facilities. The project will be completed in the 2020/21 financial year. Coteford Junior School will also be spending approximately £0.5m in 2020-21 to replace their heating system.

The Trustees review the Academy Trust's reserves annually and have determined that the Trust should maintain an operational contingency of one term's expenditure. The Academy Trust's current level of operational reserves at year end (that is, total funds less the amounts held in restricted fixed asset funds and pension funds) are £10,326,381 (2019: £10,824,491) of which £5,575,901 is held in restricted funds and £4,750,480 is held in unrestricted funds. The restricted fixed asset reserves of £73,832,275 are represented by tangible fixed assets which are held for use by the Trust together with unspent capital grants to be used on future capital expenditure.

Although the current level of operational reserves is above the target level identified above, as stated above, reserves are being utilised to enhance the schools sites and facilities and will continue to be used in a such a manner in future as and when required.

QED ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

STRATEGIC REPORT (continued)

FINANCIAL REVIEW (continued)

Reserves Policy (continued)

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Academy is recognising a significant pension fund deficit of £5,245,000. This does not mean that an immediate liability for this amount crystallises and that such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

Investment Policy

The aim of the policy is to ensure funds that the Academy Trust does not immediately need to cover anticipated expenditure are invested in such a way as to maximise the academy's income but with an acceptable risk. The aim is to research where funds may be invested applying prudence. The Academy Trust does not consider the investment of surplus funds as a primary activity, rather as a result of good stewardship and as and when circumstances allow.

Principal Risks and Uncertainties

The Trustees in conjunction with the LGBs have assessed the major risks to which the Academy Trust is exposed, especially in the operational areas, such as in relation to teaching, health & safety, safeguarding and school trips, and in relation to the control of finances. They have introduced systems, including operational procedures internal financial controls in order to minimise risk and have agreed a Risk Management Strategy and school level Risk Registers. Where significant financial risk still remains, the Trustees have ensured the Academy Trust has adequate insurance cover in place. The Risk Registers are regularly reviewed in light of any new information.

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

Financial

The Academy Trust has considerable reliance on continued Government funding through the ESFA. In the period, approximately 97.1% of the Academy Trust's incoming resources was ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms, particularly in light of continuing changes to the National Funding Formula for schools. The impact of COVID-19 on financial performance will continue to be closely monitored and assessed.

Reputational

The continuing success of the Academy Trust is dependent on continuing to attract admissions in sufficient numbers by maintaining the highest educational standards. To mitigate this risk, the Trustees ensure that student success and achievement are closely monitored and reviewed.

Safeguarding and child protection

The Trustees, through the LGBs, continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline. Risk assessments and processes in place pertaining to the COVID-19 pandemic will continue to be reviewed and amended accordingly where required.

Staffing

The success of the Academy Trust is reliant on the quality of its staff so the Trustees, through the LGBs, monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

QED ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

STRATEGIC REPORT (continued)

FINANCIAL REVIEW (continued)

Principal Risks and Uncertainties (continued)

Failures in governance and / or management

The risk in this area arises from the potential failure to effectively manage the Academy Trust's finances, internal controls, compliance with regulations and legislation, statutory returns etc. The Trustees continue to review and ensure appropriate measures are in place to mitigate these risks, which includes those relating to fraud and mismanagement of funds.

Fraud and mismanagement of funds

The Academy Trust engaged Cooper Parry Group Limited, the external auditor, to perform additional checks aimed at checking and reviewing the financial systems and records as required by the Academies Financial Handbook during the year. All finance staff keep up to date with financial practice requirements and develop their skills in this area.

The Trustees examine the financial health of the Academy Trust formally every term, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Trust Board meetings.

At the balance sheet date, the Academy Trust had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on the Academy Trust's liquidity.

The Trustees recognise that the Local Government Pension Scheme deficit represents a significant potential liability to the Academy Trust. However, as the Trustees consider the Academy Trust is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

STREAMLINED ENERGY AND CARBON REPORTING

UK Greenhouse gas emissions and energy use data for the period 1 September 2019 to 31 August 2020

Energy consumption break down (kwh)	3,529,349
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Scope 1 emissions in metric tonnes CO2e

• Gas consumption	403.7
• Owned transport - mini-buses	1.5
Total scope 1 consumption	405.2

Scope 2 emissions in metric tonnes CO2e

• Purchased electricity	309.5
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Scope 3 emissions in metric tonnes CO2e

• Business travel in employee owned vehicles	0.2
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Total gross emissions in metric tonnes CO2e	714.9
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Intensity ratio

Tonnes CO2e per pupil	0.27
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QED ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

STREAMLINED ENERGY AND CARBON REPORTING (continued)

Quantification and reporting methodology:

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

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

Measures taken to improve energy efficiency

We have increased the use of video and tele-conferencing technology for staff, to reduce the need for travel between sites. The Trust will continue to explore and incorporate measures to improve energy efficiency.

FUNDRAISING

The Academy Trust has not undertaken any material fundraising activities during the year.

PLANS FOR FUTURE PERIODS

The Trustees propose to continue the development of its existing schools with the intention of delivering the following outcomes:

- Continued educational success, evidenced by academic performance placing each school in the top quartile nationally;
- Ofsted inspection grades of 'outstanding' but with a minimum of 'good';
- The viability of the Academy Trust's schools in an increasingly competitive environment as demonstrated by annual admissions equal to each school's PAN and, if possible, to expand in order to widen the Academy Trust's exceptional educational provision;
- Maintenance of an appropriate financial reserves to meet operational and strategic activities in an increasingly difficult public sector environment;
- Provide new school buildings for Queensmead and Coteford as at Northwood over time;
- Investment, over time, in alternative provision to enhance educational resources available to all students where appropriate; and
- Exceptional value for money demonstrated by benchmarking against the rest of the education sector.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy Trust and its Trustees do not act as Custodian Trustees of any other charity.

The Academy does however hold Post 16 Bursary Funds on behalf of the ESFA, which are distributed to students as required and in line with the terms and conditions of the funds.

QED ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

DISCLOSURE OF INFORMATION TO AUDITORS

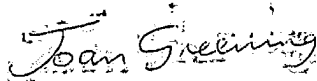
In so far as the Trustees are aware:

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

AUDITORS

The auditors, Cooper Parry Group 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.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 19 November 2020 and signed on its behalf by:

A handwritten signature in cursive script, appearing to read 'J Greening', written in dark ink.

J Greening
Chair of Trustees

QED ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

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

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

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 5 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
J Greening	5	5
P Carter	4	5
G Cooper	1	1
Y Larbi	2	5
N McLaughlin	5	5
A Walker	1	3
A Wallis	4	5
R Jacob	4	4

The Board of Trustees reviewed the Trust's governance structure during the year to evaluate its impact and effectiveness. The Board of Trustees has a wide range of skills that contribute to the successful governance of the Trust and are satisfied that the current structure in place is appropriate and effective for the Trust.

Although the Board of Trustees met less than six times during the year, they have maintained effective financial oversight and governance through the formal work undertaken by the Finance & Audit Committee as detailed further below. This is a sub-Committee of the Board of Trustees and they met three times during the year. The minutes of these sub-Committee meetings are provided to the full Board of Trustees and the Chairs of these sub-Committees report to each full Board of Trustee meeting on the key matters considered at their meetings and the impact for consideration by the full Board of Trustees. Meetings held after March 2020 have been performed via tele and video conferencing due to the impact of COVID-19, which also resulted in the cancellation of a meeting of the Board of Trustees due to take place in March 2020.

The Finance and Audit Committee is a sub-committee of the Board of Trustees. Its purpose is to provide oversight, guidance and assistance to the Board of Trustees on all matters related to finance, resources, premises and Health & Safety of the Academy Trust as well as to maintain an oversight of the Trust's governance, risk management, internal control and value for money framework. Attendance at meetings of the Finance & Audit Committee during the year was as follows:

Trustee	Meetings attended	Out of a possible
P Carter	3	3
J Greening	3	3
N McLaughlin	3	3
R Jacob	3	3

QED ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The key issues dealt with by the Finance & Audit Committee during the year was the review of the Academy Trust's 3 year financial forecasts and to review of the reports received from Cooper Parry in relation to the Trust's systems of internal control and the actions undertaken to address the control weaknesses identified.

Review of value for money

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

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

- Implementing the DfE's Chart of Accounts to ensure consistent reporting and therefore improving the reliability of benchmarking data comparisons.
- Reviewing the Purchasing Policy and instructing schools to utilise a DfE-approved framework in the first instance to find quality checked suppliers of goods and services.
- Reviewing and reducing executive pay.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in QED Academy Trust for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Trustees
- regular reviews by the Board of Trustees and LGB's of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes

QED ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Cooper Parry Group Limited, the external auditors, to perform additional checks.

The external auditors' role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period covered a review of the management reporting functions operating across the Trust, the budget setting process and a review of budget assumptions and underlying costs at Coteford Junior School.

On an annual basis, the external auditors report to the Board of Trustees on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

The Trustees confirm that the auditors have delivered their schedule of work as planned and that whilst there were no significant internal control issues identified, there were some weaknesses in controls identified which management have put a plan in place to address over the coming year.

As detailed above, the Trustees have previously appointed the external auditors to undertake the internal scrutiny services for the Academy Trust. As a result of the changes introduced by the Financial Reporting Council's revised Ethical Standard for Auditors, the Trustees, via the Finance & Audit Committee, will be appointing another organisation to undertake the internal scrutiny work for the Academy Trust for the 2020/21 academic year onwards.

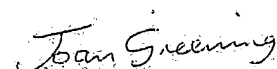
Review of effectiveness

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

- the work of the internal auditors;
- the work of the external auditors;
- the financial management and governance self-assessment process, including the School Resource Management Self-Assessment tool; and;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 19 November 2020 and signed on their behalf by:



J Greening
Chair of Trustees



N McLaughlin
Accounting Officer

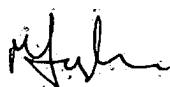
QED ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of QED Academy Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2019.

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



N McLaughlin
Accounting Officer

Date: 19 November 2020

QED ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020

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

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

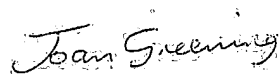
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 19 November 2020 and signed on its behalf by:



J Greening
Chair of Trustees

QED ACADEMY TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF QED ACADEMY TRUST

Opinion

We have audited the financial statements of QED Academy Trust (the 'academy trust') for the year ended 31 August 2020 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, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended; have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

QED ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF QED
ACADEMY TRUST (CONTINUED)**

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Other information includes the Reference and Administrative Details, the Trustees' Report including the Strategic Report, and the Governance Statement. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinion on other matters prescribed by the Companies Act 2006

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

the information given in the Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

QED ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF QED
ACADEMY TRUST (CONTINUED)**

Responsibilities of trustees

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

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

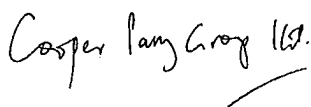
Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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.

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



Simon Atkins FCA (Senior Statutory Auditor)

for and on behalf of

Cooper Parry Group Limited

Chartered Accountants

Statutory Auditor

Park View

One Central Boulevard

Blythe Valley Park

Solihull

West Midlands

B90 8BG

17 December 2020

QED ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO QED
ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 1 October 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by QED Academy Trust during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of QED Academy Trust's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirements of QED Academy Trust's funding agreement with the Secretary of State for Education dated 1 February 2012 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter. The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity. A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

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

The work undertaken to draw our conclusions included:

- Reviewing the internal control policies and procedures implemented by the Academy Trust and evaluating their design and effectiveness to understand how the Academy Trust has complied with the framework of authorities;
- Reviewing the minutes of meetings of the Trustees, relevant sub-committees and other evidence made available to us, relevant to our consideration of regularity;
- Enquiries of the Accounting Officer, including reviewing the work undertaken by the Accounting Officer in relation to their Statement on Regularity, Propriety and Compliance; and
- Detailed testing of the income and expenditure of the Academy Trust based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit of the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

QED ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO QED
ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Casper Parry Group Ltd.

Reporting Accountant

Cooper Parry Group Limited
Chartered Accountants
Statutory Auditor

Park View
One Central Boulevard
Blythe Valley Park
Solihull
West Midlands
B90 8BG

Date: 17 December 2020

QED ACADEMY TRUST
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations and capital grants	3	76,368	16,903	1,509,065	1,602,336	259,304
Charitable activities	4	22,062	15,956,642	-	15,978,704	14,899,706
Other trading activities	5	106,282	-	-	106,282	146,730
Investments	6	67,412	-	-	67,412	77,005
Total income		272,124	15,973,545	1,509,065	17,754,734	15,382,745
Expenditure on:						
Raising funds	7	-	-	-	-	36,005
Charitable activities	7	382,963	15,828,478	1,409,263	17,620,703	16,733,255
Total expenditure		382,963	15,828,478	1,409,263	17,620,704	16,769,260
Net (expenditure)/income		(110,839)	145,067	99,802	134,030	(1,386,515)
Transfers between funds	17	10,847	(1,123,185)	1,112,338	-	-
Net movement in funds before other gains/(losses)		(99,992)	(978,118)	1,212,140	134,030	(1,386,515)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	23	-	(848,000)	-	(848,000)	(1,267,000)
Net movement in funds		(99,992)	(1,826,118)	1,212,140	(713,970)	(2,653,515)
Reconciliation of funds:						
Total funds brought forward	17	4,850,472	2,157,019	72,620,135	79,627,626	82,281,141
Net movement in funds		(99,992)	(1,826,118)	1,212,140	(713,970)	(2,653,515)
Total funds carried forward	17	4,750,480	330,901	73,832,275	78,913,656	79,627,626

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

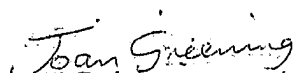
The notes on pages 27 to 50 form part of these financial statements.

QED ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07493622

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	14	72,910,809	72,593,130
		<u>72,910,809</u>	<u>72,593,130</u>
Current assets			
Debtors	15	687,901	524,371
Cash at bank and in hand		11,340,922	11,350,995
		<u>12,028,823</u>	<u>11,875,366</u>
Creditors: amounts falling due within one year	16	(780,976)	(1,023,870)
Net current assets		<u>11,247,847</u>	<u>10,851,496</u>
Total assets less current liabilities		<u>84,158,656</u>	<u>83,444,626</u>
Net assets excluding pension liability		<u>84,158,656</u>	<u>83,444,626</u>
Defined benefit pension scheme liability	23	(5,245,000)	(3,817,000)
Total net assets		<u><u>78,913,656</u></u>	<u><u>79,627,626</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	17	73,832,275	72,620,135
Restricted income funds	17	5,575,901	5,974,019
Pension reserve	17	(5,245,000)	(3,817,000)
Total restricted funds	17	<u>74,163,176</u>	<u>74,777,154</u>
Unrestricted income funds	17	<u>4,750,480</u>	<u>4,850,472</u>
Total funds		<u><u>78,913,656</u></u>	<u><u>79,627,626</u></u>

The financial statements on pages 24 to 50 were approved by the Trustees, and authorised for issue on 19 November 2020 and are signed on their behalf, by:



J Greening
Chair of Trustees

The notes on pages 27 to 50 form part of these financial statements.

QED ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by operating activities	19	140,391	77,528
Cash flows from investing activities	20	(150,464)	(136,467)
Change in cash and cash equivalents in the year		(10,073)	(58,939)
Cash and cash equivalents at the beginning of the year		11,350,995	11,409,934
Cash and cash equivalents at the end of the year	21, 22	<u>11,340,922</u>	<u>11,350,995</u>

The notes on pages 27 to 50 form part of these financial statements

QED ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 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 that may cast significant doubt on the ability of the Academy Trust 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 Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

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

1.4 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

Investment income, gains and losses are allocated to the appropriate fund.

QED ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.5 Income

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

Grants

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 meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the Balance Sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

The Academy Trust is benefiting from the ESFA's Priority Schools Building Programme. The funding for the programme is not recognised as a capital grant until there is unconditional entitlement from costs being incurred, and the development occurring on a site where the Academy Trust controls through ownership the site where a development is occurring. The expenditure is capitalised in assets under construction until the project is complete.

Sponsorship income

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the year in which it is receivable (where there are no performance-related conditions) where receipt is probable and it can be measured reliably.

Donations

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

Other income

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the Academy Trust has provided the goods or services.

1.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy Trust; this is normally upon notification of the interest paid or payable by the Bank.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

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

Expenditure on raising funds

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

Charitable activities

Expenditure on charitable activities are costs incurred on the Academy Trust's educational operations, including support costs and those costs relating to the governance of the Academy Trust appointed to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

1.8 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.

1.9 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.

1.10 Liabilities and provisions

Liabilities and provisions 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 Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

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 within interest payable and similar charges.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.11 Tangible fixed assets

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	- 20-50 years straight line, excluding land
Long-term leasehold property	- buildings - 20-50 years straight line land - 122 years straight line
Motor vehicles	- 10 years straight line
Fixtures and fittings	- 10-15 years straight line
Computer equipment	- 5 years straight line

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

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

1.12 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.13 Pensions

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

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1.14 Agency arrangements

The Academy Trust acts as an agent in distributing the 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the Academy Trust does not have control over the charitable application of the funds. The funds received and paid and balances held are disclosed in note 26.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Tangible fixed assets are depreciated over their economic useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors.

Critical areas of judgment:

The classification of expenditure between restricted and unrestricted funds is considered a critical area of judgement as certain expenditure can be applied to both funds. Where this is the case and the amounts in question are considered material, the expenditure is apportioned to both funding streams on an appropriate basis.

3. Income from donations and capital grants

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	76,368	16,903	11,668	104,939	84,535
Capital grants	-	-	1,497,397	1,497,397	174,769
	<u>76,368</u>	<u>16,903</u>	<u>1,509,065</u>	<u>1,602,336</u>	<u>259,304</u>
Total 2019	<u>33,663</u>	<u>39,494</u>	<u>186,147</u>	<u>259,304</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

4. Funding for the Academy Trust's educational operations

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Grants and other income				
General Annual Grant (GAG)	-	13,747,563	13,747,563	13,431,950
Other DfE/ESFA grants	-	1,526,183	1,526,183	738,380
SEN funding	-	396,901	396,901	359,557
Local Authority grants	-	113,850	113,850	113,549
Catering income	21,077	-	21,077	25,633
Trips	-	146,900	146,900	229,737
Other income	985	25,245	26,230	900
	<u>22,062</u>	<u>15,956,642</u>	<u>15,978,704</u>	<u>14,899,706</u>
Total 2019	<u>26,533</u>	<u>14,873,173</u>	<u>14,899,706</u>	

5. Income from other trading activities

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Management recharges and secondments	26,554	26,554	17,104
Hire of premises	5,375	5,375	24,705
After school activities	9,462	9,462	13,893
Other income	64,891	64,891	91,028
	<u>106,282</u>	<u>106,282</u>	<u>146,730</u>
Total 2019	<u>146,730</u>	<u>146,730</u>	

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NOTES TO THE FINANCIAL STATEMENTS
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6. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Bank interest	67,412	67,412	77,005
	<u>67,412</u>	<u>67,412</u>	
Total 2019	<u>77,005</u>	<u>77,005</u>	

7. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	Total 2019 £
Fundraising activities:					
Allocated support costs	-	-	-	-	36,005
Educational operations:					
Direct costs	11,243,607	-	1,081,509	12,325,116	11,231,294
Allocated support costs	2,357,815	745,244	2,192,529	5,295,588	5,501,962
	<u>13,601,422</u>	<u>745,244</u>	<u>3,274,038</u>	<u>17,620,704</u>	<u>16,769,261</u>
Total 2019	<u>12,361,602</u>	<u>892,987</u>	<u>3,514,672</u>	<u>16,769,261</u>	

In 2019, of the total expenditure, £406,492 was to unrestricted funds, £14,986,629 was to restricted funds and £1,376,139 was to restricted fixed asset funds.

8. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Educational operations	<u>12,325,116</u>	<u>5,295,588</u>	<u>17,620,704</u>	<u>16,733,256</u>
Total 2019	<u>11,231,294</u>	<u>5,501,962</u>	<u>16,733,256</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
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8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational operations 2020 £	Total funds 2020 £	Total funds 2019 £
FRS102 pension interest cost	76,000	76,000	65,000
Staff costs	2,357,815	2,357,815	2,306,803
Depreciation	1,409,263	1,409,263	1,376,139
Technology costs	52,005	52,005	57,676
Premises costs	758,328	758,328	892,987
Other costs	562,323	562,323	741,666
Legal costs - other matters	24,119	24,119	15,317
Governance costs	55,735	55,735	46,374
	<u>5,295,588</u>	<u>5,295,588</u>	<u>5,501,962</u>
Total 2019	<u>5,501,962</u>	<u>5,501,962</u>	

9. Net (expenditure)/income

Net (expenditure)/income for the year includes:

	2020 £	2019 £
Depreciation of tangible fixed assets	1,420,968	1,325,851
Fees paid to auditors for:		
- audit	13,600	13,000
- other services	24,200	8,500
	<u>15,800</u>	<u>21,500</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	9,960,264	9,532,858
Social security costs	928,725	885,311
Pension costs	2,614,748	1,862,187
	<u>13,503,737</u>	<u>12,280,356</u>
Agency staff costs	63,166	81,246
Staff restructuring costs	34,519	-
	<u><u>13,601,422</u></u>	<u><u>12,361,602</u></u>

b. Non-statutory/non-contractual staff severance payments

Included within staff restructuring costs are redundancy payments totalling £34,519 (2019 - £Nil), which include £25,069 (2019 - £Nil) relating to non-contractual/non-statutory payments which consisted of a single payment.

c. Staff numbers

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

	2020 No.	2019 No.
Teachers	192	182
Support	167	164
Management	4	4
	<u><u>363</u></u>	<u><u>350</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

10. Staff (continued)

d. Higher paid staff

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

	2020 No.	2019 No.
In the band £60,001 - £70,000	-	3
In the band £70,001 - £80,000	4	1
In the band £80,001 - £90,000	1	1
In the band £90,001 - £100,000	-	1
In the band £100,001 - £110,000	1	1
In the band £120,001 - £130,000	2	1
In the band £160,001 - £170,000	-	1
	<u> </u>	<u> </u>

7 (2019 - 7) of the above employees participated in the Teachers' Pension Scheme, with contributions to the scheme during the year amounting to £142,836 (2019 - £97,336). None (2019 - 1) of the above employees participated in the Local Government Pension Scheme, with contributions to the scheme during the year amounting to £Nil (2019 - £23,256).

e. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £634,385 (2019 £573,818).

11. Central services

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

- School improvement advice and support
- Business development
- Company secretarial and governance
- Enterprise activity
- Financial coordination
- Preparation of grant applications and bids for external funding
- Leadership support
- Legal coordination

The Academy Trust has not charged its academies for these services during the year (2019 - £Nil).

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NOTES TO THE FINANCIAL STATEMENTS
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12. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2020 £	2019 £
N McLaughlin	Remuneration	125,000 - 130,000	165,000 - 170,000

During the year there were no employer pension contributions paid for N McLaughlin (2019 - £Nil).

During the year, no Trustees received any benefits in kind (2019 - £Nil).

During the year ended 31 August 2020, expenses totalling £909 were reimbursed or paid directly to 2 Trustees (2019 - £1,538 for 2 Trustees)

13. Trustees' and Officers' insurance

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

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**NOTES TO THE FINANCIAL STATEMENTS
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14. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation						
At 1 September 2019	68,594,996	8,004,036	1,242,411	1,433,929	96,068	79,371,440
Additions	1,534,144	-	23,479	169,319	-	1,726,942
At 31 August 2020	<u>70,129,140</u>	<u>8,004,036</u>	<u>1,265,890</u>	<u>1,603,248</u>	<u>96,068</u>	<u>81,098,382</u>
Depreciation						
At 1 September 2019	4,298,528	862,703	487,038	1,069,408	60,633	6,778,310
Charge for the year	964,861	133,651	125,543	175,601	9,607	1,409,263
At 31 August 2020	<u>5,263,389</u>	<u>996,354</u>	<u>612,581</u>	<u>1,245,009</u>	<u>70,240</u>	<u>8,187,573</u>
Net book value						
At 31 August 2020	<u>64,865,751</u>	<u>7,007,682</u>	<u>653,309</u>	<u>358,239</u>	<u>25,828</u>	<u>72,910,809</u>
At 31 August 2019	<u>64,296,468</u>	<u>7,141,333</u>	<u>755,373</u>	<u>364,521</u>	<u>35,435</u>	<u>72,593,130</u>

Included within freehold property at 31 August 2020 are assets under construction totalling £839,419 (2019 - £35,343).

15. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	24,469	24,469
Other debtors	164,884	302,758
Prepayments and accrued income	498,548	197,144
	<u>687,901</u>	<u>524,371</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

16. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	309,318	531,575
Other taxation and social security	219,043	273,112
Other creditors	153,915	136,586
Accruals and deferred income	98,700	82,597
	<u>780,976</u>	<u>1,023,870</u>
	2020 £	2019 £
Deferred income at 1 September 2019	4,050	18,201
Resources deferred during the year	-	4,050
Amounts released from previous periods	(1,950)	(18,201)
	<u>2,100</u>	<u>4,050</u>

Deferred income relates to payments received for school trips which will take place in the year ending 31 August 2020.

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**NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General funds	4,850,472	272,124	(382,963)	10,847	-	4,750,480
Restricted general funds						
GAG (General Annual Grant)	5,880,290	13,747,563	(13,066,827)	(1,119,847)	-	5,441,179
Other DfE/ESFA grants	19,255	1,526,183	(1,493,120)	-	-	52,318
Local Authority funding	1,447	510,751	(510,751)	-	-	1,447
Other funds	73,027	189,048	(177,780)	(3,338)	-	80,957
Pension reserve	(3,817,000)	-	(580,000)	-	(848,000)	(5,245,000)
	<u>2,157,019</u>	<u>15,973,545</u>	<u>(15,828,478)</u>	<u>(1,123,185)</u>	<u>(848,000)</u>	<u>330,901</u>
Restricted fixed asset funds						
Fixed Asset Fund	72,620,135	1,509,065	(1,409,263)	1,112,338	-	73,832,275
Total Restricted funds	<u>74,777,154</u>	<u>17,482,610</u>	<u>(17,237,741)</u>	<u>(10,847)</u>	<u>(848,000)</u>	<u>74,163,176</u>
Total funds	<u>79,627,626</u>	<u>17,754,734</u>	<u>(17,620,704)</u>	<u>-</u>	<u>(848,000)</u>	<u>78,913,656</u>

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

The General Annual Grant funding must be used for the normal running costs of the Academy Trust in line with the Trust's charitable objects and the terms and conditions of the Trust's funding agreement.

Other ESFA / DfE grants, which include Pupil Premium grants, Teacher Pay grants and Teachers' Pension grants, are all used in accordance with the specific restrictions of the individual grants and funding provided.

Local Authority funding represents grants from Local Authorities for the provision of specific services to pupils of the academy.

Other restricted income is used in accordance with the specific restrictions of the individual funding provided.

The Pension reserve represents the Local Government Pension Scheme deficit.

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**NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds (continued)

Restricted fixed asset funds represent the investment in fixed assets, net of accumulated depreciation, and includes the value of fixed assets transferred to the Academy Trust on conversion of the Schools within the Academy Trust and the value of fixed assets transferred from academies joining the Trust in the current or previous years, together with any capital expenditure funded from restricted or unrestricted funds. Unspent capital grants and capital income are also held in this fund and their use is restricted to the capital projects for which the grant awarded.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2020.

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020 £	2019 £
Coteford School	(336,934)	(261,560)
Northwood School	2,453,697	2,474,075
Queensmead School	5,525,466	5,621,387
Central funds	2,684,153	2,990,589
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	10,326,382	10,824,491
Restricted fixed asset fund	73,832,275	72,620,135
Pension reserve	(5,245,000)	(3,817,000)
	<hr/>	<hr/>
Total	78,913,657	79,627,626
	<hr/> <hr/>	<hr/> <hr/>

The following academy is carrying a net deficit on its portion of the funds as follows:

	Deficit £
Coteford School	336,934
	<hr/> <hr/>

Coteford Junior School is carrying a deficit due to lagged funding effect of the increase in pupil numbers in previous years and a high level of staff related expenditure.

The Academy Trust is taking the following action to return the academy to surplus:

The Trustees engaged the auditors to perform a review of the financial situation of the school and tasked the school with rectifying issues in adherence with recommendations of that review. The school have started performing the work required with forecasts indicating that the school will operate with an in year surplus going forward and the Trustees expect the deficit of funds to therefore reduce over time.

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17. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2020 £	Total 2019 £
Coteford School	1,459,069	240,287	16,385	233,113	1,948,854	1,833,444
Northwood School	3,930,139	385,374	56,385	810,533	5,182,431	4,611,298
Queensmead School	5,854,400	940,856	92,020	1,297,427	8,184,703	8,263,458
Central funds	-	287,298	-	28,155	315,453	288,921
Academy Trust	11,243,608	1,853,815	164,790	2,369,228	15,631,441	14,997,121

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
General funds	5,003,990	283,931	(406,492)	(30,957)	-	4,850,472
Restricted general funds						
GAG (General Annual Grant)	5,900,610	13,431,950	(13,129,208)	(323,062)	-	5,880,290
Other DfE/EFA grants	18,855	736,080	(735,283)	(397)	-	19,255
Local authority funding	1,447	475,407	(475,407)	-	-	1,447
Other funds	54,528	269,230	(250,731)	-	-	73,027
Pension reserve	(2,154,000)	-	(396,000)	-	(1,267,000)	(3,817,000)
	3,821,440	14,912,667	(14,986,629)	(323,459)	(1,267,000)	2,157,019

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17. Statement of funds (continued)

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Restricted fixed asset funds						
Fixed Asset Fund	73,455,711	186,147	(1,376,139)	354,416	-	72,620,135
Total Restricted funds	<u>77,277,151</u>	<u>15,098,814</u>	<u>(16,362,768)</u>	<u>30,957</u>	<u>(1,267,000)</u>	<u>74,777,154</u>
Total funds	<u>82,281,141</u>	<u>15,382,745</u>	<u>(16,769,260)</u>	<u>-</u>	<u>(1,267,000)</u>	<u>79,627,626</u>

18. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	72,910,809	72,910,809
Current assets	4,750,480	6,356,877	921,466	12,028,823
Creditors due within one year	-	(780,975)	-	(780,975)
Provisions for liabilities and charges	-	(5,245,000)	-	(5,245,000)
Rounding	-	(1)	-	1
Total	<u>4,750,480</u>	<u>330,901</u>	<u>73,832,275</u>	<u>78,913,656</u>

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18. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	72,593,130	72,593,130
Current assets	4,850,472	6,836,323	188,571	11,875,366
Creditors due within one year	-	(862,304)	(161,566)	(1,023,870)
Provisions for liabilities and charges	-	(3,817,000)	-	(3,817,000)
Total	4,850,472	2,157,019	72,620,135	79,627,626

19. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2020 £	2019 £
Net income/(expenditure) for the period (as per Statement of Financial Activities)	134,030	(1,386,515)
Adjustments for:		
Depreciation	1,409,263	1,376,141
Capital grants from DfE and other capital income	(1,509,065)	(186,147)
Dividends, interest and rents from investments	(67,413)	(77,005)
Defined benefit pension scheme cost less contributions payable	504,000	331,000
Defined benefit pension scheme finance cost	76,000	65,000
Decrease/(increase) in debtors	(163,530)	(84,588)
(Decrease)/increase in creditors	(242,894)	39,642
Net cash provided by operating activities	140,391	77,528

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20. Cash flows from investing activities

	2020 £	2019 £
Dividends, interest and rents from investments	67,413	77,005
Purchase of tangible fixed assets	(1,726,942)	(399,619)
Capital grants from DfE Group	1,497,397	174,769
Capital funding received from sponsors and others	11,668	11,378
Net cash used in investing activities	(150,464)	(136,467)

21. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	5,216,687	4,985,879
Notice deposits (less than 3 months)	6,124,235	6,365,116
Total cash and cash equivalents	11,340,922	11,350,995

22. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	11,350,995	(10,073)	11,340,922
	11,350,995	(10,073)	11,340,922

23. Pension commitments

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

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

Contributions amounting to £103,045 were payable to the schemes at 31 August 2020 (2019 - £79,259) and are included within creditors.

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23. Pension commitments (continued)

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £1,581,932 (2019 - £1,009,187).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £645,000 (2019 - £652,000), of which employer's contributions totalled £516,000 (2019 - £522,000) and employees' contributions totalled £ 129,000 (2019 - £130,000). The agreed contribution rates for future years are between 22.1 and 22.8 per cent for employers and between 5.5 and 12.5 per cent for employees.

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

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23. Pension commitments (continued)

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	2.5	2.70
Rate of increase for pensions in payment/inflation	2.2	2.30
Discount rate for scheme liabilities	1.7	1.80

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

	2020 Years	2019 Years
Retiring today		
Males	22.1	21.7
Females	24.3	23.7
Retiring in 20 years		
Males	22.8	22.4
Females	25.5	25.0

Sensitivity analysis

Increase in the reported value of defined benefit obligations:

	2020 £000	2019 £000
Discount rate -0.5%	1,318	17,272
Salary increase +0.5%	87	168
Pension increase +0.5%	1,212	1,079

Share of scheme assets

The Academy Trust's share of the assets in the scheme was:

	2020 £	2019 £
Equities	2,875,000	2,728,000
Corporate bonds	1,897,000	2,032,000
Property	918,000	639,000
Cash and other liquid assets	428,000	406,000
Total market value of assets	6,118,000	5,805,000

The actual return on scheme assets was £(215,000) (2019 - £346,000).

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23. Pension commitments (continued)

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

	2020 £	2019 £
Current service cost	(1,020,000)	(803,000)
Past service cost	-	(50,000)
Interest income	110,000	144,000
Interest cost	(186,000)	(209,000)
Total amount recognised in the Statement of Financial Activities	(1,096,000)	(918,000)

Changes in the present value of the defined benefit obligations were as follows:

	2020 £	2019 £
At 1 September	9,622,000	7,018,000
Current service cost	1,020,000	803,000
Interest cost	186,000	209,000
Employee contributions	129,000	130,000
Actuarial losses	523,000	1,469,000
Benefits paid	(117,000)	(57,000)
Past service costs	-	50,000
At 31 August	11,363,000	9,622,000

Changes in the fair value of the Academy Trust's share of scheme assets were as follows:

	2020 £	2019 £
At 1 September	5,805,000	4,864,000
Interest income	110,000	144,000
Actuarial (losses)/gains	(325,000)	202,000
Employer contributions	516,000	522,000
Employee contributions	129,000	130,000
Benefits paid	(117,000)	(57,000)
At 31 August	6,118,000	5,805,000

24. Members' liability

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

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25. Related party transactions

No related party transactions took place in the period of account, other than certain Trustees' remuneration and expenses already disclosed in note 12.

26. Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the year ended 31 August 2020 the Trust received £26,128 (2019: £30,895) and distributed £26,961 (2019: £20,001). An amount of £45,015 (2019: £45,848) is included as undistributed funds that is repayable to the ESFA.