

Company Registration Number: 07493622 (England & Wales)

QED ACADEMY TRUST
(A Company Limited by Guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022



QED ACADEMY TRUST
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members

P Carter
N Chakrabarti
M Day
A Howie
S Vasant (appointed 8 November 2021)

Trustees

J Greening, Chair¹
P Carter¹
Y Larbi
A Wallis, Vice Chair¹
S Rohra (appointed 17 November 2021)
S Mohandas (appointed 17 November 2021)
R Mawkin (appointed 8 December 2021, resigned 9 March 2022)
R Pathmakumar (appointed 8 December 2021)¹
N G A Jones (appointed 8 December 2021)

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

Chief executive officer

N McLaughlin

Senior management team

N McLaughlin, Chief Executive Officer and Accounting Officer
M Anderson, Deputy Chief Executive Officer and Headteacher, Northwood School
R Johnston, Headteacher, Queensmead School
J Martin, Headteacher, Coteford Junior School
T Edwards, Chief Financial Officer

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Independent auditors

Cooper Parry Group Limited
Chartered Accountants
Statutory Auditor
Cubo Birmingham
Office 401, 4th Floor
Two Chamberlain Square
Birmingham
B3 3AX

Bankers

Lloyds Bank plc
25 Gresham Street
London
EC2V 7HN

Solicitors

Browne Jacobson LLP
Victoria House
Victoria Square
Birmingham
B2 4BU

QED ACADEMY TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

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 2021 to 31 August 2022. 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 Articles of Association are the primary governing documents of the Trust. The Articles of Association were updated after the year end and were filed at Companies House on 20 October 2022.

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 and Members (including date of appointment or resignation) who served during the period and to the date of this report are included in the Reference and Administrative Details on page 1.

The Senior Management Team are set out 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 by existing trustees, elected by the parent body or are appointed by the Members. The Chief Executive Officer is appointed to the board by the Members, subject to the CEO agreeing to act as a Trustee.

Trustees are appointed for a four year period, except that this time limit does not apply to the Chief Executive if appointed to the Board. 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 including Trustees Handbook that 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 a few new Trustee appointments each year, induction is tailored specifically to the individual.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Organisational Structure

At 31st August 2022, the Academy Trust comprised the following individual academies:

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

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 a minimum of 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 and detailed half termly reports. 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 104 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;
- appoint the senior management team; and
- ratify all appointments to Local Governing Bodies including Chair and Vice Chair.

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.

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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 pay levels within the sector.

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 2021/22 year and nor was any paid time off for Trade Union activities provided by any school within the 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:

- 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.
- to 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.

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TRUSTEES' REPORT (CONTINUED)
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Mission

- Our mission is to work together to raise standards in education for all, as we believe every young person deserves the best education possible

Beliefs and Values

- We have an ethos of ambition and achievement for all our students
- We embrace and celebrate the diversity and individuality within our community
- All students should grow in self-worth and feel empowered to shape their own futures
- If staff, students, trustees, governors and parents work in partnership and have high expectations of ourselves and each other we can achieve our aims

Aims

- To provide a deep and enriching educational experience which inspires curiosity and a lifelong love of learning
- To create a mutually supportive community in which individuals know, value and respect themselves and each other
- To enable students to find their place in the world and understand their responsibility to make a positive contribution to society
- To develop meaningful partnerships within the Trust and the wider community

The specific aims of the Academy Trust during the year ended 31 August 2022 are summarised below:

All Schools

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

Educational Outcomes

- For secondary schools Progress 8 to be above national average. In primary school progress in reading, writing and maths to be at least average.

Pupil Numbers

- Numbers to be increased at school level and Trust to be expanded.

Finance

- 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.

The details of the particular activities of the Academy trust during the year and how these have provided public benefit are detailed in the achievement and performance section below.

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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 2022, the total students on roll was 2,713, but this has increased to 2,752 at the October 2022 census due to the increased demand for places at its schools. The Trust has been involved in negotiations to add another school to the MAT.

The reporting of academic performance for schools in 2021/22 continued to be impacted by COVID-19 with no published academic performance tables for key stage SATs in 2021/22. Though performance tables for secondary schools were reintroduced.

The reintroduction of public examinations in 2022 was welcomed by staff and our year 11 and 13 students who had continued to work hard for their GCSE and A level courses. It allowed students the opportunity to show what they were capable of and as a consequence our students were able to secure places in sixth forms, FE Colleges and Universities – many of whom headed to Russell Group Universities. This continues to reflect the highly effective educational provision within the Trust.

Northwood School (Ofsted Inspection Grade 1 Outstanding)

Attainment: 57.7 (England average 48.7)
Progress 8 Score: 0.91 (well above average)
Average A Level grade equivalent: B

Queensmead School (Ofsted Grade 2 Good)

Attainment: 55.9 (England average 48.7)
Progress 8 Score: 0.76 (well above average)
Average A Level grade equivalent: B

Coteford Junior School (Ofsted Inspection Grade 2 Good)

Unfortunately, due to COVID there is no national DFE performance tables available for key stage 2 SATs.

The COVID-19 pandemic continued to have an impact with students and staff being absent from school due to illness from COVID. It was pleasing to note that all schools within the Trust remained open for the whole of the school year. This was very much due to the efforts and dedication of the Trust's staff. The return to full time education has required greater flexibility and contingency planning to respond to the challenges arising from the pandemic and in particular staffing.

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.

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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 2022, the balance of the unrestricted and restricted income reserves was £9,518,423 (2021: £8,655,789), which is after transfers of £238,161 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 2022 were 2,752, which is an increase of 39 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 81.4%% (2021: 81.6%), while the percentage of staff costs to total costs (excluding depreciation and LGPS FRS102 pension cost charges) was 81.6% (2021: 83.2%).

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.

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, 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 Academy Trust Handbook.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

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 below 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. The members are engaged in understanding our strategy and vision for the future, our culture and ethos, our people and educational performance and standards.

Maintaining a reputation for high standards

The Academy Trust has been in existence for over 11 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 2022 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.

During the year ended 31 August 2022, the total operational expenditure (that is, total expenditure less depreciation and FRS102 pension cost charges) of £18,266,256 (2021: £17,290,569) was covered by the recurrent grant funding received from the ESFA and other incoming resources (excluding capital grants) of £19,367,051 (2021: £18,020,817). The excess of total operating incoming resources over expenditure for the year was £1,100,795 (2021: £730,248).

During the year the Trust sold a property for £700,000 that was considered surplus to requirements. The monies raised were earmarked for a specific project being the heating system at Coteford School. This project was completed over the 2021 Summer holidays.

The net book value of fixed assets at 31 August 2022 is £77,598,345. 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 2022 were £86,213,835 which comprised of the following:

Restricted Funds (excluding Pension Liability)	£5,847,717
Restricted Pension Liability Fund	(£1,639,000)
Restricted Fixed Asset Funds	£78,334,412
Unrestricted Funds	£3,670,706

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Included within the Trust's balance sheet at year end is a defined benefit pension scheme liability of £1,639,000 (2021: £7,011,000), 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.

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 £9,518,423 (2021: £8,655,788) of which £3,670,706 is held in restricted funds and £5,847,717 is held in unrestricted funds. The restricted fixed asset reserves of £78,334,412 are represented by tangible fixed assets which are held for use by the Trust, together with the balance of unspent capital grants of £736,087.

Like all similar organisations the Trust has been affected by the current economic slowdown and the significant increase in costs due to the high inflation rate. Expenditure is being monitored closely by the finance teams and careful control of purchasing and costs is being followed. If the inflation increases continue then this may result in in-year deficits at the schools which will in the short term need to be funded out of reserves.

Although the current level of operational reserves is above the target level identified above, reserves are being utilised to enhance the schools sites and facilities and will continue to be used in such a manner in the future as and when required. The Trust has two schools with buildings that require redevelopment and the excess of reserves have been earmarked for this redevelopment. Also, allows the Trust to take on additional new schools where some expenditure may be required. Current capital projects have been estimated to be £7.2m.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Academy is recognising a significant pension fund deficit of £1,639,000. 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.

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TRUSTEES' REPORT (CONTINUED)
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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 99.2% 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.

During the year the impact of COVID-19 on financial performance was closely monitored and assessed. Continuing increases in employment costs, including pension costs associated with both the Teachers' Pension Scheme and the Local Government Pension Scheme and premises costs will also continue to place significant pressure on the Trust's financial position and its ability to deliver balanced budgets in the future.

Due to the current economic situation in the UK and the high inflation rate rises continuing then there is a risk that the Academies in the Trust may incur an in year deficit which will have to be funded out of reserves. Continuing increases in employment costs, including unfunded pay increases and pension costs associated with both Teachers Pension Scheme and the Local Government Pension Scheme and pension costs, including the significant impact of energy cost increases, will also continue to place significant pressure on the Academy Trust's financial position and its ability to deliver balance budgets in the future.

The Trustees examine the financial health of the Trust and the individual Academies formerly every two months, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Trustees and Finance & Audit Committee meetings.

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.

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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 TIAA Ltd, the external auditor, to perform additional checks aimed at checking and reviewing the financial systems and records as required by the Academy Trust 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.

Fundraising

The Academy Trust has not undertaken any material fundraising activities during the year ended 31 August 2022.

Streamlined Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use data for the period 1 September 2021 to 31 August 2022.

	2022	2021
Energy consumption used to calculate emissions (kwh)	3,344,431	3,565,307
<u>Scope 1 emissions in metric tonnes CO2e</u>		
• Gas consumption	312.01	376.01
• Owned transport – mini-buses	1.36	0.33
• Total scope 1	313.37	376.34
<u>Scope 2 emissions in metric tonnes CO2e</u>		
• Purchased electricity	347.03	320.82
<u>Scope 3 emissions in metric tonnes CO2e</u>		
• Business travel in employee owned vehicles	0.12	0.03
Total gross emissions in metric tonnes CO2e	660.52	697.20
<u>Intensity ratio</u>		
Tonnes CO2e per pupil	0.24	0.26

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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 2021 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.

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, by other schools joining the Trust. The Trust continues to also look for opportunities with other MATs which includes collaborative working, sharing of best practice and possible mergers.
- Maintenance of 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.

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.

QED ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

AUDITORS

The auditors, Cooper Parry Group Limited, have indicated their willingness to continue in office. The designated Trustees will propose a motion for 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 9 December 2022 and signed on its behalf by:

A handwritten signature in black ink that reads "Joan Greening". The signature is written in a cursive style with a large initial 'J' and a long, sweeping underline.

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 8 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	8	8
P Carter	7	8
Y Larbi	6	8
A Wallis	8	8
S Rohra	4	5
S Mohandas	4	5
R Mawkin	2	2
R Pathmakumar	3	4
N G A Jones	4	4

The Board of Trustees reviewed the Trust's governance structure during the year to evaluate its impact and effectiveness.

The Board at the beginning of the year carried out a skills audit and though it was found that the Trustees have a wide range of skills they decided to expand the skill base of the Board by recruiting additional board members. As a result, the Trust increased the number of Trustees. The Board also decided to carry out an independent review of governance by the Trust's Solicitors Browne & Jacobson which was completed by February 2022. The findings concluded that governance at the trust was considered good and effective. Recommendations from the report were implemented fully by the Board.

The Board also decided to adopt the latest DfE Model Articles of Association and Funding Agreement which have been adopted.

The Board of Trustees continued to maintain 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 the 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 during the year have been performed via a combination of physical meetings and tele and video conferencing.

QED ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

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:

Committee Member	Meetings attended	Out of a possible
P Carter	2	3
J Greening	3	3
A Wallis	2	3
R Pathmakumar	1	1

The key issues dealt with by the Finance & Audit Committee during the year was the review of the Academy Trust's three year financial forecasts. To review the reports received from the Internal Auditors, TIAA Limited, in relation to the Trust's systems of internal control and the actions undertaken to address the control weaknesses identified. To review the revised Scheme of Delegation and the Internal Finance policy. To meet with the external auditors and receive their report and management letter. To follow up on any action points following that meeting.

The Academy Trust has a Conflicts of Interest policy in place, which is regularly reviewed and updated by management and the Board of Trustees. This policy is communicated to all Members, Trustees, Local Governors and employees of the Academy Trust. In line with the policy, all Members, Trustees, Local Governors, senior leadership team employees are required to complete a declaration of any business or pecuniary interests on an annual basis or, in the case of individuals taking up these roles during the year, at the point of taking up their role. A register of interests is then maintained by the Academy Trust's Governance Clerk, which is reviewed at the start of each Board of Trustee meeting and also provided to Academy Trust's finance team for monitoring in relation to any transactions with any organisations in which interests have been declared. Any transactions with organisations in which any interests have been declared are reported to the Board of Trustees in advance of the transactions, so that formal approval can be provided by the Board where the transaction is considered appropriate and formal notification to the ESFA can then be made, including where relevant, seeking pre-approval.

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:

- To implementing the latest DfE's Model Articles of Association and Model Funding Agreement.
- Implement 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.
- Provide greater challenge within the Budgeting process to ensure all schools in the MAT achieve a minimum of breakeven.
- To review maintenance projects undertaken by the schools in the Trust to ensure they have been implemented in accordance with the Trust's policies and are value for money.

QED ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

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 2021 to 31 August 2022 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 2021 to 31 August 2022 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 Finance & Audit Committee and LGB's of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties; and
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal scrutiny function as set out in the Academy Trust Handbook and following the changes introduced by the Financial Reporting Council's revised Ethical Standards for Auditors. The Board of Trustees has decided to employ TIAA Limited, an independent firm, to perform the internal scrutiny function for 2021/22.

The Internal scrutiny role includes a risk based review of the Academy Trust's systems. In particular, the checks carried out in the current period covered a review of the Safeguarding system, Key Financial Systems & Procurement and Business Continuity and Emergency Planning.

On an annual basis, the Internal auditor reports 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 TIAA 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.

QED ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

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:

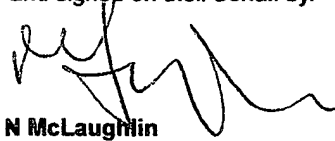
- the work of the internal auditors;
- the work of the external auditors;
- the financial management and governance self-assessment process, including the School Resource Management Self-Assessment tool; and
- the work of the executive managers within the Academy Trust who have responsibility for the 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 and signed on their behalf by:



J Greening
Chair of Trustees



N McLaughlin
Accounting Officer

9/12/2022

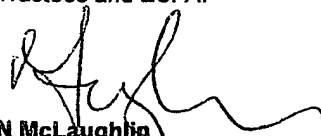
QED ACADEMY TRUST
(A Company Limited by Guarantee)

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 Academy Trust Handbook 2021.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academy Trust Handbook 2021.

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: 4 December 2022

QED ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2022

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgements 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 9 December 2022 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 2022 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 2021 to 2022 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 2022 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 2021 to 2022 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

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

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

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

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

We have nothing to report in this regard.

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.

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.

QED ACADEMY TRUST
(A Company Limited by Guarantee)

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

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.

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

Our assessment focused on key laws and regulations the Academy Trust has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, Charities Act 2011, the Academy Trust Handbook 2021, the Academies Accounts Direction 2021 to 2022, taxation legislation, data protection, anti-bribery and employment legislation.

We are not responsible for preventing irregularities, including fraud. Our approach to detecting irregularities, including fraud, included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the Academy Trust and how the Academy Trust is complying with that framework, including agreement of financial statement disclosures to underlying documentation and other evidence;
- obtaining an understanding of the Academy Trust's control environment and how the Academy Trust has applied relevant control procedures, through discussions with Trustees and other management and by reviewing the reports on the internal scrutiny work commissioned by the Academy Trust in relation to the year and by performing walkthrough testing over key areas;
- obtaining an understanding of the Academy Trust's risk assessment process, including the risk of fraud;
- reviewing meeting minutes of those charged with governance throughout the year; and
- performing audit testing to address the risk of management override of controls, including testing journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Whilst considering how our audit work addressed the detection of irregularities, we also considered the likelihood of detection of fraud based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

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

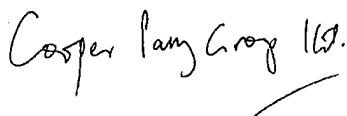
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

QED ACADEMY TRUST
(A Company Limited by Guarantee)

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

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

Cubo Birmingham

Office 401, 4th Floor

Two Chamberlain Square

Birmingham

B3 3AX

16 December 2022

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 2021 to 2022, 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 2021 to 31 August 2022 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 Academy Trust Handbook, extant from 1 September 2021, 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 2021 to 2022. 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 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter. The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity. A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion. Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy Trust's income and expenditure.

The work undertaken to draw 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, including reviewing the reports on the internal scrutiny work commissioned by the Academy Trust in relation to the year.
- 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 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant

Cooper Parry Group Limited
Chartered Accountants
Statutory Auditor

Cubo Birmingham
Office 401, 4th Floor
Two Chamberlain Square
Birmingham
B3 3AX

Date: 16 December 2022

QED ACADEMY TRUST
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022**

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:						
Donations and capital grants	3	311,996	3,205	1,223,525	1,538,726	3,675,283
Other trading activities	5	497,594	-	-	497,594	77,146
Investments	6	31,726	-	-	31,726	40,072
Charitable activities	4	-	18,522,530	-	18,522,530	17,773,052
Total income		841,316	18,525,735	1,223,525	20,590,576	21,565,553
Expenditure on:						
Charitable activities	7,8	879,106	18,350,150	1,512,508	20,741,764	19,293,186
Total expenditure		879,106	18,350,150	1,512,508	20,741,764	19,293,186
Net (expenditure)/income		(37,790)	175,585	(288,983)	(151,188)	2,272,367
Transfers between funds	17	(238,161)	-	238,161	-	-
Net movement in funds before other recognised gains/(losses)		(275,951)	175,585	(50,822)	(151,188)	2,272,367
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	24	-	6,335,000	-	6,335,000	(1,156,000)
Net movement in funds		(275,951)	6,510,585	(50,822)	6,183,812	1,116,367
Reconciliation of funds:						
Total funds brought forward		3,946,657	(2,301,868)	78,385,234	80,030,023	-78,913,656
Net movement in funds		(275,951)	6,510,585	(50,822)	6,183,812	1,116,367
Total funds carried forward	17	3,670,706	4,208,717	78,334,412	86,213,835	80,030,023

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

The notes on pages 30 to 53 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	14	77,598,344	78,166,212
		<u>77,598,344</u>	<u>78,166,212</u>
Current assets			
Debtors	15	1,048,560	908,743
Cash at bank and in hand		11,010,230	9,389,509
		<u>12,058,790</u>	<u>10,298,252</u>
Creditors: amounts falling due within one year	16	(1,804,299)	(1,423,441)
Net current assets		<u>10,254,491</u>	<u>8,874,811</u>
Total assets less current liabilities		<u>87,852,835</u>	<u>87,041,023</u>
Net assets excluding pension liability		<u>87,852,835</u>	<u>87,041,023</u>
Defined benefit pension scheme liability	24	(1,639,000)	(7,011,000)
Total net assets		<u><u>86,213,835</u></u>	<u><u>80,030,023</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	17	78,334,412	78,385,234
Restricted income funds	17	5,847,717	4,709,132
Pension reserve	17	(1,639,000)	(7,011,000)
Total restricted funds	17	<u>82,543,129</u>	<u>76,083,366</u>
Unrestricted income funds	17	<u>3,670,706</u>	<u>3,946,657</u>
Total funds		<u><u>86,213,835</u></u>	<u><u>80,030,023</u></u>

The financial statements on pages 27 to 53 were approved by the Trustees, and authorised for issue on 09 December 2022 and are signed on their behalf, by:



J Greening
Chair of Trustees

The notes on pages 30 to 53 form part of these financial statements.

QED ACADEMY TRUST
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash provided by operating activities	19	1,310,710	1,150,762
Cash flows from investing activities	20	310,011	(3,102,176)
Change in cash and cash equivalents in the year		1,620,721	(1,951,414)
Cash and cash equivalents at the beginning of the year		9,389,509	11,340,923
Cash and cash equivalents at the end of the year	21, 22	<u>11,010,230</u>	<u>9,389,509</u>

The notes on pages 30 to 53 form part of these financial statements

QED ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies

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

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 2021 to 2022 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

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.

Donated goods, facilities and services

Goods donated for ongoing use by the Academy Trust are included at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The value of the donated goods is recognised as 'Income from Donations and Capital Grants' and a corresponding amount is included in the appropriate expenditure category in accordance with the Academy Trust's accounting policies.

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 2022

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.

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 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:

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.10 Tangible fixed assets (continued)

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.

1.11 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.

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 2022

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 27.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

2. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

The 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 24, 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 2022. 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 judgement:

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 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations	311,996	3,205	-	315,201	130,547
Capital grants	-	-	824,299	824,299	3,544,736
Profit on disposal of property	-	-	399,226	399,226	-
	<u>311,996</u>	<u>3,205</u>	<u>1,223,525</u>	<u>1,538,726</u>	<u>3,675,283</u>
Total 2021	<u>28,743</u>	<u>101,804</u>	<u>3,544,736</u>	<u>3,675,283</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

4. Funding for the Academy Trust's educational operations

	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
DfE/ESFA grants			
General Annual Grant (GAG)	16,387,987	16,387,987	15,133,272
Other DfE/ESFA grants			
Teachers pay and pension grants	96,632	96,632	760,747
Pupil premium	572,348	572,348	533,982
Supplementary grant	190,147	190,147	-
Rates relief grants	129,207	129,207	96,995
Other DfE Group grants	34,621	34,621	86,876
	-	17,410,942	16,611,872
Other Government grants			
Local Authority funding	714,753	714,753	666,678
	714,753	714,753	666,678
Other income from the Academy Trust's educational operations	208,173	208,173	110,756
COVID-19 additional funding (DfE/ESFA)			
COVID Catch-up Premium	-	-	205,941
Summer School funding	-	-	110,110
Other DfE/ESFA COVID-19 funding	19,234	19,234	3,165
School led tutoring	80,222	80,222	-
COVID recovery premium	89,206	89,206	-
	188,662	188,662	319,216
COVID-19 additional funding (non-DfE/ESFA)			
Mass Testing grants	-	-	64,530
	-	-	64,530
	18,522,530	18,522,530	17,773,052
Total 2021	17,773,052	17,773,052	

The Academy Trust received £89,206 of COVID recovery premium funding in the year and costs incurred in respect of this funding totalled £89,206.

The Academy Trust also received £80,222 of School Led Tutoring funding in the year and costs incurred in respect of this funding totalled £80,022.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

5. Income from other trading activities

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Management recharges and secondments	20,100	20,100	29,915
After school activities	7,522	7,522	9,937
Other income	469,972	469,972	37,294
	<u>497,594</u>	<u>497,594</u>	<u>77,146</u>
Total 2021	<u>77,146</u>	<u>77,146</u>	

6. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Bank interest	31,726	31,726	40,072
	<u>40,072</u>	<u>40,072</u>	
Total 2021	<u>40,072</u>	<u>40,072</u>	

7. Expenditure

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £	Total 2021 £
Educational operations:					
Direct costs	13,102,515	-	1,429,691	14,532,206	13,830,900
Allocated support costs	2,647,152	979,691	2,582,715	6,209,558	5,462,286
	<u>15,749,667</u>	<u>979,691</u>	<u>4,012,406</u>	<u>20,741,764</u>	<u>19,293,186</u>
Total 2021	<u>14,905,707</u>	<u>913,509</u>	<u>3,473,970</u>	<u>19,293,186</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

7. Expenditure (continued)

Of the total expenditure for the year of £20,741,764 (2021 - £19,293,186), £879,106 (2021 - £407,587) was allocated to unrestricted funds, £18,350,150 (2021 - £17,492,282) was allocated to restricted funds and £1,512,508 (2021 - £1,392,617) was allocated to restricted fixed asset funds.

8. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Educational operations	14,532,206	6,209,558	20,741,764	19,293,186
Total 2021	13,830,900	5,462,286	19,293,186	

Analysis of support costs

	Educational operations 2022 £	Total funds 2022 £	Total funds 2021 £
Pension finance costs	122,000	122,000	94,000
Staff costs	2,647,152	2,647,152	2,308,848
Depreciation	1,512,508	1,512,508	1,392,617
Technology costs	17,172	17,172	30,758
Premises costs	979,691	979,691	913,509
Other costs	878,848	878,848	648,377
Legal costs	36,499	36,499	18,197
Governance costs	15,688	15,688	55,980
	6,209,558	6,209,558	5,462,286
Total 2021	5,462,286	5,462,286	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

9. Net (expenditure)/income

Net (expenditure)/income for the year includes:

	2022 £	2021 £
Depreciation of tangible fixed assets	1,512,508	1,392,617
Surplus on disposal of fixed assets	399,227	-
Fees paid to auditors for:		
- audit	17,000	14,000
- other services	14,700	17,025
	<u>1,943,435</u>	<u>1,423,642</u>

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2022 £	2021 £
Wages and salaries	11,305,344	10,860,415
Social security costs	1,106,466	1,050,840
Pension costs	3,290,439	2,861,713
	<u>15,702,249</u>	<u>14,772,968</u>
Agency staff costs	47,418	132,739
	<u>15,749,667</u>	<u>14,905,707</u>

b. Staff numbers

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

	2022 No.	2021 No.
Teachers	179	196
Support	166	144
Management	5	5
	<u>350</u>	<u>345</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

10. Staff (continued)

c. Higher paid staff

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

	2022 No.	2021 No.
In the band £60,001 - £70,000	5	3
In the band £70,001 - £80,000	1	4
In the band £80,001 - £90,000	1	1
In the band £110,001 - £120,000	1	1
In the band £120,001 - £130,000	1	1
In the band £130,001 - £140,000	-	1
In the band £140,001 - £150,000	1	-
	<u>1</u>	<u>-</u>

d. 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 £692,006 (2021 - £665,670).

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 (2021: £nil).

12. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 August 2022, no expenses were reimbursed to Trustees (2021: £Nil).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

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.

14. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation						
At 1 September 2021	76,115,643	8,492,630	1,389,830	1,652,232	96,068	87,746,403
Additions	1,001,751	-	134,462	109,201	-	1,245,414
Disposals	(374,647)	-	-	-	-	(374,647)
At 31 August 2022	<u>76,742,747</u>	<u>8,492,630</u>	<u>1,524,292</u>	<u>1,761,433</u>	<u>96,068</u>	<u>88,617,170</u>
Depreciation						
At 1 September 2021	6,228,524	1,130,005	743,926	1,397,888	79,847	9,580,190
Charge for the year	1,105,703	133,652	140,266	124,609	8,278	1,512,508
On disposals	(73,873)	-	-	-	-	(73,873)
At 31 August 2022	<u>7,260,354</u>	<u>1,263,657</u>	<u>884,192</u>	<u>1,522,497</u>	<u>88,125</u>	<u>11,018,825</u>
Net book value						
At 31 August 2022	<u><u>69,482,393</u></u>	<u><u>7,228,973</u></u>	<u><u>640,100</u></u>	<u><u>238,936</u></u>	<u><u>7,943</u></u>	<u><u>77,598,345</u></u>
At 31 August 2021	<u><u>69,887,119</u></u>	<u><u>7,362,625</u></u>	<u><u>645,904</u></u>	<u><u>254,343</u></u>	<u><u>16,221</u></u>	<u><u>78,166,212</u></u>

Included within the above net book value is £967,810 relating to asset that were under construction at 31 August 2022. No depreciation has been charged on the assets.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

15. Debtors

	2022 £	2021 £
Due within one year		
Trade debtors	233	1,027
Other debtors	188,812	421,634
Prepayments and accrued income	859,515	486,082
	<u>1,048,560</u>	<u>908,743</u>

16. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	516,833	422,601
Other taxation and social security	254,971	277,854
Other creditors	816,252	264,985
Accruals and deferred income	216,243	458,001
	<u>1,804,299</u>	<u>1,423,441</u>

	2022 £	2021 £
Deferred income at 1 September 2021	26,543	2,100
Resources deferred during the year	3,200	26,543
Amounts released from previous periods	(26,543)	(2,100)
	<u>3,200</u>	<u>26,543</u>

Deferred income relates to income in respect of rates relief relating to the 2022/2023 academic year.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

17. Statement of funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds						
General funds	3,946,657	841,316	(879,106)	(238,161)	-	3,670,706
Restricted general funds						
GAG (General Annual Grant)	4,680,132	16,387,987	(15,220,402)	-	-	5,847,717
Teacher pay and pension grants	-	96,632	(96,632)	-	-	-
Pupil premium	-	572,348	(572,348)	-	-	-
Supplementary grant	-	190,147	(190,147)	-	-	-
Rates relief	-	129,207	(129,207)	-	-	-
Other DfE Group grants	-	34,621	(34,621)	-	-	-
Local Authority funding	-	714,753	(714,753)	-	-	-
COVID Catch-up Premium	29,000	-	(29,000)	-	-	-
Other DfE/ESFA COVID funding	-	19,234	(19,234)	-	-	-
School Led Tutoring grants	-	80,222	(80,222)	-	-	-
COVID Recovery premium	-	89,206	(89,206)	-	-	-
Other restricted income	-	211,378	(211,378)	-	-	-
Pension reserve	(7,011,000)	-	(963,000)	-	6,335,000	(1,639,000)
	<u>(2,301,868)</u>	<u>18,525,735</u>	<u>(18,350,150)</u>	<u>-</u>	<u>6,335,000</u>	<u>4,208,717</u>
Restricted fixed asset funds						
Tangible fixed assets	78,166,212	-	(1,512,508)	944,641	-	77,598,345
DfE/ESFA capital grants	219,022	824,298	-	(307,253)	-	736,067
Other capital funding	-	399,227	-	(399,227)	-	-

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17. Statement of funds (continued)

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
	78,385,234	1,223,525	(1,512,508)	238,161	-	78,334,412
Total Restricted funds	76,083,366	19,749,260	(19,862,658)	238,161	6,335,000	82,543,129
Total funds	80,030,023	20,590,576	(20,741,764)	-	6,335,000	86,213,835

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.

All ESFA / DfE grants, which include Pupil Premium grants, Teacher pay grants, Teachers' pension grants, Supplementary grants, COVID recovery premium, School Led Tutoring grants, other ESFA/DfE grants, COVID catch-up premium and other DfE/ESFA COVID related funding are all used in accordance with the specific restrictions of the individual grants.

Other grants, which include Local Authority funding, other Government grants and other restricted income, are all used in accordance with the specific restrictions of the individual grants and funding provided.

The Pension reserve represents the Local Government Pension Scheme deficit.

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 2022.

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17. Statement of funds (continued)

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
General funds	4,750,480	145,961	(407,587)	(542,197)	-	3,946,657
Restricted general funds						
GAG (General Annual Grant)	5,441,179	15,133,272	(14,035,676)	(1,858,643)	-	4,680,132
Teachers pay and pension grants	-	760,747	(760,747)	-	-	-
Pupil premium	-	533,982	(533,982)	-	-	-
Rates relief	-	96,995	(96,995)	-	-	-
Other DfE Group grants	52,318	86,876	(139,194)	-	-	-
Local Authority funding	1,447	666,678	(668,125)	-	-	-
COVID Catch-up Premium	-	205,941	(176,941)	-	-	29,000
COVID Mass testing income	-	64,530	(64,530)	-	-	-
Other DfE/ESFA COVID funding	-	113,275	(113,275)	-	-	-
Other restricted income	80,957	212,560	(293,517)	-	-	-
Pension reserve	(5,245,000)	-	(610,000)	-	(1,156,000)	(7,011,000)
	<u>330,901</u>	<u>17,874,856</u>	<u>(17,492,982)</u>	<u>(1,858,643)</u>	<u>(1,156,000)</u>	<u>(2,301,868)</u>
Restricted fixed asset funds						
Tangible fixed assets	72,910,809	-	(1,392,617)	6,648,020	-	78,166,212
PSBP funding	914,495	3,283,693	-	(4,198,188)	-	-
DfE/ESFA capital grants	6,971	261,043	-	(48,992)	-	219,022
	<u>73,832,275</u>	<u>3,544,736</u>	<u>(1,392,617)</u>	<u>2,400,840</u>	<u>-</u>	<u>78,385,234</u>

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17. Statement of funds (continued)

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Total Restricted funds	74,163,176	21,419,592	(18,885,599)	542,197	(1,156,000)	76,083,366
Total funds	78,913,656	21,565,553	(19,293,186)	-	(1,156,000)	80,030,023

Total funds analysis by academy

Fund balances at 31 August 2022 were allocated as follows:

	2022 £	2021 £
Coteford School	97,180	(324,861)
Northwood School	3,966,274	2,995,684
Queensmead School	3,841,601	4,106,766
Central funds	1,613,368	1,878,200
Total before fixed asset funds and pension reserve	9,518,423	8,655,789
Restricted fixed asset fund	78,334,412	78,385,234
Pension reserve	(1,639,000)	(7,011,000)
Total	86,213,835	80,030,023

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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 2022 £	Total 2021 £
Coteford School	1,581,702	240,259	78,495	228,394	2,128,850	2,034,567
Northwood School	4,875,422	437,088	301,726	781,857	6,396,093	6,041,119
Queensmead School	6,370,444	1,075,699	689,287	921,289	9,056,719	8,785,503
Central funds	274,948	53,105	4,657	351,884	684,594	429,380
Academy Trust	13,102,516	1,806,151	1,074,165	2,283,424	18,266,256	17,290,569

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	77,598,345	77,598,345
Current assets	3,705,528	7,479,953	873,308	12,058,789
Creditors due within one year	(34,822)	(1,632,236)	(137,241)	(1,804,299)
Provisions for liabilities and charges	-	(1,639,000)	-	(1,639,000)
Total	3,670,706	4,208,717	78,334,412	86,213,835

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	78,166,212	78,166,212
Current assets	3,946,657	5,726,115	625,480	10,298,252
Creditors due within one year	-	(1,016,983)	(406,458)	(1,423,441)
Provisions for liabilities and charges	-	(7,011,000)	-	(7,011,000)
Total	3,946,657	(2,301,868)	78,385,234	80,030,023

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

	2022 £	2021 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(151,188)	2,272,367
Adjustments for:		
Depreciation	1,512,507	1,392,617
Capital grants from DfE and other capital income	(824,299)	(3,544,736)
Dividends, interest and rents from investments	(31,126)	(1,108)
Defined benefit pension scheme cost less contributions payable	841,000	516,000
Defined benefit pension scheme finance cost	122,000	94,000
Decrease/(increase) in debtors	(139,815)	(220,843)
(Decrease)/increase in creditors	380,858	642,465
Profit on disposal of fixed asset	(399,227)	-
Net cash provided by operating activities	1,310,710	1,150,762

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20. Cash flows from investing activities

	2022 £	2021 £
Dividends, interest and rents from investments	31,126	1,108
Purchase of tangible fixed assets	(1,245,414)	(6,648,020)
Proceeds from the sale of tangible fixed assets	700,000	-
Capital grants from DfE Group	824,299	3,544,736
Net cash provided by/(used in) investing activities	310,011	(3,102,176)

21. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand and at bank	6,346,648	5,803,175
Notice deposits (less than 3 months)	4,663,582	3,586,334
Total cash and cash equivalents	11,010,230	9,389,509

22. Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	9,389,509	1,620,721	11,010,230
	9,389,509	1,620,721	11,010,230

23. Capital commitments

	2022 £	2021 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	875,179	-

24. 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.

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24. Pension commitments (continued)

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 £440,356 were payable to the schemes at 31 August 2022 (2021 - £236,878) and are included within creditors.

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 £1,837,672 (2021 - £1,774,284).

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.

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**NOTES TO THE FINANCIAL STATEMENTS
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24. Pension commitments (continued)

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 2022 was £720,000 (2021 - £693,000), of which employer's contributions totalled £576,000 (2021 - £557,000) and employees' contributions totalled £ 144,000 (2021 - £136,000). The agreed contribution rates for future years are between 22.1 and 22.8% for employers and between 5.5% and 12.5% 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.

Principal actuarial assumptions

	2022 %	2021 %
Rate of increase in salaries	3.1	3.2
Rate of increase for pensions in payment/inflation	3.4	2.9
Discount rate for scheme liabilities	4.3	1.7

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

	2022 Years	2021 Years
Retiring today		
Males	22.1	22.3
Females	24.5	24.7
Retiring in 20 years		
Males	22.8	23.3
Females	25.5	26.2

Sensitivity analysis

Increase in the reported value of defined benefit obligations:

	2022 £000	2021 £000
Discount rate -0.1%	212	331
Salary increase +0.1%	12	20
Pension increase +0.1%	202	308

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24. Pension commitments (continued)

Share of scheme assets

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

	2022 £	2021 £
Equities	3,729,920	3,668,350
Corporate bonds	2,222,080	2,341,500
Property	1,587,200	1,248,800
Cash and other liquid assets	396,800	546,350
Total market value of assets	<u>7,936,000</u>	<u>7,805,000</u>

The actual return on scheme assets was £(442,000) (2021 - £1,158,000).

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

	2022 £	2021 £
Current service cost	(1,417,000)	(1,073,000)
Interest income	134,000	108,000
Interest cost	(256,000)	(202,000)
Total amount recognised in the Statement of Financial Activities	<u>(1,539,000)</u>	<u>(1,167,000)</u>

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

	2022 £	2021 £
At 1 September	14,816,000	11,363,000
Current service cost	1,417,000	1,073,000
Interest cost	256,000	202,000
Employee contributions	144,000	136,000
Actuarial (gains)/losses	(6,911,000)	2,206,000
Benefits paid	(147,000)	(164,000)
At 31 August	<u>9,575,000</u>	<u>14,816,000</u>

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24. Pension commitments (continued)

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

	2022 £	2021 £
At 1 September	7,805,000	6,118,000
Interest income	134,000	108,000
Actuarial (losses)/gains	(576,000)	1,050,000
Employer contributions	576,000	557,000
Employee contributions	144,000	136,000
Benefits paid	(147,000)	(164,000)
At 31 August	<u>7,936,000</u>	<u>7,805,000</u>

25. 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.

26. Related party transactions

No related party transactions took place in the current or previous year.

27. Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the year ended 31 August 2022 the Trust received £15,570 (2021 - £23,356), distributed £15,842 (2021 - £23,084). An amount of £nil (2021 - £272) is included as undistributed funds that is repayable to the ESFA.