

QUANTOCK EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023



**QUANTOCK EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

CONTENTS

	Page
Reference and Administrative Details	1 - 2
Trustees' Report	3 - 24
Statement of Trustees' Responsibilities	25
Independent Auditors' Report on the Financial Statements	26 - 29
Independent Reporting Accountant's Report on Regularity	30 - 31
Statement of Financial Activities Incorporating Income and Expenditure Account	32
Balance Sheet	33 - 34
Statement of Cash Flows	35
Notes to the Financial Statements	36 - 67

QUANTOCK EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	R Symons (resigned 31 August 2023) E Gregory (appointed by the Diocese) R Young A Appleyard
Trustees	R Brown, Chair of Trustees ^{2,5} C Garnett, Chief Executive ^{1,2,3,4,5} J Ashworth ^{1,3,4} T Hains, Vice Chair ^{2,4} C Macadam (resigned 31 August 2023) ^{1,3} M Cooke ^{1,2,3} S Hatch (resigned 31 August 2023) ^{1,3,4} C Burghes, Trustee (appointed 1 July 2023) ^{1,3,4} M Curran (appointed 1 September 2022) ^{1,3} A Hammond (appointed 1 September 2022) ⁵ ¹ People & Performance ² Finance, Operations and Audit ³ Pay & Recruitment ⁴ Ethos ⁵ Boarding
Company registered number	07665225
Company name	Quantock Education Trust
Principal and Registered office	Haygrove School Durleigh Road Bridgwater Somerset TA6 7HW
Company secretary	Mrs T Lee
Accounting Officer	Ms C Garnett
Trust Leadership Team	Ms C Garnett, CEO Mrs T Lee, Director of Finance and Operations Mrs J North, Director of Human Resources
Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors 2nd Floor Stratus House Emperor Way Exeter Business Park Exeter EX1 3QS

**QUANTOCK EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

Bankers	Lloyds Bank plc 25 Cornhill Bridgwater Somerset TA6 3AY
Solicitors	Browne Jacobson LLP Dix's Field Exeter Devon EX1 1UP

**QUANTOCK EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023**

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year/period 1st September 2022 to 31 August 2023. The annual report serves the purposes of both a trustees' report, and a directors' report and strategic report under company law.

The academy trust operates 4 primary/secondary academies for pupils aged 4 to 18 with three in the Bridgwater and surrounding villages to the west of Bridgwater and a further school in Bruton, Sexey's School, which is an 11-18 secondary school which includes state boarding provision. The Trust has a combined pupil capacity of 1913 and based on the 1 October 2022 school census had a roll of:

- Haygrove School 1083 pupils
- Spaxton C of E Primary School 70 pupils
- Stogursey C of E Primary School 65 pupils
- Sexey's School 651 pupils

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Quantock Education Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as Quantock Education Trust.

Details of the trustees who served during the year, and to the date these accounts are approved are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

Trustees benefit from indemnity insurance purchased at the Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Trust. The limit of this indemnity is £10,000,000. In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £10,000,000 on any one claim.

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £10,000,000 on any one claim.

**QUANTOCK EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

Method of recruitment and appointment or election of trustees

The Multi Academy Trust shall have the following Trustees as set out in its Articles of Association and funding agreement:

- A minimum of 5 Trustees (see Article 45) with no maximum
- A minimum of 3 Trustees will be appointed by the Members (see Article 50)
- A minimum of 3 Trustees will be appointed by the Diocesan Corporate Member resulting in no more than a 50% representation of Foundation Trustees (see Article 50A)
- Membership includes the CEO (see Articles 46c)
- A minimum of 2 Parent Trustees can be elected or appointed or alternatively 2 may be included on each Local Governance Committee (see Article 46d)
- The total number of Trustees including the CEO, who are employees of the Trust must not exceed one third of the total number of Trustees

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

The term of office for any trustee shall be four years, save that this limit shall not apply to the CEO. Subject to remaining eligible to be a particular type of trustee, any trustee may be re-appointed or re-elected as appropriate.

All re-appointments will be made based on merit, subject to the need to achieve diversity and balance of relevant skills. Succession planning will be implemented to seek potential trustees to bring the skills required on the board of trustees and address the requirement for re-appointment beyond two terms in office. The CEO shall cease to be a trustee if he/she ceases to be employed by the trust and thereupon the office shall become vacant.

When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Trust's development. During the academic year 2022-23, three Trustees have resigned and have been replaced. The Trust continues to utilise business and social networks to recruit further Trustees.

Policies and procedures adopted for the induction and training of trustees

Organisational structure

The Academy has a Trustee Recruitment, Induction and Training policy available from the Clerk to the Trustees.

The training and induction provided for new Trustees will depend upon their existing experience. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual. There is an induction policy which applies to all levels of governance. Advantage is taken of specific courses offered by the Local Authority and other bodies, including the Diocese of Bath & Wells.

There is a Trustees' away session organised each year which includes training sessions to keep the Trustees updated on relevant developments impacting on their roles and responsibilities. The Trustees also participate during this session in a review of Trust progress and strategic development. Trustees updated on relevant developments impacting on their roles and responsibilities. The Trustees also participate during this session in a review of Trust progress and strategic development.

**QUANTOCK EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

Organisational Structure

The Board of Trustees normally meets twice each term. The Board of Trustees may appoint committees with delegated responsibilities.

The terms of reference, constitution, and membership of each committee is determined by the trustees and must be reviewed at least annually.

The membership of any committee may include individuals who are not trustees, provided that a majority of members are trustees – in such circumstances, no vote on any matter may be taken at a committee meeting unless the majority of the individuals present are trustees.

The Trustees Board receives reports including policies from its committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

In this academic year, there are 3 committees – two meet three times a year, with Finance, Operations & Audit meeting half termly

Finance, Operations & Audit

This committee is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management

Purpose:

- Exercise the powers and duties of the Board of Trustees in respect of the financial administration of the trust, except for those items specifically reserved for the Board of Trustees and those delegated to the staff leadership team

Monitoring:

- Co-ordinate the Board of Trustees' financial responsibilities by recommending policy and strategy to the board, interpreting it for staff, and monitoring its implementation
- Oversee and agree the annual budget proposed by each Local Governing Committee including levels of staffing
- Assist the Board of Trustees in exercising its fiduciary duties, provide an overview of the trust's financial audit, and ensure proper checks and balances are in place
- Oversee the good management of the trust's physical estate and assets
- Oversee and monitoring of the risk register

People & Performance Committee

This committee is responsible for monitoring, evaluating and reviewing all areas of school improvement and pupil progress.

Purpose:

- Monitor, evaluate, and review performance of schools
- Ensure the well-being of staff and students.
- To review and evaluate teaching and learning; pupils' standards and progress; and teachers' CPD.
- To keep under review the curriculum for the academies and to make recommendations to the Trustees where necessary to ensure that the requirements of the National Curriculum and relevant legislation are met.
- To keep under review the academies' self-evaluation process, and detail of the completed self-evaluation form (SEF).

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

- To consider and make recommendations to the Trust on the adoption of policies on specific subjects or aspects of the curriculum.
- To determine such targets as an academy is required to set (where the Trust has chosen to delegate this responsibility).
- To receive reports on the monitoring of the performance of pupils and to submit reports and recommendations to the Trust as necessary.
- To carry out the Trust's responsibilities for the provision of assessment and other curriculum-related statistics and information.
- To ensure that each academy's curriculum is compatible with the principles of equal opportunity.
- Promote partnership working between parents/carers and the academies to promote high standards of attendance, behaviour and learning.
- To deal with any other curriculum matters as may be referred by the Trust

Monitoring:

- Focus on learning outcomes and progress
- Promote the development of classroom practice and inter-school collaboration / support
- Focus on the well-being and advancement of students including safeguarding, behaviour, and attendance
- Promote the well-being and advancement of staff

Pay and Recruitment Committee

This committee is responsible for monitoring and approving decisions relating to staff pay and performance, and the recruitment of staff, governors and Trustees.

Purpose:

- Pay and performance relating to the staff across all schools
- To oversee and support the recruitment of senior Trust staff, Trustees and where required, local governors
- To appoint a Chair of the committee at the autumn term meeting each year.
- To achieve the aims of the Trust-wide pay policy in a fair and equal manner
- To ensure a consistent approach to appraisal and benchmarking of proposed pay awards has taken place.
- To observe all statutory and contractual obligations for both teachers and support staff.

Monitoring:

- Oversee pay and performance for all staff including the executive leadership
- Appraisal and pay policies
- Oversees the recruitment of Trustees, for recommendation to the Members
- Engages in the recruitment of members of the Senior Leadership Team
- Supports LGCs in the recruitment of governors

Committee meeting minutes will be shared with the Board of Trustees and made available to Local Governance Committees across the Trust (with the exception of any confidential minutes, which will only be shared on an as-needed basis). If the chair of committee is not available for any meeting, a delegate/volunteer will provide cover.

The following decisions are reserved to the Board of Trustees: to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chairperson and/or Vice Chairperson, to appoint the Headteacher (with diocesan involvement where appropriate) and Clerk to the Trustees, to approve the annual School Development Plan and budget.

**QUANTOCK EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

The Trustees and Board of Trustees have devolved responsibility for day-to-day management of the Multi Academy Trust to the CEO and Executive Team. The Executive Team comprises of the CEO, DFO and the Director of HR.

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

The Trust Senior Leadership Team (QET SLT), which comprises the Headteachers, and CEO are responsible for translating the vision into practice and implementing it in the schools.

The CEO, DFO and the Finance, Operations and Audit Committee are responsible for the authorisation of spending within agreed budgets; a summary of this is in the Scheme of Delegation. Some spending control is devolved to Budget Holders which must be authorised in line with the Scheme of Delegation.

The Trust SLT controls the Trust at an executive level, implementing the policies laid down by the Trustees and reporting back to them. The Headteacher and Academy Business/Office Manager are responsible for the authorisation of spending within agreed budgets; a summary of this is in the Scheme of Delegation. Some spending control is devolved to Budget Holders which must be authorised in line with the Scheme of Delegation. The Headteacher is responsible for the appointment of staff in line with the Scheme of Delegation through appointment panels for teaching posts and where possible, always include a local governor. Senior Leadership appointments, including Deputy and Assistant Headteachers have to be approved by the Trust CEO. The Headteacher is however a Trust/Diocese appointment.

During the academic year 2021-22, the Multi Academy Trust was comprised of four schools – Haygrove School, Sexey's School, Spaxton C of E Primary School and Stogursey C of E Primary School. Each school has its own Local Governance Committee responsible for day-to-day operations and has oversight of the management of the school's budget in a consultative capacity in line with our Scheme of Delegation.

The CEO is the Accounting Officer.

Governance update

During the last year the Trust has:

- Appointed one Trustee and is currently advertising for four more
- Appointed 5 local governors
- Continued meetings for Members and for Chairs of Governors which is facilitated by the Chair of the Board of Trustees and the CEO

Arrangements for setting pay and remuneration of key management personnel

The Board of Trustees and the Executive team comprise the key management personnel of the Multi Academy Trust in charge of directing and controlling, running and operating the Trust on a day-to-day basis. All Trustees give their time freely and no Trustee received remuneration in the year.

Details of any Trustees' expenses and related party transactions are disclosed in the notes to the financial statements.

The pay of key management personnel is reviewed annually and is subject to a review of performance under Academy appraisal process. The pay policy clearly defines the Multi Academy Trust's approach to awarding pay increases. All pay recommendations made by the Headteacher are submitted to the Trustees for approval. The Headteacher's remuneration is determined by the Pay and Recruitment Committee.

All members of the senior leadership teams in schools are appraised annually by the Headteacher using the national Headteacher standards and evidence of achievement of agreed challenging objectives which fit with the aims contained in the school development plan.

**QUANTOCK EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

The Trustees benchmark against pay levels in other Academies of a similar size at the point of recruitment to ensure parity of pay to enable effective recruitment of quality staff into the Multi Academy Trust.

Trade union facility time

Under the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017, where an academy trust has more than 49 full time equivalent employees throughout any 7 months within the reporting period, it must include information included in Schedule 2 of the Regulations. The information to be published consists of four tables covering the period starting from 1 April each year and as follows:

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
3	3

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	
1%-50%	3
51%-99%	
100%	

Haygrove School

Haygrove School has two union representatives in school, one for NEU and one for Unison. In the academic year 2022 - 2023, one representative met with the CEO & HR director on three occasions. The representative also met with the Headteacher on six occasions. This representative also spent approximately 2 hours on admin and has held 2 meetings with union members. Hours for the academic year for this representative total 13 hours.

The other representative spent a total of 10 hours on union duties including meetings, training and supporting members.

Sexey's School

Sexey's School has a NEU union representative. The NEU representative meets with the Headteacher for 2 hours per term totalling 6 hours for the academic year. In addition to this, the representative met with the CEO & HR Director on three occasions. This representative spent 10.5 hours on paid facilities time. In addition to this, he spent 22 hours on unpaid union activities.

Percentage of pay bill spent on facility time

Provide the total cost of facility time	£270.67
Provide the total pay bill	£10,431,247.42
Provide the percentage of the total pay on facility time calculated as: (total cost of facility time ÷ total pay bill) × 100	0.0026%

**QUANTOCK EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) × 100	0
--	---

Trustees should refer to Statutory Instrument 2017 No. 328, The Trade Union (Facility Time Publication Requirements) Regulations 2017 for calculation details.

Related parties and other connected charities and organisations

There are no related parties which either control or significantly influence the decisions and operations of the Quantock Education Trust. Spaxton School operates a Parent Teacher Association and Sexey's School operates a charity which was established to support the school and the students within it: SEXEY'S SCHOOL BRUTON TRUST (SSBT). The SSBT is the freehold owner of part of the land on which Sexey's School is sited. In 2011, when the school became an academy trust, the SSBT granted the academy trust a 125-year lease giving it the right to occupy the site.

The DfE model for a single academy trust was used for the lease and the associated Church Supplemental Agreement. At the time of the transfer to QET a new lease was drawn up giving QET the right to occupy the site on exactly the same terms as Sexey's Academy Trust. The SSBT constitution was also changed in 2011 so that the Chair of the Academy Trust automatically became Chair of the SSBT but varied to the extent that the Chair of Local Governance Committee (LGC) is made Chair, rather than the Chair of the QET Trust Board. It was noted that the LGC Chair is appointed by QET in any event.

Engagement with employees (including disabled persons)

The Trust engages with their employees through many means and methods, including:

- consulting with employees on key matters
- conductive biannual stakeholder voice surveys
- a staff representative on the board
- regular updates to all staff members, via termly updates and newsletters,
- The CEO and HR Director facilitate termly meetings with Trade Union representatives from across the QET.

OBJECTIVES AND ACTIVITIES

Objects and aims

The principal object and activity of the Trust is to advance education for the public benefit, in particular by enriching life opportunities for all members of our Trust community, working and learning together with aspiration, ambition and care.

We maintain a strong emphasis on developing character as a holistic approach to the personal development of a child, as well as achieving high standards of academic success.

The aims of the Trust during the year ended 31 August 2023 are summarised in the table below:

Objectives, strategies and activities

Key priorities for the year are contained in our Trust Improvement Plan which is available from the CEO's PA. Improvement focuses identified for this year include:

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Trust Improvement Area	Objective
Quality of Education (QoE)	<ul style="list-style-type: none"> • Primary Age-Related Expectations show an improving trend over time against 2019, 2022 results and national benchmarks. • GCSE outcomes demonstrate an improving trend over time against 2019, 2022 results and national benchmarks • A Level outcomes demonstrate improvement on 2022 outcomes and are in line with 2019 results • Implementation of reading recovery and whole school reading approaches improves literacy levels of pupils of all ages. • Removal of barriers to learning results in all children being able to achieve and succeed. • Attendance rates improve and are at least in line with national averages • Staff have high expectations and students demonstrate positive attitudes to their learning • Pupils receive a high-quality curriculum in all subjects at all ages that supports their academic, character and spiritual development
People: Workforce resilience and wellbeing	<ul style="list-style-type: none"> • New Appraisal Policy provides a fair and equitable experience of support for professional growth for all colleagues across the QET • Collaborative networks are developed across the Trust to support communities of practice around shared school improvement priorities (see QoE above) • A QET People Strategy in place by Summer 23 • QET engages positively with Trade Union representatives to maintain good working relations with its employees
Efficiency and Effectiveness: finance, sustainability and compliance	<ul style="list-style-type: none"> • QET complies with requirements determined by the DfE on statutory policy and legal requirements including Academies Financial Handbook • QET is in a financially sustainable position • The QET central function delivers a high-quality shared business and school improvement offer
System leadership & civic responsibility	<ul style="list-style-type: none"> • The QET works with a network of regional and national partners both as a capacity giver and taker • Schools engage successfully and effectively with parents and the wider community, and act as an 'anchor institution' within their locale.
Governance & Accountability	<ul style="list-style-type: none"> • QET maintains a coherent and accessible Scheme of Delegation that is reviewed annually and adapted according to each school's context/inspection outcome as appropriate • High quality governance ensures the effective delivery of the Trust vision, mission and strategic aims, and prioritises the most effective and efficient use of resources in order to secure excellent outcomes for its pupils. • External inspections recognise the positive impact that Trust and Governor leaders have on the school and the quality of education provided to QET's pupils

**QUANTOCK EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

Public benefit

The Company's objects are specifically restricted to the following:

- To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing Academies which shall offer a board and balanced curriculum which:
 - Shall include Church of England Academies designated as such which shall be conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship, and
 - May include other Academies whether with or without a designated religious character;
- But in relation to each of the Academies, to recognise and support their individual ethos, whether or not designated Church of England.

Where an Academy is designated as or recognised as a Church Academy, in relation to the ethos and religious education provided at the Academy the Trustees shall have regard to any advice and follow any directives issued by the Diocesan Corporate Member.

The Trust has been successful in securing funding under the DfE Capital Improvement Fund (CIF) for the following projects with some projects spanning more than one year

Haygrove School

- | | |
|--|-------------|
| • Overlay roof to the Sports Hall – completion Summer 23 | £205,035.26 |
| • Fan convector heaters replacement project | £77,345.78 |
| • Heating System replacement project spanning two years now complete | £64,536.42 |

Spaxton School

- | | |
|--|------------|
| • Fire Safety Project | £62,667 |
| • Completion of Heating system project | £64,536.42 |

In addition, other capital expenditure includes:

Haygrove School

- | | |
|---|------------|
| • Energy Efficiency Project –LED lighting replacement funded from grant | £44,392 |
| • Replacement SAN Project | £22,030.94 |
| • WiFi project completion | £1524.65 |
| • School Contribution towards sports hall roof | £35,389.88 |
| • Sports Hall roof under cladding | £29,277 |
| • School contribution towards fan convector heater replacement | £19,336.44 |
| • Outdoor classroom /shelters project | £39,220 |
| • Purchase of vehicle to support attendance | £15,995 |

Sexey's School

- | | |
|---|-------------|
| • Refurbishment of Lisbury Boarding House | £22,381.52 |
| • Condition Works | £17,422.22 |
| • Conversion of dormitory to classroom | £6,195 |
| • Electrical works to Macmillan House | £10,753 |
| • Roofing works | £3380 |
| • Connect the Classroom Project funded from DfE grant | £439,953.09 |
| • Replacement Hall curtains | £5,023.79 |
| • DT Equipment – Laser cutting machine | £6272.50 |
| • Lisbury Boarding House equipment | £3,499.16 |

**QUANTOCK EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

Spaxton School

- School contribution to heating system project –now complete £16,714.34

Stogursey School

- Energy Efficiency grant project funded by DfE grant £8,301.98
- Connect the Classroom Project funded by DfE grant £8,270.96

In setting our objectives and planning our activities the trustees have carefully considered the Charity Commission's general guidance on public benefit.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

**STRATEGIC REPORT
ACHIEVEMENTS AND PERFORMANCE**

Key Performance Indicators

Academic Performance:

Primary and Secondary pupil outcomes for 22/23 showed improvement across a range of measures. Both secondary schools, Sexey's and Haygrove were the highest performing secondary schools in Somerset:

Haygrove:

- Top 2 of 93 in the SW for strong pass improvement 2022-23 (+11%)
- Top of the county for E&M 5+ and 4+ and P8. 12th highest in the SW for P8
- 24.32% of students achieving grades 9-7 compared to 22% nationally
- 83.34% of all GCSE grades grade 4+ - over 15% higher than national average

Sexey's:

- Top School in Somerset for both EBacc entry and EBacc Average Points Score
- Top School in Somerset for Attainment 8
- Second School in Somerset for % of students gaining a 5 or above in E&M
- Second School in Somerset for % of students gaining a 4 or above in E&M

Stogursey:

- Improvement in RWM combined at KS2
- Improvement across all Reading, Writing, Maths, GPS measures at KS2 – significant in Maths
- More children achieving Greater Depth in RWM

Spaxton:

- Improvement at KS1 in Reading and Writing
- More children achieving Greater Depth in Reading and Writing

In the course of the last academic year 22/23 two QET schools were inspected: Sexey's School moved from Inadequate to Good and Stogursey was judged Requires Improvement overall but with Good judgements for Behaviour and Attitudes and Personal Development

Financial Performance

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In period under review, £1,061,822 revenue funds was carried forward representing £970,334 of GAG. Fixed Asset fund carry forward was £21,768,444 which includes Sexey's School property account of £1,299,531. The remaining funds relate to grant funding from the DfE with expenditure spanning more than one academic year.

As funding is based on pupil numbers, this is also a key performance indicator. Pupil numbers as at October 22 CENSUS date for 21/22 was 1,869, an increase of 41 pupils over 2022.

Pupil numbers remain consistent at secondary level but at primary level there is likely to be a fall due to demographics in the local area.

**QUANTOCK EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

	2022 – Number of Pupils Autumn CENSUS	2021 – Number of Pupils Autumn CENSUS
Haygrove School	1083	1079
Spaxton Primary School	70	73
Stogursey Primary School	65	54
Sexey's School	651	622
	1869	1828

Key Performance Data	Actual
Capital Spend per pupil - Additions £1,152,978	£617
Trade creditors at the end of the year	£NIL
Cash and bank balances at the end of the year	£2,884,859
Trade debtors at the end of the year	£583,077
VAT refund due as at the end of the year	£233,068
Prepayments	£862,166
LGPS deficit	£1,405,000
Total GAG per pupil	£5,196
Unrestricted funds balance (excluding fixed assets funded from unrestricted funds)	£978,996
Staff Costs (£11,218,213) per pupil	£6,002

Going concern

The Trust Board are managing issues which could adversely impact the financial viability of the Trust both of which are being actively mitigated.

1. Increase costs associated with the closure of the new main Block A at Haygrove School, due to identification of construction issues deeming the property is unsafe by the DfE and increased running costs in relation to the use of temporary buildings whilst a permanent solution is identified. The DfE have provided assurances that all additional costs will be covered by them, formal written confirmation awaited.
2. Historic debt not identified prior to transfer into the Trust and associated cashflow pressure at Sexey's School. The Regional Director and ESFA have committed to work with us to provide a financial package to address this situation and ensure the other schools in the Trust are protected from this historic situation. A business case has been submitted and approval decision awaited.

Subject to these two Issues being resolved with the help of DfE, Regional Director and ESFA, 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. Should the mitigation of either issue fail, a further review and actions will be taken to correct the position.

Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

**QUANTOCK EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

Financial review

Most of the Academy's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2023 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

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

During the year ended 31 August 2023, excluding fixed asset and pension reserves, the Academy received total income of £13,482,539 and incurred total expenditure of £14,061,929. The excess of expenditure over income for the year, excluding fixed asset and pension reserves, but after transfers of £160,251 to restricted fixed asset funds was £739,641.

At 31 August 2023 the net book value of fixed assets was £20,705,577 and movements in tangible fixed assets are shown in note 16 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The land, buildings and other assets were transferred to the Academy upon conversion. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

The Local Government Pension Scheme deficit is incorporated within the Statement of Financial Activity with details in Note 27 to the financial statements.

Key financial policies adopted or reviewed during the year include the Financial Procedures, Administration & Control Policy which lays out the framework for financial management, including financial responsibilities of the Board, Head Teacher, managers, budget holders and other staff, as well as delegated authority for spending. Other policies reviewed and updated included Charges and Lettings, Asset Management and Insurance.

Reserves policy

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

From 22/23, Academies will maintain operational and strategic reserves.

Operational reserves - to enable individual academies to manage fluctuations in their normal operating income and expenditure. Utilisation of these reserves will be at the discretion of the academy. The operational reserve should always be positive and generally more than 1% and less than 3% of current year GAG income. For 22/23, our recommendation is that it is 2%. Where an academy's operating reserve is forecast to fall outside of these parameters, the DFO will work with the academy to develop a plan to bring the reserve into line over an agreed time period. Positive reserves remaining at the financial year-end are carried forward to the following year and can be considered in the budget setting process.

Strategic reserves - to manage the wider financial risk profile of the Trust and to allow for larger planned expenditure which would fall outside of the parameters of an academy's operational budget. Academies are expected to maintain strategic reserves as a % of current year GAG income. For 22-23, our recommendation is that it is 2%. It is noted that academies may not be able to achieve this target range – challenges such as increasing pupil numbers in a lagged funding system, or long periods of staff absence may mean that the academy has to focus on maintaining its operational reserve only. However, if strategic reserve levels do fall below threshold in an academic year, it would be expected that the budgeting process for the following year would include a contribution towards increasing the reserve going forward.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

The strategic reserve is a pooled resource, designed to respond to need, but also to opportunities, and aligned with the Trust's Strategic Plan. Utilisation of strategic reserves will be decided upon by the Trust Executive team, subject to approval by the Board of Trustees. Academies will be required to apply for approval to access strategic reserves. The criteria and process for accessing funds will be determined and then published to schools and subject to regular review.

In the event that an academy accesses the strategic reserves of the Trust, the Trust Executive team and Board of Trustees will work with them to establish a repayment profile which returns the academy to a positive reserve position within a fair and reasonable timeframe.

Total reserves of the academy amount to £23,244,042 (excluding the defined benefit pension liability), although £22,182,220 of this is invested in fixed assets. The remaining £1,225,817 (representing £978,996 non fixed assets unrestricted funds, £970,334 unspent GAG, £34,804 other restricted funds and £922,312 deficit of boarding) is the balance that the Trustees monitor in accordance with the Board's reserves policy. This represents 2.2 months of normal recurring expenditure.

The Trustees have capital reserves as follows:

- Reserves include £174,407 of unspent DFE capital grant balances carried forward as projects span more than one year. Projects include Connect the Classroom Grant, Energy Efficiency Projects and CIF Projects
- Sexey's Property account £1,299,531

Investment policy

All funds surplus to immediate requirements are invested to optimal effect. Where cash flow allows, sums in excess of £100,000 may be invested on deposit for extended periods and is currently under review as interest rates rise.

Due to the nature and timing of receipt of funding, the Academy may at times hold cash balances surplus to its short-term requirements. The Trustees have authorized the opening of additional short-term bank investment accounts to take advantage of higher interest rates. No other form of investment is authorised.

Trustees are committed to ensuring that all funds under their control are managed in such a way as to maximize return whilst minimising risk. Any cash not required for operating expenses is placed on deposit at the most favourable rate available from providers covered by the Financial Services Compensation Scheme. Day to day management of the surplus funds is delegated to the Headteacher and Director of Finance & Operations within strict guidelines approved by the Board of Trustees.

Principal risks and uncertainties

The Board of Trustees has reviewed the major risks to which the Multi Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

The principal risks and uncertainties facing the Academy fall into 3 categories: Strategic and Reputational; Operational; Business Continuity and Financial; and are as follows:

Financial - the Trust has considerable reliance on continued Government funding through the ESFA. In the last year 99% of the Trust's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms. As at Autumn Term 2023 there is considerable risk posed to the financial sustainability of the Trust by changes in government funding policy including an unfunded teachers' and support staff pay award.

Growth - the risk in this area arises from potential failure to effectively engage schools to join the Trust, risking long term financial sustainability in the context of the White Paper which articulates the government's desire for every school to be in a strong Trust by 2030. The Trustees continue to review our Growth Strategy, monitor its implementation, and ensure that appropriate measures are in place to mitigate these risks.

**QUANTOCK EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

Fraud and mismanagement of funds - The Trust has appointed a Responsible Officer/internal audit to carry out checks on financial systems and records as required by the Trust Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

Reputational - the continuing success of the Trust is dependent on continuing to attract pupils and a high quality workforce in sufficient numbers by maintaining the highest educational standards. To mitigate this risk, Trustees ensure that student success and achievement are closely monitored and reviewed. A priority for our newly established central HR function in 23-24 is to develop a People Strategy that articulates the QET dividend to secure even better recruitment and retention rates.

Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline. To this end we have commissioned external expertise to operate in a strategic role to support the development of all safeguarding practices.

Effective School Improvement – the Trust continues to deliver a high quality school improvement offer for our schools that attracts national experts to support Headteachers in achieving their priorities. This ensures that leaders are fully supported in meeting the improvement needs of their schools as well as supporting the mitigation of the risk of declining pupil and Ofsted outcomes.

The Trust has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis at school and Trust level.

The Trust has agreed and reviewed a Risk Management Strategy, a Risk Register and a Risk Management Plan. These have been discussed by Trustees and include the financial risks to the Trust. The register and plan are regularly reviewed in light of any new information and formally reviewed annually. Each school maintains its own risk register, which is reviewed biannually and contributes to the Trust wide approach.

The Trustees have assessed the major risks to which the Trust is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains, they have ensured they have adequate insurance cover.

The Trustees examine the financial health formally every term. They review performance against budgets and overall expenditure by means of regular update reports at all Board and Finance Committee meetings. The Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the Trust had no significant liabilities arising from trade creditors or debtors that would have a significant effect on liquidity.

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in Note 25 to the financial statements, represents a significant potential liability. However, as the Trustees consider that the Trust is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

Buildings: the closure of Block A at Haygrove School on safety grounds, as directed by the DfE following inspection triggered by other sub-standard building by the construction company, and provision of temporary accommodation on the site, has increased the Health and Safety risk of that site and additional mitigations are being implemented – including the scaffolding and wrapping of the impacted building. The Haygrove Site Manager and Trust Estates Lead are working with the DfE School Rebuilding Team on this risk mitigation. A full RAAC report for the Estate has also been completed. All Schools have been inspected with no cases identified,

**QUANTOCK EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

Fundraising

The academy trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees

Streamlined energy and carbon reporting

UK Greenhouse gas emissions and energy use data for the period	1 September 2022 to 31 August 2023	1 September 2021 to 31 August 2022
Energy consumption used to calculate emissions (kWh)	2,888,667	3,466,937
Energy consumption break down (kWh) (optional)		
• gas,	1,785,633	2,480,805
• electricity	1,103,034	986,132
• transport fuel	-	-
<u>Scope 1 emissions in metric tonnes CO2e</u>		
Gas consumption	407.06	453.54
Electricity consumption	147.37	190.70
Owned transport – mini-buses	-	-
Total scope 1	630.79	644.25
<u>Scope 2 emissions in metric tonnes CO2e</u>	-	-
Purchased electricity	-	-
<u>Scope 3 emissions in metric tonnes CO2e</u>	12.64	28.91
Business travel in employee-owned vehicles		

Total gross emissions in metric tonnes CO2e	643.43	673.16
<u>Intensity ratio</u>	0.34	0.37
Tonnes CO2e per pupil		

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 2023 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.

The following measures have been undertaken to improve energy efficiency across the trust.

- A new air source heating system at Spaxton and Stogusey including removal of oil fire boilers.
- Replacement boilers to two teaching blocks at Haygrove School
- LED lighting installation at Haygrove, Spaxton and Stogursey Schools
- Replacement of drugasar heaters to two teaching blocks at Haygrove School
- Replacement sports hall boilers and heating

**QUANTOCK EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

Plans for future periods

The Trust will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. The Trust will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

The Trust will continue to deliver against its Growth Strategy which was devised and published to the Regional Schools Commissioner in July 2022. We are engaged in a Trust Partnership Arrangement with Merriott Primary School and Ashlands Primary School in Crewkerne and are developing strong collaborative relationships with other schools in that area. We have also entered into a partnership arrangement with the Somerset Learning Partnership.

The Trust will also continue to work with partner schools in the local Bridgwater area to improve the educational opportunities for students in our wider community.

Full details of our plans for the future are given in our Trust Development Plan, which is available on our website or from the Clerk to the Trustees.

Funds held as custodian trustee on behalf of others

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

Auditor

Insofar as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- 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.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 21/12/2023 and signed on the board's behalf by:

A handwritten signature in black ink, consisting of a stylized, cursive 'R' followed by a horizontal line extending to the right.

R Brown
Chair of Trustees

**QUANTOCK EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2023**

GOVERNANCE STATEMENT

Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Quantock Education 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 CEO, 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 Quantock Education 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 **[7]** 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
C Garnett	7	7
R Brown (Chair)	7	7
T Hains (Vice Chair)	6	7
J Ashworth	7	7
C Macadam (resigned 31/08/23)	6	7
M Cooke	6	7
S Hatch (resigned 31/08/23)	7	7
D Hannay (resigned 08/02/23)	3	4
M Curran (appointed 01/09/22)	6	7
A Hammond (appointed 01/09/22)	7	7
T Lee	7	7
C Burghes (appointed 01/07/23)	1	1

The board of Trustees has remained stable throughout the academic year with 2 Trustees joining at the start of the year. Two Trustees have resigned at the end of the academic year.

The Trust had one further resignation in the academic year with the replacement being appointed in July 23

All Trustees complete a Declaration of Interest form to manage any conflicts of interests within the Trust. A copy of the Trusts register of interests can be found on the Trust's website.

The Finance, Operations and **Audit committee** is a sub-committee of the main board of trustees. During the year the focus has been on embedding the necessary structures around leadership and governance, enable the Trust to achieve its strategic aims during a very challenging time for the sector.

These include:

A review of the QET Scheme of Delegation following a consultation process with the Board of Trustees, Local Governance Committees and the Bath and Wells Diocese. The revised scheme of delegation was approved in early November 2022 and is aligned to the details of the School Improvement and Central Services Offer which was published at the start of Autumn Term.

**QUANTOCK EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

The Finance, Operations and Audit Committee is a sub-committee of the main Board of Trustees, and will meet half termly in 22-23 to maintain close oversight of the Sexey's financial position and QET finances given the implications on our overall position due to the impact of the teachers' pay award, rising energy costs and the shortfall in SSG funding. The purpose of FO&A is to review school budget and financial management standards, review assigned school policies, evaluate the school development plan, review pay and review financial performance. In their role as Responsible Officer the Finance, Operations and Audit Committee has contracted the detailed checking of financial systems and processes to Education Financial Services. Education Financial Services has carried out a programme of checks, which included a focus on:

- Internal scrutiny foundations
- Payroll
- Income

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
T Hains	6	6
D Hannay	2	2
M Cooke	5	6
C Garnett	6	6
T Lee	6	6
R Brown	2	2

Review of value for money

As accounting officer, the CEO has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to educational and wider societal outcomes, as well as estates safety and management, 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 or by using a framework where appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Robust financial governance and budget management;
- Implementing new internal controls and processes to generate financial and operational efficiencies
- Remodelling a new central offer and core service charge to fund it
- Value for money purchasing including using of CPC frameworks
- Reviewing controls and managing risk;
- Making comparisons with similar MATs using data benchmarking data
- Challenging proposals and examining their effectiveness and efficiency;
- Deploying staff effectively;
- Commissioning external high-quality expertise to support the QET with its priorities
- Reviewing quality of curriculum provision and quality of teaching;
- Reviewing pupil premium funding to target funding at strategies to improve student progress and attainment;

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 Quantock Education Trust for the period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements.

**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

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 on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2022 to 31 August 2023 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 and general purposes committee of reports, which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- identification and management of risks.

The board of trustees has decided:

The board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, Somerset Education Services act as an external reviewer reporting to the Finance, Environment and Audit Committee who have taken on the role, as Responsible Officer (RO).

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

The reviewer reports to the board of Trustees through the audit committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

The independent reviewer reports to the Board of Trustees, through the Finance, Operations and Audit Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. The independent reviewer has delivered the programme of planned checks and no material control issues have arisen as a result of the checks undertaken.

The Trust has agreed to buy-in an internal audit service from Somerset education Services

The internal auditor's role includes giving advice on financial and other matters and performing a range of checks on the academy trust's financial and other systems. In particular, the checks carried out in the current period included:

- Program 1 - Internal Scrutiny foundations including budgeting, financial operations, and reporting.
- Program 2 - Procurement
- Program 3 – Payroll
- Program 4 - Income, Risk Management, Transparency and GDPR

The following checks have been carried out as part of the internal review process:

- testing of recruitment processes
- testing of business continuity processes
- testing of control account / bank reconciliations.

**QUANTOCK EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

On an annual basis, the reviewer reports to the board of trustees, through the audit and risk committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. On an annual basis the reviewer prepares a summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

Review of effectiveness

As accounting officer, the Chief Executive Officer 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 auditor
- the financial management and governance self-assessment process or the school resource management self-assessment tool
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework
- the work of the external auditor
- the accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance, Operations and Audit committee and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 21/12/2023 and signed on its behalf by:



R Brown
Chair of Trustees



C Garnett
Accounting Officer

**QUANTOCK EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Quantock Education Trust, I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, under the funding agreement 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 2022, including responsibilities for estates safety and management.

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 2022.

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.



C Garnett
Accounting Officer
Date: 21/12/2023

**QUANTOCK EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2023**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- 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 and signed on its behalf by:



R Brown
Chair of Trustees

Date: 21/12/2023

**QUANTOCK EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
QUANTOCK EDUCATION TRUST**

Opinion

We have audited the financial statements of Quantock Education Trust (the 'academy trust') for the year ended 31 August 2023 which comprise the Statement of Financial Activities (incorporating income and expenditure account), 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 2022 to 2023 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 2023 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 2022 to 2023 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.

**QUANTOCK EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

Other information

The other information comprises the information included in the Annual Report and Financial Statements other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report and Financial Statements. 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 and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has 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.

**QUANTOCK EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
QUANTOCK EDUCATION 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.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the Academy sector, control environment and the Academy Trust's performance;
- results of our enquiries of management and the Trustee board, including the committees charged with governance over the Academy Trust's finance and control, about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Academy Trust's documentation of their policies and procedures relating to: identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; the internal controls established to mitigate risks of fraud or noncompliance with laws and regulations;
- how the Academy Trust ensured it met its obligations arising from it being financed by the ESFA and other funders, and as such material compliance with these obligations is required to ensure the Academy Trust will continue to receive its public funding and be authorised to operate, including around ensuring there is no material unauthorised use of funds and expenditure;
- how the Academy Trust ensured it met its obligations to its principal regulator, the Secretary of State for Education; and
- these matters were discussed among the audit engagement team who also considered any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud, which included incorrect recognition of revenue, management override of controls using manual journal entries, procurement and payroll. We identified the greatest potential for fraud as incorrect recognition of revenue and management override using manual journal entries.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. We also obtained an understanding of the legal and regulatory frameworks that the Academy Trust operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Academies Accounts Direction, Academies Financial Handbook, UK Companies Act and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Academy Trust's ability to operate or to avoid a material penalty. These included safeguarding regulations, data protection regulations, occupational health and safety regulations, education and inspections legislation, building legislation and employment legislation.

**QUANTOCK EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of revenue;
- enquiring of Trustees and management and those charged with governance concerning actual and potential litigation and claims;
- performing procedures to confirm material compliance with the requirements of its regulators;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing internal control reports; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

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

Use of our report

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



Tim Borton FCA DChA (Senior Statutory Auditor)

for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

2nd Floor Stratus House

Emperor Way

Exeter Business Park

Exeter

EX1 3QS

Date: 22/12/2023

**QUANTOCK EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

In accordance with the terms of our engagement letter dated 24 November 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Quantock Education Trust during the year 1 September 2022 to 31 August 2023 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 Quantock Education Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Quantock Education 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 Quantock Education Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Quantock Education Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Quantock Education Trust's funding agreement with the Secretary of State for Education dated 1 July 2012 and the Academy Trust Handbook, extant from 1 September 2022, 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 2022 to 2023. 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 2022 to 31 August 2023 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 conclusion includes:

An assessment of the risk of material irregularity and impropriety across all of the Trust's activities;

Further testing and review of the areas identified through the risk assessment including enquiry, identification of controls processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and

Consideration of evidence obtained through the work detailed above and the work completed as part of our audit of the financial statements in order to support the regularity conclusion.

**QUANTOCK EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

In line with the Framework and guide for external auditors and reporting accountants of academy trusts issued April 2023, we have not performed any additional procedures regarding the Trust's compliance with safeguarding, health and safety and estates management.

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 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
2nd Floor Stratus House
Emperor Way
Exeter Business Park
Exeter
EX1 3QS

Date: 22/12/2023

QUANTOCK EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	As restated Total funds 2022 £
Income from:						
Donations and capital grants	3	23,121	3,500	839,513	866,134	10,966,422
Other trading activities		254,822	8,978	-	263,800	137,738
Investments	7	422	-	-	422	478
Charitable activities	4	58,417	13,133,279	-	13,191,696	12,835,112
Total income		336,782	13,145,757	839,513	14,322,052	23,939,750
Expenditure on:						
Charitable activities		158,343	14,105,815	8,399,602	22,663,760	19,268,283
Total expenditure		158,343	14,105,815	8,399,602	22,663,760	19,268,283
Net income/(expenditure)		178,439	(960,058)	(7,560,089)	(8,341,708)	4,671,467
Transfers between funds	20	-	(160,251)	160,251	-	-
Net movement in funds before other recognised gains/(losses)		178,439	(1,120,309)	(7,399,838)	(8,341,708)	4,671,467
Other recognised gains/(losses):						
Actuarial gains on defined benefit pension schemes	28	-	1,257,000	-	1,257,000	13,739,000
Net movement in funds		178,439	136,691	(7,399,838)	(7,084,708)	18,410,467
Reconciliation of funds:						
Total funds brought forward		1,214,333	(1,458,865)	29,168,282	28,923,750	10,513,283
Net movement in funds		178,439	136,691	(7,399,838)	(7,084,708)	18,410,467
Total funds carried forward		1,392,772	(1,322,174)	21,768,444	21,839,042	28,923,750

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

The notes on pages 36 to 67 form part of these financial statements.

QUANTOCK EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:07665225

BALANCE SHEET
AS AT 31 AUGUST 2023

	Note	2023 £	As restated 2022 £
Fixed assets			
Intangible assets	15	2,716	4,735
Tangible assets	16	20,705,577	27,965,402
		<u>20,708,293</u>	<u>27,970,137</u>
Current assets			
Debtors	17	1,222,426	808,408
Cash at bank and in hand		2,899,981	4,396,560
		<u>4,122,407</u>	<u>5,204,968</u>
Creditors: amounts falling due within one year	18	(1,586,658)	(1,776,355)
Net current assets		<u>2,535,749</u>	<u>3,428,613</u>
Total assets less current liabilities		<u>23,244,042</u>	<u>31,398,750</u>
Net assets excluding pension liability		<u>23,244,042</u>	<u>31,398,750</u>
Defined benefit pension scheme liability	28	(1,405,000)	(2,475,000)
Total net assets		<u><u>21,839,042</u></u>	<u><u>28,923,750</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	20	21,768,444	29,168,282
Restricted income funds	20	82,826	1,016,135
		<u>21,851,270</u>	<u>30,184,417</u>
Restricted funds excluding pension liability	20	21,851,270	30,184,417
Pension reserve	20	(1,405,000)	(2,475,000)
Total restricted funds	20	<u>20,446,270</u>	<u>27,709,417</u>
Unrestricted income funds	20	<u>1,392,772</u>	<u>1,214,333</u>
Total funds		<u><u>21,839,042</u></u>	<u><u>28,923,750</u></u>

The financial statements on pages 32 to 67 were approved by the Trustees, and authorised for issue on 21/12/2023 and are signed on their behalf, by:



R Brown
Chair of Trustees

**QUANTOCK EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:07665225**

**BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2023**

The notes on pages 36 to 67 form part of these financial statements.

QUANTOCK EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	22	(1,198,654)	1,560,066
Cash flows from investing activities	24	(313,045)	(751,154)
Cash flows from financing activities	23	-	1,768,543
Change in cash and cash equivalents in the year		(1,511,699)	2,577,455
Cash and cash equivalents at the beginning of the year		4,396,560	1,819,105
Cash and cash equivalents at the end of the year	25, 26	2,884,861	4,396,560

The notes on pages 36 to 67 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

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 2022 to 2023 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 INCOME

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

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

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

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

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.

**QUANTOCK EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

1. ACCOUNTING POLICIES (continued)

1.3 INCOME (CONTINUED)

- **Transfer of existing academies into the Academy Trust**

Where assets and liabilities are received on the transfer of an existing academy into the Academy Trust, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the Academy Trust. An equal amount of income is recognised for the transfer of an existing academy into the Academy Trust within 'Income from Donations and Capital Grants' to the net assets acquired.

1.4 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 institution with whom the funds are deposited.

1.5 EXPENDITURE

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

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

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. ACCOUNTING POLICIES (continued)

1.6 INTANGIBLE ASSETS

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

The estimated useful lives are as follows:

Computer software	- 3 years
-------------------	-----------

1.7 TANGIBLE FIXED ASSETS

Assets costing £5,000 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 and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Freehold property	- 10-50 years straight line
Long-term leasehold property	- Over the length of the lease
Furniture and equipment	- 10 years straight line
Computer equipment	- 3 years straight line
Motor vehicles	- 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.

1.8 DEBTORS

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

**QUANTOCK EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

1. ACCOUNTING POLICIES (continued)

1.9 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account and cash on deposit that has a notice period of less than 30 days.

1.10 LIABILITIES

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the 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.

1.11 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 17. 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 18. 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.

1.12 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

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 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.

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

1.15 OPERATING LEASES

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

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 28, 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 2023. 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.

During the year ended 31 August 2021, the Trust was transferred, by the Department for Education ("DfE"), new buildings built by the DfE under the Priority Schools Building Programme ("PSBP"). Because the DfE would not disclose to the Trust what the actual cost of the buildings were, the Trust had to estimate the value using standard costing data. As part of the PSBP development, part of the original school was demolished. Because the demolished buildings formed part of the original estate of Haygrove School transferred to the Trust on the original conversion of the academy, the Trust has had to estimate the proportion of the remaining net book value of the original estate representing the demolished buildings based on square meterage in order to assess the net book value eliminated from the accounts.

Critical areas of judgement:

The Academy Trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy Trust to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

During the year to 31 August 2023 the new building has been closed as it has been judged unsafe. Accordingly, the Trust has made a judgement to fully impair the remaining net book value attributable to the new building.

In the prior year, Sexey's School was transferred to the Trust. Included within debtors inherited from the predecessor trust, were some old debts that appear to be irrecoverable. The Trust has had to exercise judgement in the level of provision made, both by way of a prior year adjustment to the value of debts at the time they were originally transferred, and those that have required provision since.

QUANTOCK EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	As restated Total funds 2022 £
DONATIONS					
Assets transferred on conversion	-	-	-	-	9,929,754
Donations	23,121	3,500	-	26,621	41,576
Capital Grants	-	-	839,513	839,513	995,092
TOTAL 2023	<u>23,121</u>	<u>3,500</u>	<u>839,513</u>	<u>866,134</u>	<u>10,966,422</u>
TOTAL 2022 AS RESTATED	<u>18,421</u>	<u>(3,254,958)</u>	<u>14,202,959</u>	<u>10,966,422</u>	

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from charitable activities - Education	57,075	11,741,296	11,798,371	11,597,372
Income from charitable activities - Boarding	1,342	1,391,983	1,393,325	1,237,740
TOTAL 2023	<u>58,417</u>	<u>13,133,279</u>	<u>13,191,696</u>	<u>12,835,112</u>
TOTAL 2022	<u>54,500</u>	<u>12,780,612</u>	<u>12,835,112</u>	

QUANTOCK EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

5. FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
EDUCATION				
DFE/ESFA GRANTS				
General Annual Grant	-	9,710,857	9,710,857	9,267,635
OTHER DFE/ESFA GRANTS				
16-19 Funding	-	523,121	523,121	448,401
Other DfE/EFSA grants	-	241,252	241,252	338,318
Teachers pay and pensions	-	22,097	22,097	26,148
Pupil Premium	-	308,956	308,956	282,982
Universal infant free school meals	-	14,883	14,883	16,432
Academy deficit non- recoverable	-	-	-	654,000
School Supplementary Grant	-	290,084	290,084	-
	-	11,111,250	11,111,250	11,033,916
OTHER GOVERNMENT GRANTS				
High needs	-	174,574	174,574	108,530
Other government grants: non- capital	-	157,351	157,351	179,351
	-	331,925	331,925	287,881
Other income from the Academy Trust's education	57,075	186,263	243,338	242,625
COVID-19 ADDITIONAL FUNDING (DFE/ESFA)				
Other DfE/ESFA COVID-19 funding	-	111,858	111,858	32,950
	-	111,858	111,858	32,950
	57,075	11,741,296	11,798,371	11,597,372
	57,075	11,741,296	11,798,371	11,597,372
TOTAL 2022	54,250	11,543,122	11,597,372	

The Trust received £69,182 of funding for Recovery Premium and costs incurred in respect of this funding totalled £69,182

The Trust received £42,706 of funding for School Led Tutoring and costs incurred in respect of this funding totalled £42,706.

QUANTOCK EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

6. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Lettings	110,502	-	110,502	17,774
Other	144,320	8,978	153,298	119,964
TOTAL 2023	254,822	8,978	263,800	137,738
TOTAL 2022	126,615	11,123	137,738	

7. INVESTMENT INCOME

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Bank interest	422	422	478
TOTAL 2022	478	478	

QUANTOCK EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

8. EXPENDITURE

	Staff Costs 2023 £	Premises 2023 £	Other 2023 £	Total 2023 £	Total 2022 £
EXPENDITURE:					
Direct	8,443,720	603,150	1,344,984	10,391,854	14,751,684
Support	1,575,934	581,131	8,098,307	10,255,372	2,599,523
BOARDING:					
Direct costs	777,145	4,180	186,397	967,722	818,102
Allocated support costs	421,432	280,650	346,730	1,048,812	907,993
	<u>11,218,231</u>	<u>1,469,111</u>	<u>9,976,418</u>	<u>22,663,760</u>	<u>19,077,302</u>
TOTAL 2022	<u>11,486,073</u>	<u>3,084,710</u>	<u>4,506,519</u>	<u>19,077,302</u>	

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £	Total funds 2022 £
Education	10,391,854	10,255,372	20,647,226	17,542,188
Boarding	967,722	1,048,812	2,016,534	1,726,095
	<u>11,359,576</u>	<u>11,304,184</u>	<u>22,663,760</u>	<u>19,268,283</u>
TOTAL 2022	<u>15,760,767</u>	<u>3,507,516</u>	<u>19,268,283</u>	

QUANTOCK EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF DIRECT COSTS

	Education 2023 £	Boarding 2023 £	Total funds 2023 £	Total funds 2022 £
Pension finance costs	96,000	-	96,000	4,335,000
Staff costs	8,158,560	777,145	8,935,705	9,505,909
Depreciation	934,237	-	934,237	609,059
Educational supplies	436,603	7,931	444,534	334,376
Examination fees	160,531	-	160,531	125,372
Staff development	35,543	-	35,543	32,563
Other costs	48,722	53,408	102,130	142,036
Supply teachers	285,160	-	285,160	230,999
Recruitment and support	-	-	-	2,238
Technology costs	68,250	-	68,250	98,065
Office overheads	-	64,973	64,973	80,763
Bad debt provision	-	64,265	64,265	-
Educational consultancy	168,248	-	168,248	264,387
TOTAL 2023	10,391,854	967,722	11,359,576	15,760,767
TOTAL 2022	14,942,665	818,102	15,760,767	

QUANTOCK EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF SUPPORT COSTS

	Education 2023 £	Boarding 2023 £	Total funds 2023 £	Total funds 2022 £
Staff costs	1,575,809	421,557	1,997,366	1,798,864
Depreciation	151,661	-	151,661	107,481
Other costs	134,093	61,022	195,115	167,970
Recruitment and support	56,362	-	56,362	59,211
Maintenance of premises and equipment	223,931	97,899	321,830	320,376
Cleaning	31,436	8,584	40,020	35,143
Rent and rates	43,615	82,681	126,296	152,104
Energy costs	245,772	84,955	330,727	231,853
Insurance	35,290	6,531	41,821	36,641
Security and transport	3,158	-	3,158	2,885
Catering	136,278	285,583	421,861	311,001
Technology costs	209,576	-	209,576	186,566
Office overheads	19,257	-	19,257	17,027
Professional fees	42,511	-	42,511	35,467
Bank interest and charges	1,599	-	1,599	282
Property impairment	7,313,704	-	7,313,704	-
Governance costs	27,172	-	27,172	24,441
Legal fees	4,148	-	4,148	20,204
TOTAL 2023	10,255,372	1,048,812	11,304,184	3,507,516
TOTAL 2022	2,599,523	907,993	3,507,516	

QUANTOCK EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

10. NET INCOME/(EXPENDITURE)

Net income/(expenditure) for the year includes:

	2023 £	2022 £
Operating lease rentals	23,514	44,478
Depreciation of tangible fixed assets	1,099,101	716,540
Amortisation of intangible assets	2,019	-
Fees paid to auditors for:		
- audit	17,500	14,350
- other services	2,695	3,945
	<u>17,500</u>	<u>14,350</u>
	<u>2,695</u>	<u>3,945</u>

11. STAFF

a. STAFF COSTS

Staff costs during the year were as follows:

	2023 £	2022 £
Wages and salaries	8,262,889	7,346,059
Social security costs	778,447	709,356
Pension costs	1,891,735	3,249,358
	<u>10,933,071</u>	<u>11,304,773</u>
Agency staff costs	285,160	181,300
	<u>11,218,231</u>	<u>11,486,073</u>

b. STAFF NUMBERS

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

	2023 No.	2022 No.
Teachers	108	100
Administration and support	203	198
Management	14	16
	<u>325</u>	<u>314</u>

**QUANTOCK EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

11. STAFF (CONTINUED)

b. STAFF NUMBERS (CONTINUED)

The average headcount expressed as full-time equivalents was:

	2023 No.	2022 No.
Teachers	99	94
Administration and support	118	117
Management	14	16
	<u>231</u>	<u>227</u>

c. HIGHER PAID STAFF

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

	2023 No.	2022 No.
In the band £60,001 - £70,000	4	2
In the band £70,001 - £80,000	1	2
In the band £80,001 - £90,000	1	1
In the band £90,001 - £100,000	3	-
	<u>3</u>	<u>-</u>

d. KEY MANAGEMENT PERSONNEL

The key management personnel of the Academy Trust comprise the Trustees (who do not receive remuneration for their role as 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 £286,210 (2022: £239,993).

As staff trustees are not remunerated in respect of their role as a trustee, where staff trustees do not form part of the key management personnel other than in their role as trustee, their remuneration as set out in note 13 has not been included in the total benefits received by key management personnel above.

**QUANTOCK EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

12. CENTRAL SERVICES

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

- Executive head support
- IT
- HR
- Premises
- Legal costs

The Academy Trust charges for these services on the following basis:

Each Academy contributes 5.5% of GAG funding towards the cost of central services. A recharge for the CEO's salary is also made to Quantock Education Trust by Haygrove School.

The actual amounts charged during the year were as follows:

	2023	2022
	£	£
Haygrove School	396,947	175,933
Stogursey Church of England Primary School	26,000	12,333
Spaxton CofE Primary School	29,684	11,770
Sexeys School	213,618	152,408
TOTAL	666,249	352,444

**QUANTOCK EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

13. TRUSTEES' REMUNERATION AND EXPENSES

The Chief Executive Officer and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Executive Head and staff under their contracts of employment, and not in respect of their services as Trustees. Other Trustees did not receive any payments, from the Academy in respect of their role as Trustees. The values of Trustees' remuneration and other benefits was as follows: C Garnett Remuneration £90,000 - £100,000 (2022: £30,000- £35,000), Employer's pension contributions £20,000 - £25,000 (2022: £5,000 - £10,000).

During the year ended 31 August 2023, 1 Trustee claimed expenses totalling £157 (2022: £NIL).

14. TRUSTEES' AND OFFICERS' INSURANCE

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. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme membership.

15. INTANGIBLE ASSETS

	Computer Software £
COST	
At 1 September 2022	4,735
At 31 August 2023	<u>4,735</u>
AMORTISATION	
Charge for the year	2,019
At 31 August 2023	<u>2,019</u>
NET BOOK VALUE	
At 31 August 2023	<u><u>2,716</u></u>
At 31 August 2022	<u><u>4,735</u></u>

QUANTOCK EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

16. TANGIBLE FIXED ASSETS

	Freehold property £	Long-term leasehold property £	Office equipment £	Computer equipment £	Motor vehicles £	Total £
COST OR VALUATION						
At 1 September 2022	29,003,900	28,669	1,136,537	634,242	39,237	30,842,585
Additions	310,327	-	363,148	463,510	15,995	1,152,980
At 31 August 2023	29,314,227	28,669	1,499,685	1,097,752	55,232	31,995,565
DEPRECIATION						
At 1 September 2022	2,117,612	1,433	221,282	513,165	23,691	2,877,183
Charge for the year	806,978	-	273,253	8,872	9,998	1,099,101
Impairment charge	7,313,704	-	-	-	-	7,313,704
At 31 August 2023	10,238,294	1,433	494,535	522,037	33,689	11,289,988
NET BOOK VALUE						
At 31 August 2023	19,075,933	27,236	1,005,150	575,715	21,543	20,705,577
At 31 August 2022	26,886,288	27,236	915,255	121,077	15,546	27,965,402

During the financial year, the Haygrove School Building was found to have serious structural issues. The Trust is not able to use the building due to safety concerns and hence the building has been impaired fully to reflect this. The total impairment charge is £7,313,704 and at the year end the net book value of the building is £Nil.

17. DEBTORS

	2023 £	2022 £
DUE WITHIN ONE YEAR		
Trade debtors	419,082	326,200
Prepayments and accrued income	570,275	344,987
VAT recoverable	233,069	137,221
	<u>1,222,426</u>	<u>808,408</u>

QUANTOCK EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Salix Loan	24,436	24,436
Other taxation and social security	194,145	172,936
Other creditors	226,791	183,989
Accruals and deferred income	1,141,286	1,394,994
	<u>1,586,658</u>	<u>1,776,355</u>
	2023 £	2022 £
Deferred income at 1 September 2022	459,631	25,593
Resources deferred during the year	576,812	459,631
Amounts released from previous periods	(459,631)	(25,593)
	<u>576,812</u>	<u>459,631</u>

At the Balance Sheet date, the Academy Trust was holding funds received in advance for boarding fees, educational visits and rates.

19. PRIOR YEAR ADJUSTMENTS

Since Quantock Education Trust acquired Sexey's School, it has become apparent that debts in the former Sexey's School Academy Trust were not fully recoverable. Accordingly, in these accounts the amounts transferred on Sexey's School joining the Trust in 2022 have been restated to reflect irrecoverable debt included in the transfer. The effect of this restatement has reduced the value of assets transferred on conversion by £152,166 from £336,956 to £184,790. Debtors outstanding at 31 August 2022 have also been reduced by the same amount.

QUANTOCK EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

20. STATEMENT OF FUNDS

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
UNRESTRICTED FUNDS						
General Funds	718,955	191,120	(13,914)	-	-	896,161
Fixed Assets	429,005	-	(15,229)	-	-	413,776
Other funds	66,373	144,320	(127,858)	-	-	82,835
Unrestricted Boarding	-	1,342	(1,342)	-	-	-
	<u>1,214,333</u>	<u>336,782</u>	<u>(158,343)</u>	<u>-</u>	<u>-</u>	<u>1,392,772</u>
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	1,276,825	9,710,857	(9,857,097)	(160,251)	-	970,334
16-19 Funding	-	523,121	(523,121)	-	-	-
Pupil Premium	10,000	308,956	(318,956)	-	-	-
SSG	-	290,084	(290,084)	-	-	-
Other DfE Revenue Grants	-	390,090	(390,090)	-	-	-
High Needs	-	174,574	(174,574)	-	-	-
Local Authority	-	157,351	(157,351)	-	-	-
Other restricted funds	28,416	198,741	(192,353)	-	-	34,804
Restricted Boarding	(299,106)	1,391,983	(2,015,189)	-	-	(922,312)
Pension reserve	(2,475,000)	-	(187,000)	-	1,257,000	(1,405,000)
	<u>(1,458,865)</u>	<u>13,145,757</u>	<u>(14,105,815)</u>	<u>(160,251)</u>	<u>1,257,000</u>	<u>(1,322,174)</u>

QUANTOCK EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

20. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	5,237,852	-	(263,865)	-	-	4,973,987
Fixed assets purchased from GAG	568,680	-	(28,648)	142,728	-	682,760
DfE/ESFA Capital grants	1,553,977	839,513	(78,284)	81,154	-	2,396,360
Academy Capital Maintenance Fund	1,209,754	-	(60,943)	-	-	1,148,811
Priority schools building programme (PSBP)	7,370,150	-	(7,370,150)	-	-	-
Donation	234,139	-	(11,795)	-	-	222,344
Assets transferred from Academy	11,284,224	-	(568,469)	-	-	10,715,755
Property Capital Fund	1,363,161	-	-	(63,631)	-	1,299,530
Assets purchased through capital fund	346,345	-	(17,448)	-	-	328,897
	<u>29,168,282</u>	<u>839,513</u>	<u>(8,399,602)</u>	<u>160,251</u>	<u>-</u>	<u>21,768,444</u>
TOTAL RESTRICTED FUNDS	<u>27,709,417</u>	<u>13,985,270</u>	<u>(22,505,417)</u>	<u>-</u>	<u>1,257,000</u>	<u>20,446,270</u>
TOTAL FUNDS	<u>28,923,750</u>	<u>14,322,052</u>	<u>(22,663,760)</u>	<u>-</u>	<u>1,257,000</u>	<u>21,839,042</u>

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

RESTRICTED FUNDS

General Annual Grant (GAG) - Income from the ESFA which is to be used for the normal running costs of the Academy, including education and support costs.

16-19 Funding - Income from the ESFA which is to be used to support small group tuition for students aged 16 to 19.

**QUANTOCK EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

20. STATEMENT OF FUNDS (CONTINUED)

SSG - The Schools Supplementary Grant is funding from the ESFA intended to support schools to meet the costs of the Health and Social Care Levy.

High Needs - Funding received by the Local Authority to fund further support for students with additional needs.

Pupil Premium - Pupil premium represents funding received from the ESFA for children that qualify for free school meals to enable the Academy to address the current underlying inequalities between those children and their wealthier peers.

Other restricted funds - This includes other funding restricted for specific purposes.

Local authority - Income received from the local authority, such as free school meals.

Other income - non GAG - Other funding received from the ESFA, such as teachers pay and pension grants.

Boarding - Fee income received from Boarders at Sexey's School.

Pension reserve – This represents the Academy's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an Academy.

RESTRICTED FIXED ASSET FUND

Fixed assets transferred on conversion - This represents the buildings and equipment donated to the School from the Local Authority on conversion to an Academy Trust.

Fixed assets purchased from GAG - This represents the NBV of assets acquired using funds transferred from the restricted GAG funds.

DfE/ESFA Capital Grants - These funds are received from the DfE/ESFA for direct expenditure on fixed asset projects. The fixed asset fund balance at the year end represents the NBV of assets and any unspent grant amounts.

Academy Capital Maintenance Fund - These funds were received for direct expenditure on fixed asset projects.

Priority schools building programme - A new building has been provided at Haygrove Academy under the Priority Schools Building Programme.

Donation - These funds are received for direct expenditure on fixed asset projects and assets donated to the Academy Trust

Capital Property Fund - These funds were received for the sale of boarding houses at Sexey's School.

OTHER INFORMATION

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

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 2023.

QUANTOCK EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

20. STATEMENT OF FUNDS (CONTINUED)

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

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
UNRESTRICTED FUNDS						
General Funds	624,746	124,678	(30,469)	-	-	718,955
Fixed Assets	444,234	-	(15,229)	-	-	429,005
Other funds	42,885	108,080	(84,592)	-	-	66,373
	<u>1,111,865</u>	<u>232,758</u>	<u>(130,290)</u>	<u>-</u>	<u>-</u>	<u>1,214,333</u>
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	675,096	9,716,036	(8,699,401)	(414,906)	-	1,276,825
16-19 Funding	-	108,530	(108,530)	-	-	-
Pupil Premium	31,700	282,982	(304,682)	-	-	10,000
Other DfE Revenue Grants	31,268	51,157	(54,009)	-	-	28,416
Local Authority	32,626	-	(32,626)	-	-	-
Other Restricted Income	-	89,374	(89,374)	-	-	-
Other restricted funds	20,000	1,273,171	(1,293,171)	-	-	-
Restricted Funds transferred from existing academy (restated)	-	266,043	(81,253)	(184,790)	-	-
Boarding (restated)	-	1,237,740	(1,721,636)	184,790	-	(299,106)
Pension reserve	(6,641,000)	(3,521,000)	(6,052,000)	-	13,739,000	(2,475,000)
	<u>(5,850,310)</u>	<u>9,504,033</u>	<u>(18,436,682)</u>	<u>(414,906)</u>	<u>13,739,000</u>	<u>(1,458,865)</u>
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	5,337,681	-	(99,829)	-	-	5,237,852

QUANTOCK EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

20. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Fixed assets purchased from GAG	225,687	-	(71,913)	414,906	-	568,680
DfE/ESFA Capital grants	644,446	961,668	(52,137)	-	-	1,553,977
Academy Capital Maintenance Fund	1,238,531	-	(28,777)	-	-	1,209,754
Priority schools building programme (PSBP)	7,584,000	33,424	(247,274)	-	-	7,370,150
Donation	221,383	23,156	(10,400)	-	-	234,139
Assets transferred from Academy	-	11,475,205	(190,981)	-	-	11,284,224
Property Capital Fund	-	1,709,506	-	(346,345)	-	1,363,161
Assets purchased through capital fund	-	-	-	346,345	-	346,345
	<u>15,251,728</u>	<u>14,202,959</u>	<u>(701,311)</u>	<u>414,906</u>	<u>-</u>	<u>29,168,282</u>
TOTAL RESTRICTED FUNDS	<u>9,401,418</u>	<u>23,706,992</u>	<u>(19,137,993)</u>	<u>-</u>	<u>13,739,000</u>	<u>27,709,417</u>
TOTAL FUNDS	<u><u>10,513,283</u></u>	<u><u>23,939,750</u></u>	<u><u>(19,268,283)</u></u>	<u><u>-</u></u>	<u><u>13,739,000</u></u>	<u><u>28,923,750</u></u>

QUANTOCK EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

20. STATEMENT OF FUNDS (CONTINUED)

Total funds analysis by academy

Fund balances at 31 August 2023 were allocated as follows:

	2023 £	2022 £
Haygrove School	1,460,933	1,269,852
Stogursey Church of England Primary School	120,905	149,615
Spaxton Church of England Primary School	29,337	65,550
Central	17,936	29,637
Sexey's School	355,023	585,915
Sexey's Boarding	(922,312)	(299,106)
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	1,061,822	1,801,463
Restricted fixed asset fund	21,768,444	29,168,282
Unrestricted fixed asset fund	413,776	429,005
Pension reserve	(1,405,000)	(2,475,000)
	<hr/>	<hr/>
TOTAL	21,839,042	28,923,750
	<hr/> <hr/>	<hr/> <hr/>

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

	Deficit £
Sexey's Boarding	(922,312)
	<hr/> <hr/>

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

Since Sexey's School joined the trust, the Trust has responded to the number of challenges arising at both a strategic and operational level. This includes improving efficiencies by centralising many of the administrative functions, and implementing a financial recovery plan.

QUANTOCK EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

20. 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 2023 £	Total 2022 £
Haygrove School	4,496,709	712,297	491,017	7,900,425	13,600,448	5,855,478
Stogursey Church of England Primary School	357,061	65,742	47,257	76,017	546,077	592,270
Spaxton Church of England Primary School	374,132	46,130	47,911	72,305	540,478	513,365
Central	178,142	325,922	64,652	127,632	696,348	438,341
Sexey's School	2,954,676	417,843	344,798	350,587	4,067,904	3,378,653
Boarding School	777,145	421,432	151,745	589,285	1,939,607	1,721,636
ACADEMY TRUST	9,137,865	1,989,366	1,147,380	9,116,251	21,390,862	12,499,743

The above cost analysis does not include the loss on disposal of the Haygrove property.

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £
Tangible fixed assets	413,776	-	20,291,801	20,705,577
Intangible fixed assets	-	-	2,716	2,716
Current assets	2,565,653	82,826	1,473,927	4,122,406
Creditors due within one year	(1,586,658)	-	-	(1,586,658)
Provisions for liabilities and charges	-	(1,405,000)	-	(1,405,000)
TOTAL	1,392,771	(1,322,174)	21,768,444	21,839,041

QUANTOCK EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2022 £	Restated Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	429,005	-	27,536,397	27,965,402
Intangible fixed assets	-	-	4,735	4,735
Current assets	785,328	2,792,490	1,627,150	5,204,968
Creditors due within one year	-	(1,776,355)	-	(1,776,355)
Provisions for liabilities and charges	-	(2,475,000)	-	(2,475,000)
TOTAL	1,214,333	(1,458,865)	29,168,282	28,923,750

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

	2023 £	Restated 2022 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(8,341,708)	4,671,467
ADJUSTMENTS FOR:		
Amortisation	2,019	-
Depreciation	1,083,981	712,154
Capital grants from DfE and other capital income	(839,513)	(995,092)
Interest received	(422)	(478)
Defined benefit pension scheme cost less contributions payable	97,000	686,000
Defined benefit pension scheme finance cost	90,000	166,000
Increase in debtors	(414,018)	(652,660)
(Decrease)/increase in creditors	(189,697)	1,338,522
Assets transferred in	-	(4,365,847)
Impairment	7,313,704	-
NET CASH (USED IN)/PROVIDED BY OPERATING ACTIVITIES	(1,198,654)	1,560,066

QUANTOCK EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

23. CASH FLOWS FROM FINANCING ACTIVITIES

	2023 £	2022 £
Cash inflows from new borrowing	-	(24,436)
Cash acquired	-	1,792,979
NET CASH PROVIDED BY FINANCING ACTIVITIES	-	1,768,543

24. CASH FLOWS FROM INVESTING ACTIVITIES

	2023 £	2022 £
Interest received	422	478
Purchase of intangible assets	-	(4,735)
Purchase of tangible fixed assets	(1,152,980)	(1,741,989)
Capital grants from DfE Group	839,513	995,092
NET CASH USED IN INVESTING ACTIVITIES	(313,045)	(751,154)

25. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2023 £	2022 £
Cash at bank and in hand	2,884,861	4,396,560
TOTAL CASH AND CASH EQUIVALENTS	2,884,861	4,396,560

26. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 September 2022 £	Cash flows £	At 31 August 2023 £
Cash at bank and in hand	4,396,560	(1,496,579)	2,899,981
Debt due within 1 year	(24,436)	-	(24,436)
	4,372,124	(1,496,579)	2,875,545

**QUANTOCK EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

27. CAPITAL COMMITMENTS

	2023 £	2022 £
CONTRACTED FOR BUT NOT PROVIDED IN THESE FINANCIAL STATEMENTS		
Acquisition of tangible fixed assets	<u>111,561</u>	<u>261,142</u>

The above capital commitment figure relates to connect the classroom projects.

28. 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 Somerset County Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2020 and of the LGPS 31 March 2019.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

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 2020. The valuation report was published by the Department for Education on 26 October 2023. The key elements of the previous valuation as at 31 March 2016 which was effective for the year ended 31 August 2023 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%.

**QUANTOCK EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

28. PENSION COMMITMENTS (CONTINUED)

The 2020 valuation result is due to be implemented from 1 April 2024 and effective until 31 March 2027. The employer contribution rate for this period will be 28.68% of pensionable pay (including a 0.08% administration levy).

The employer's pension costs paid to TPS in the year amounted to £964,900 (2022 - £623,120).

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>) for 2016 and www.teacherspensions.co.uk/news/employers/2023/10/valuation-result.aspx for 2020.

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

LOCAL GOVERNMENT PENSION SCHEME

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £881,000 (2022 - £553,000), of which employer's contributions totalled £702,000 (2022 - £441,000) and employees' contributions totalled £ 179,000 (2022 - £112,000). The agreed contribution rates for future years are 17.5 per cent for employers and 5.5%-12.5% per cent for employees.

As described in note the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

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

	2023	2022
	%	%
Rate of increase in salaries	4.40	4.45
Rate of increase for pensions in payment	2.90	2.95
Discount rate for scheme liabilities	5.30	4.25
Inflation assumption (CPI)	2.90	2.95

QUANTOCK EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

28. PENSION COMMITMENTS (CONTINUED)

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

	2023 Years	2022 Years
Retiring today		
Males	21.1	21.4
Females	22.9	23.2
Retiring in 20 years		
Males	22.3	22.6
Females	24.3	24.6

SENSITIVITY ANALYSIS

	2023 £000	2022 £000
Discount rate +0.1%	(177)	(242)
Discount rate -0.1%	182	248
Mortality assumption - 1 year increase	287	310
Mortality assumption - 1 year decrease	(279)	(301)
CPI rate +0.1%	177	236
CPI rate -0.1%	(172)	(230)

SHARE OF SCHEME ASSETS

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

	At 31 August 2023 £	At 31 August 2022 £
Equities	6,613,000	5,812,000
Gilts	274,000	316,000
Corporate bonds	894,000	709,000
Property	694,000	718,000
Cash and other liquid assets	251,000	352,000
TOTAL MARKET VALUE OF ASSETS	8,726,000	7,907,000

The actual return on scheme assets was £194,000 (2022 - £219,000).

QUANTOCK EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

28. PENSION COMMITMENTS (CONTINUED)

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

	2023 £	2022 £
Current Service cost	(793,000)	(1,127,000)
Interest income	351,000	126,000
Interest cost	(441,000)	(292,000)
TOTAL AMOUNT RECOGNISED IN THE STATEMENT OF FINANCIAL ACTIVITIES	(883,000)	(1,293,000)

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

	2023 £	2022 £
AT 1 SEPTEMBER	10,382,000	11,181,000
Conversion of academy trusts	-	6,722,000
Liabilities transferred on conversion	-	1,031,000
Actuarial losses/(gains)	(1,485,000)	(9,918,000)
Current service cost	793,000	1,127,000
Interest cost	441,000	292,000
Employee contributions	179,000	112,000
Benefits paid	(179,000)	(165,000)
AT 31 AUGUST	10,131,000	10,382,000

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

	2023 £	2022 £
AT 1 SEPTEMBER	7,907,000	4,540,000
Conversion of academy trusts	-	3,201,000
Interest income	351,000	126,000
Actuarial gains/(losses)	(228,000)	(345,000)
Employer contributions	702,000	441,000
Employee contributions	179,000	112,000
Benefits paid	(179,000)	(165,000)
Administration Expenses	(6,000)	(3,000)
AT 31 AUGUST	8,726,000	7,907,000

**QUANTOCK EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

29. OPERATING LEASE COMMITMENTS

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

	2023 £	2022 £
Not later than 1 year	47,350	39,694
Later than 1 year and not later than 5 years	64,338	72,772
	<u>111,688</u>	<u>112,466</u>

30. 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.

31. GENERAL INFORMATION

Quantock Education Trust is a company limited by guarantee, incorporated in England and Wales. The registered office is Haygrove School, Durleigh Road, Bridgwater, Somerset, TA6 7HW.

32. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a Trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 13.

**QUANTOCK EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

33. BOARDING SCHOOL TRADING ACCOUNT

	2023 £	2023 £	Restated 2022 £	Restated 2022 £
INCOME				
DIRECT INCOME				
Fee Income	1,154,946		1,054,452	
OTHER INCOME				
Trip Income	10,391		23,963	
Catering Income	103,326		77,264	
Other Income	124,662		82,061	
TOTAL OTHER INCOME	238,379		183,288	
TOTAL INCOME		1,393,325		1,237,740
EXPENDITURE				
DIRECT EXPENDITURE				
Direct staff costs	777,145		662,299	
Boarding supplies	13,369		23,628	
Trip costs	40,039		44,651	
Catering	-		1,859	
Other direct costs	72,904		85,665	
Provision for doubtful debts	64,265		-	
TOTAL DIRECT EXPENDITURE	967,722		818,102	
OTHER EXPENDITURE				
Other staff costs	421,557		393,620	
Premises costs	280,650		272,257	
Catering	285,583		225,262	
Other	61,022		12,395	
TOTAL OTHER EXPENDITURE	1,048,812		903,534	
TOTAL EXPENDITURE		2,016,534		1,721,636
Transfer of funds from previous Academy Trust		-		184,790
Deficit from all sources		(623,209)		(299,106)
Boarding school balances at 1 September 2022		(299,106)		-
BOARDING SCHOOL BALANCES AT 31 AUGUST 2023		(922,315)		(299,106)