

Company Registration Number: 07891230 (England & Wales)

QUARRYDALE ACADEMY
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021



QUARRYDALE ACADEMY
(A company limited by guarantee)

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QUARRYDALE ACADEMY
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mr J Heald Mr P Marshall Mr N Luke Mr N Walton
Trustees	Mrs J Wildsmith, Chair Mr T Paling, Head Teacher & Accounting Officer Ms E Derner Mrs L Gardner Mr A Heathcote Mr P Hodson (resigned 5 July 2021) Mrs J Wells, SBM and Financial Officer Mrs S Poxon Mrs J Price (resigned 17 November 2021) Mr J Smart Miss L Ward (resigned 20 November 2020) Mrs M Slack (appointed 18 January 2021, resigned 21 August 2021) Mr P Marshall Mr J Heald Mr N Luke Mr N Walton Ms D Wilson (appointed 15 November 2021)
Company registered number	07891230
Company name	Quarrydale Academy
Principal and registered office	Stoneyford Road Sutton in Ashfield Nottingham Nottinghamshire NG17 2DU
Business Manager	Mrs J Wells
Senior management team	Mr T Paling, Head Teacher Mr M Sturrock, Associate Assistant Head Mr M Danylevych, Associate Assistant Head Mrs L Maddison, Associate Assistant Head Mr S Cooper, Associate Assistant Head Mr P Hodson, Associate Assistant Head Mrs J Wells, SBM and Financial Officer

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Independent auditors	Duncan and Toplis Limited Chartered Accountants and Statutory Auditors 15 Chequergate Louth Lincolnshire LN11 0LJ
Bankers	Lloyds Bank Portland Square Sutton-in-Ashfield NG17 1BA
Solicitors	Stone King LLP 16 St Johns Lane London EC1M 4BS

QUARRYDALE ACADEMY
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees present their annual report together with the financial statements and auditor's reports of the charitable company for the period 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a Trustees' Report and a Directors' Report under company law.

The Trust operates as an Academy for pupils aged 11-18 serving a catchment area of Sutton in Ashfield and have a roll of 1229.

Structure, governance and management

a. 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 Quarrydale Academy are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Quarrydale Academy.

Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 1.

b. 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.

c. Trustees' indemnities

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees, Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to a maximum value of £5,000,000.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Trustees

The Articles outline the different types of Governor, each category has slightly differing election processes, as outlined below:

- The term of office for any Trustee shall be 4 years, save that this time limit shall not apply to the Headteacher or any post which is held ex-officio. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be re-appointed or re-elected.
- The Governing Body may appoint up to 6 Community Trustees.
- Up to 7 Parent Trustees shall be elected by parents of registered pupils at the Academy. A Parent Trustee must be a parent of a pupil at the Academy at the time when he is elected. The term of office of a parent Trustee can continue until the end of the 4-year term even if the Trustee ceases to be the parent of a registered pupil.
- Currently up to 3 Staff Trustees shall be elected by a ballot of all staff employed under a contract of employment or a contract for services or otherwise engaged to provide services to the Academy (excluding the Principal). If a Staff Trustee ceases to work at the Academy then he shall be deemed to have resigned and shall cease to be a Trustee automatically on termination of his work at the Academy. Any election of a Staff Trustee which is contested shall be held by secret ballot. However, we are moving towards the recommendations stated in the Academies Financial Handbook where it is a strong preference to have no serving staff trustees. To implement these recommendations, the term of office for current serving staff trustees will not be extended.

Trustees are subject to retirement or re-election at the end of their 4-year term of office unless the eligibility conditions listed above prevail.

e. Policies adopted for the induction and training of Trustees

The training and induction provided for new Trustees will depend on their existing experience. Where necessary, induction will provide training on charity and educational legal and financial matters. All new Trustees and Governors are given a tour of the Academy.

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 few new Trustees a year, induction tends to be done informally and is tailored specifically to the individual.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

f. Organisational structure

The structure of the Academy consists of four senior levels: The Members Board, The Board of Trustees (Governing Body), then the Headteacher leading the Senior Leadership Team, which includes five Assistant Headteachers.

An aim of this management structure is to distribute responsibility and accountability and to encourage involvement in decision making at all levels so that the Academy nurtures the talents of its entire staff to support continual improvement and excellence.

The Board of Trustees is responsible for setting the Academy's policies, adopting the Academy Improvement Plan and budget, monitoring performance against these plans and making major decisions about the direction of the Academy including its curriculum, the achievement and welfare of students and staffing.

The Headteacher and Senior Leadership Team control the Academy at an executive level, implementing the policies set by the Board of Trustees and reporting back to them.

The Board of Trustees has established two sub-committees. Each sub-committee has its own terms of reference detailing the responsibilities discharged to the sub-committee, to the Headteacher (The Accounting Officer) and to the Senior Leadership Team.

The terms of reference and meeting frequency for each sub-committee is reviewed and approved by the Board of Trustees annually. The academy has an approved Finance Policy which details the Academy's authorised spending limits.

The sub-committees of the Governing Body are:

- Resources and Audit Committee
- Education Committee

g. Connected Organisations including Related Party Relationships

Quarrydale operates as a stand-alone Academy and does not have any soft or hard federations with any other Academies or MAT. It works closely with other educational establishments as required on a non-cost operation in the pursuit of excellence in learning and teaching.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

h. Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time £

Total cost of facility time	1,330
Total pay bill	5,837
Percentage of total pay bill spent on facility time	23 %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	52 %
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities

a. Objects and aims

- To provide a broad and balanced education for all children that enables them to achieve positive outcomes and reach their academic potential
- To promote and maintain exceptionally high expectations of all students and improve the outcomes for all learners in all subjects to reach a positive 'Progress 8 Score' (greater than 0) and an Attainment 8 Score which is above the national average.
- Ensure more-able pupils achieve a higher proportion of 8/9 GCSE grades or equivalent, particularly in key subjects, for example, English, Mathematics and Science.
- To continue our drive to meet the Government's ambition of having 75% of students entered for the English Baccalaureate by 2022 and 90% by 2025.
- Implement more targeted quality assurance procedures for subjects, which performed below expectation in 2020-21 in order for more rapid progress to be achieved in 2022.

b. Objectives, strategies and activities

- Ensure all subjects complete the Academy QA processes as per the dates of the calendar, thus ensuring sharp quantifiable improvement targets exist for all subject areas and are acted upon.
- Allocate underperforming subjects greater support, using a bespoke programme of intervention, monitoring and evaluation to ensure greater progress is made by all students in 2021 results.
- Further enhance our external validation exercises with external partners to provide a robust, effective and supportive Academy improvement process and to ensure all students and curriculum areas benefit from this process.

c. Public benefit

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit, "Charities and Public Benefit".

The Academy's public benefit is enshrined in its charitable objects, which state:-

- To advance for the public benefit education in the region of Sutton in Ashfield and the surrounding area, in particular but without prejudice to the generality of the foregoing by estimating, maintaining, carrying on, managing and developing Academies, offering broad curriculum with a strong emphasis on providing the best education possible and playing a key role in providing an effective service to the local area.
- To provide facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of the said community.
- 'Every Quarrydale Child' is placed firmly at the centre of our attention and heart of our vision.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report

Achievements and performance

a. Achievements and Performance

Student achievement has significantly improved and even though 2021 outcomes are based on teacher assessment due to COVID-19 a full analysis of these results has been completed and actions have already been taken to ensure 2022 outcomes improve further. A significant contribution to this improvement was the introduction of half-termly RAG meetings with each Head of Department to focus on students who are not achieving expected outcomes and implement effective intervention and support.

Leaders will work with all teachers to improve their accountability for students' outcomes. KS3 teachers have not shared in this responsibility to date and staff need to be made more aware of how important curriculum structure and delivery at KS3 is to securing good KS4 outcomes.

A review of the intervention strategies used last year has also taken place to identify which strategies were most effective. Curriculum changes will also be made to introduce a greater focus on retrieval and on developing the motivation and stamina needed to do well in a series of external examinations.

The school is committed to meeting the Government's national agenda and is working towards 75% of students taking the EBacc by 2022 and the curriculum has been redeveloped. In addition, work will focus on helping KS3 students develop greater motivational and goal setting skills, while promoting resilience to overcome barriers and accept new challenges. Y9 will also feature a summer term programme for Y9 students to assess and promote students' GCSE readiness as a platform to meet the demands of GCSE study.

The Headteacher believes the school offers an ambitious curriculum and recognises that a significant amount of work has been done in this area. The focus on the EBacc at KS4 and academic subjects at Post 16 builds ambition and careers guidance and support to access higher education is good and valued by students. NEET figures are low with 98% of pupils remaining in employment, education or training following completing their compulsory education.

The curriculum has been adapted to meet the needs of all students, regardless of background, social circumstances and ability.

For the main student body, the school offers two curriculum pathways at the start of Key Stage 4 study. The blue pathway is based on the EBacc and taken by a significant number of students. The remaining students take the green pathway, which includes a higher vocational element. Leaders are looking at whether an additional pathway needs to be constructed. Students and staff are able to influence the curriculum offer.

Leaders' analysis of student performance recognises that their ability for deeper learning is improving, but is still a key area to develop. Leaders want to improve students' self-belief and motivation, develop their resilience and develop higher order thinking skills.

Behaviour within the academy is good both in lessons and in unstructured times, due to the high expectations that leaders and staff have. Feedback from staff, students and visitors to the school confirms this judgement. Supply staff also comment favourably about behaviour, saying there is nice atmosphere in the school. Teachers believe that their behaviour management is good. Leaders now want to work with staff to maximise the impact of these good relationships, so that the minority of lessons that are subject to low level disruption reduce further.

Leaders have introduced comprehensive whole school reading strategies to promote a thirst for knowledge, love of learning and increase vocabulary. Many students on entry have low literacy levels and immediate reading tests are conducted to highlight where additional support is required. A high level of literacy results in students being able to access the curriculum for a deeper understanding and application of skills and knowledge.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Achievements and performance (continued)

b. Key Financial Performance Indicators

Financially the Academy is secure, with a three-year budget plan in place which shows that it will operate within the framework as set out by the DfE.

The Academy was rated as Good by Ofsted March 2017 and is not under any monitoring or management arrangement with the Regional Schools Commissioner.

The Academy continues to be over-subscribed and has moved from a PAN of 210 to 240 to accommodate the number of students locally wishing to attend. The reputation of the Academy is exceptionally positive within the community and students, staff and parents are happy with the service we provide.

c. Going Concern

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

Financial review

a. Overview

Most of the Academy's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2021 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the period ended 31 August 2021, total unrestricted and restricted income (excluding capital funding within the restricted fixed asset fund) were £7,552,228. This compares with expenditure (excluding depreciation within the restricted fixed asset fund and pension reserve expenditure) of £7,109,454 and transfers out to the restricted fixed asset fund of £223,506 to give a surplus of income over expenditure on revenue funding totalling £219,268. This equates to the change in balance of the restricted general funds (excluding pension reserve) plus unrestricted funds reported at the previous year end.

At 31 August 2021 the Local Government pension scheme deficit was £7,557,000. Although the deficit is material, the academy is taking the advice of the actuary regarding the repayment structure. Advised future contributions have also been included within the annual budget.

The amount that can only be realised by disposing of tangible fixed assets is £13,738,207.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

b. Reserves Policy

The academy's 'free' reserves are its funds after excluding restricted funds. 'Reserves' are therefore the resources the academy has or can make available to spend for any or all of the academy's purposes once it has met its commitments and covered its other planned expenditure. More specifically 'free reserves' represent income to the academy which is to be spent at the Trustees' discretion in furtherance of any of the academy's objects but which is not yet spent, committed or designated.

The trustees review the reserve levels of the academy annually. This review encompasses the nature of income and expenditure streams. The trustees have determined that the appropriate level of free reserves should be equivalent to 1-2 months' expenditure, which is approximately £592,000 to £1,185,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

The academy's current level of free reserves as at 31 August 2021 £572,077 comprising of unrestricted funds of £310,675 and restricted of £261,402.

At the end of the prior financial period (year ended 31 August 2020) the academy had free reserves £352,809.

The trustees are aware the reserves are below the desired level and are working to restore this to target in the medium term.

c. Investment Policy

The main bank account reserves are used to enable the Academy to make improvements in the buildings once the Governors have approved any project and have assessed against the risk of leaving the Academy in a deficit budget.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

d. Principal Risks and Uncertainties

Based on the strategic plan, the Finance and General Purposes Committee undertakes a comprehensive review of the risks to which the Academy is exposed. The committee identifies systems and procedures, including specific preventable actions which should mitigate any potential negative impact on the Academy.

The internal controls for managing risks deemed as medium and high are incorporated into Academy policies. The effectiveness of the Academy's internal controls in managing the risks identified is regularly monitored.

A thorough appraisal is undertaken in the subsequent year of the existing risks and any emergency risks, for example, those arising from changes to national funding policy and/or local circumstances. In addition to the annual review, the Resources and Audit Committee will also consider any risks which arise during the year, for example, as a result of a new area of work being undertaken by the Academy.

Outlined below is a description of the principal risk factors that may affect the Academy. However, not all factors are within the Academy's control and other factors besides those listed below may also adversely affect the Academy.

1. Government funding

The academy has considerable reliance on continued government funding through the Education Skills Funding Agency (ESFA) and the Local Authority.

This risk has and will be mitigated in a number of ways:

- Funding is derived through a number of direct and indirect contractual arrangements;
- Considerable focus and investment is placed on maintaining and managing key relationships with the various funding bodies;
- Ensuring the academy is focused on those priority sectors which will continue to benefit from public funding;
- Contingency planning embedded into the academy budget process.

2. Maintain adequate funding of pension liabilities

The financial statements report the share of the local government pension scheme deficit on the academy's balance sheet in line with the requirements of FRS 102.

The academy takes professional advice on this position and makes appropriate contributions on the basis of that advice to ensure the deficit does not become unmanageable.

3. Pupil Strategy

The academy seeks to maintain its popularity with current and prospective pupils by:

- ensuring the academy delivers high quality education and training;
- maintaining outstanding success rates and good inspection outcomes; and
- investing in its teaching staff and resources.

With ongoing commitment to quality, the academy now provides market-leading learning environments with state of the art technology and specialist resources. This places the academy in an excellent position to attract new pupils.

Fundraising

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Plans for future periods

The Academy is seeking to exploit the opportunities afforded by conversion to academy status. Initially by utilising increased financial resources and governance freedoms to improve further the standard of teaching and learning but also, importantly, to improve the Academy estate.

Funds held as custodian on behalf of others

The Academy holds money in the bank account in relation to Academy trips income held on behalf of the parents.

Disclosure of information to auditors

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that 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 auditors are 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 2 December 2021 and signed on its behalf by:

J. Wildsmith.

.....
Mrs J Wildsmith
Chair of Trustees

QUARRYDALE ACADEMY
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GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Quarrydale Academy 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.

The Trustees have delegated the day-to-day responsibility to the Head Teacher, as Accounting Officer, for ensuring financial controls conform to 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 Quarrydale Academy and the Secretary of State for Education. They are also responsible for reporting to the Members any material weaknesses or breakdowns in internal control.

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GOVERNANCE STATEMENT (CONTINUED)

Governance

The full Governing Body have proposed to review their structure and composition over the next Academic year, presently the structure and Governance is shown below:

The governing body:

Sets the strategic direction of the Academy by:

- Setting the values, aims and objectives for the academy
- Agreeing the policy framework for achieving those aims and objectives
- Setting targets
- Agreeing the academy improvement strategy which includes approving the budget and agreeing the staffing structure

Challenges and supports the academy by monitoring, reviewing and evaluating:

- The implementation and effectiveness of the policy framework
- Progress towards targets
- The implementation and effectiveness of the academy improvement strategy
- The budget and the staffing structure
- Conducts self-evaluation

Ensures accountability by:

- Responding to Ofsted reports when necessary
- Holding the principal to account for the performance of the academy
- Ensuring parents and pupils are involved, consulted and informed as appropriate
- Making available information to the community

Appoints and performance manages the headteacher who will deliver the aims (through the day-to-day management of the academy, implementation of the agreed policy framework and Academy improvement strategy, and delivery of the curriculum) and report appropriately to the governing body.

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' responsibilities. The governing body has formally met twice during the year. Attendance during the year at meetings of the governing body was as follows:

Trustee	Meetings attended	Out of a possible
Mrs J Wildsmith	6	6
Mr T Paling, Head Teacher & Accounting Officer	6	6
Ms E Derner	5	6
Mrs L Gardner	6	6
Mr A Heathcote	5	6
Mr P Hodson	5	5
Mrs J Wells, SBM and Financial Officer	6	6
Mrs S Poxon	5	6
Mrs J Price	2	6
Mr J Smart	6	6
Miss L Ward	0	0
Mrs M Slack	2	6
Mr P Marshall (Member)	5	6
Mr J Heald (Member)	0	6
Mr N Luke (Member)	5	6
Mr N Walton (Member)	0	6

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Finance & Audit Committee (changed to Resources Committee from January 2021)

Attendance during the year at meetings was as follows:

	Meetings attended	Out of a possible
Tim Paling	2	2
Joanna Wells	2	2
Jill Wildsmith	2	2
Jonathan Smart	2	2
Philip Marshall	1	2
Sarah Poxon	2	2

Review of value for money

As accounting officer the Headteacher has responsibility for ensuring that the academy delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the Academy's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate.

The accounting officer for the academy has delivered improved value for money during the year by:

A review of spending was conducted for areas of the budget that do not have fixed costs. These areas included capitation. Where possible, discounts were achieved by either re-negotiation or change of contracts across several areas within the academy. The areas where reviews and cost savings have taken place are as follows:

- Insurance Arrangements
- Software Licences
- Photocopying and Printing Solutions

Additionally a review of spending on leadership staffing was conducted and enabled some reduction in these costs too. The Academy has secured an additional funding from external bodies to support students in achieving their goals at higher education establishments. This funding has been used to provide additional staffing where required, visits to universities and outside speakers to raise aspiration.

The Academy promotes fair competition through quotation and tender, in accordance with its Finance Procedures, to ensure that goods and services are secured in the most economic, efficient and effective way. For example, three tenders were obtained via the CPC Framework for the purchase of interactive screens for all classrooms within the Academy

Budget Monitoring reports are produced at monthly intervals. The Resources Committee and Chair of Trustees are updated on budget position at least once a month and any significant variances against budget are addressed.

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GOVERNANCE STATEMENT (CONTINUED)

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy's 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 Quarrydale Academy for the year ended 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year 1 September 2020 to 31 August 2021 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'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 Trustees Report;
- regular reviews by the Finance, Audit and Premises 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.
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has decided to employ Clive Owen as internal auditor.

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

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations

On a quarterly basis, the auditors' report to the Resources Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

Copies of the auditors' reports are available on request and any points of action have always been acted upon as a matter of urgency.

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GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

As Accounting Officer the Head Teacher 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 external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 2 December 2021 and signed on their behalf by:

J. Wildsmith

.....
Mrs J Wildsmith
Chair of Trustees

T. J. Paling

.....
Mr T Paling
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Quarrydale Academy Trust I have considered my responsibility to notify the Academy trust governing body and the Education & Skills Funding Agency of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the Academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

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

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the board of Trustees and ESFA. If any instances are identified after the date of this statement, these will be notified to the board of Trustees and ESFA:

T. J. Paling

Mr T Paling
Accounting Officer
Date: 02.12.2021

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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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

J. Wildsmith

.....
Mrs J Wildsmith
Chair of Trustees
Date: 02.12.2021

QUARRYDALE ACADEMY
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
QUARRYDALE ACADEMY**

Opinion

We have audited the financial statements of Quarrydale Academy (the 'academy') for the year ended 31 August 2021 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 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's affairs as at 31 August 2021 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 2020 to 2021 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 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'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.

QUARRYDALE ACADEMY
(A company limited by guarantee)

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

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Academy 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 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'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 or to cease operations, or have no realistic alternative but to do so.

QUARRYDALE ACADEMY
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
QUARRYDALE ACADEMY (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:

We have identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial experience, knowledge of the sector, a review of regulatory and legal correspondence and through discussions with Trustees and other management obtained as part of the work required by auditing standards. We have also discussed with the Directors and other management the policies and procedures relating to compliance with laws and regulations. We communicated laws and regulations throughout the team and remained alert to any indications of non-compliance throughout the audit.

The potential impact of different laws and regulations varies considerably. Firstly, the company is subject to laws and regulations that directly impact the financial statements (for example financial reporting legislation) and we have assessed the extent of compliance with such laws as part of our financial statements audit. This included the identification and testing of unusual material journal entries and challenging management on key estimates, assumptions and judgements made in the preparation of the financial statements. These key areas of uncertainty are disclosed in the accounting policies.

Secondly, the academy is subject to other laws and regulations where the consequence for non-compliance could have a material effect on the amounts or disclosures in the financial statements. We identified the following areas as those most likely to have such an effect: Ofsted rating, Health & Safety Law, HR & minimum wage law, Company Law, compliance with the Funding agreement, compliance with the Academies Financial Handbook and the completion of DBS checks.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection. We have performed audit work through enquiries with management regarding any non-compliance and reviewed all available information to assess whether any breaches have been found. Through these procedures, if we became aware of any non-compliance, we considered the impact on the procedures performed on the related financial statement items.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. The further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. As with any audit, there is a greater risk of non-detection of irregularities as these may involve collusion, intentional omissions of the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

QUARRYDALE ACADEMY
(A company limited by guarantee)

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

Auditors' report.

Use of our report

This report is made solely to the Academy'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'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 and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

T.L. Bellamy

Tara Bellamy FCA (Senior statutory auditor)
for and on behalf of

Duncan and Toplis Limited

Chartered Accountants and Statutory Auditors

15 Chequergate

Louth

Lincolnshire

LN11 0LJ

Date: 2 December 2021

QUARRYDALE ACADEMY
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 28 September 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Quarrydale Academy during the year 1 September 2020 to 31 August 2021 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 Quarrydale Academy and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Quarrydale Academy 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 Quarrydale Academy and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Quarrydale Academy's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Quarrydale Academy's funding agreement with the Secretary of State for Education dated 31 March 2012 and the Academies Financial Handbook, extant from 1 September 2020, 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 2020 to 2021. 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 2020 to 31 August 2021 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's income and expenditure.

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 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

QUARRYDALE ACADEMY
(A company limited by guarantee)

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

T.L. Bellamy

Tara Bellamy FCA
Duncan and Toplis Limited
Chartered Accountants and Statutory Auditors

15 Chequergate
Louth
Lincolnshire
LN11 0LJ

Date: 2 December 2021

QUARRYDALE ACADEMY
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and capital grants	3	61,891	-	24,371	86,262	607,984
Charitable activities:						
Other charitable activities		-	7,202,450	-	7,202,450	6,297,551
Other trading activities		287,796	-	-	287,796	264,459
Investments	6	91	-	-	91	314
Total income		349,778	7,202,450	24,371	7,576,599	7,170,308
Expenditure on:						
Charitable activities:						
Other charitable activities		356,774	7,214,680	500,772	8,072,226	6,764,350
Total expenditure		356,774	7,214,680	500,772	8,072,226	6,764,350
Net (expenditure)/income		(6,996)	(12,230)	(476,401)	(495,627)	405,958
Transfers between funds	16	-	(223,506)	223,506	-	-
Net movement in funds before other recognised gains/(losses)		(6,996)	(235,736)	(252,895)	(495,627)	405,958
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	24	-	(847,000)	-	(847,000)	(1,302,000)
Net movement in funds		(6,996)	(1,082,736)	(252,895)	(1,342,627)	(896,042)

QUARRYDALE ACADEMY
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Reconciliation of funds:					
Total funds brought forward	317,671	(6,212,862)	13,991,102	8,095,911	8,991,953
Net movement in funds	(6,996)	(1,082,736)	(252,895)	(1,342,627)	(896,042)
Total funds carried forward	310,675	(7,295,598)	13,738,207	6,753,284	8,095,911

QUARRYDALE ACADEMY
(A company limited by guarantee)
REGISTERED NUMBER: 07891230

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	13	13,738,207	13,580,039
Current assets			
Debtors	14	140,151	428,963
Cash at bank and in hand		551,199	541,957
		<u>691,350</u>	<u>970,920</u>
Liabilities			
Creditors: amounts falling due within one year	15	(119,273)	(207,048)
		<u>572,077</u>	<u>763,872</u>
Net current assets			
		572,077	763,872
Total assets less current liabilities		<u>14,310,284</u>	<u>14,343,911</u>
Net assets excluding pension liability		<u>14,310,284</u>	<u>14,343,911</u>
Defined benefit pension scheme liability	24	(7,557,000)	(6,248,000)
Total net assets		<u><u>6,753,284</u></u>	<u><u>8,095,911</u></u>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	16	13,738,207	13,991,102
Restricted income funds	16	261,402	35,138
		<u>13,999,609</u>	<u>14,026,240</u>
Restricted funds excluding pension asset	16	13,999,609	14,026,240
Pension reserve	16	(7,557,000)	(6,248,000)
		<u>6,442,609</u>	<u>7,778,240</u>
Total restricted funds	16	6,442,609	7,778,240
Unrestricted income funds	16	310,675	317,671
		<u>6,753,284</u>	<u>8,095,911</u>
Total funds		<u><u>6,753,284</u></u>	<u><u>8,095,911</u></u>

The financial statements on pages 26 to 60 were approved by the Trustees, and authorised for issue on 2 December 2021 and are signed on their behalf, by:

QUARRYDALE ACADEMY
(A company limited by guarantee)
REGISTERED NUMBER: 07891230

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

J. Wildsmith.

.....
Mrs J Wildsmith
Chair of Trustees

QUARRYDALE ACADEMY
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	18	709,917	149,735
Cash flows from investing activities	19	(700,675)	(148,770)
Change in cash and cash equivalents in the year		9,242	965
Cash and cash equivalents at the beginning of the year		541,957	540,992
Cash and cash equivalents at the end of the year	20, 21	551,199	541,957

QUARRYDALE ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy, 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 2020 to 2021 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 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 has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy'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**

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

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

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

- **Sponsorship income**

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

QUARRYDALE ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1. Accounting policies (continued)

1.3 Income (continued)

- **Donations**

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**

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

1.4 Expenditure

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Government grants

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

1.6 Interest receivable

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

1.7 Taxation

The Academy 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 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.

QUARRYDALE ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1. Accounting policies (continued)

1.8 Tangible fixed assets

Assets costing £1,000 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 the following bases over its expected useful life:

Depreciation is provided on the following bases:

Freehold property	- 2% straight line
Furniture and equipment	- 25% reducing balance
Computer equipment	- 13% and 33% straight line
Motor vehicles	- 25% reducing balance

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.

1.9 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 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.

1.10 Provisions

Provisions are recognised when the Academy has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

QUARRYDALE ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.11 Financial instruments

The Academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy 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 14. 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 15. 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 Operating leases

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

QUARRYDALE ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1. Accounting policies (continued)

1.13 Pensions

The Academy operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Academy to the fund in respect of the year.

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

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

1.14 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of financial activities incorporating income and expenditure account. The funds received, disbursements paid and any balances held at the year end are disclosed in note 28.

1.15 Fund accounting

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

QUARRYDALE ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. 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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

3. Income from donations and capital grants

	Unrestricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Donations	1,684	-	1,684
Capital Grants	-	24,371	24,371
Contributions to visits	60,207	-	60,207
	<u>61,891</u>	<u>24,371</u>	<u>86,262</u>

	Unrestricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Donations	748	-	748
Capital Grants	-	512,484	512,484
Contributions to visits	94,752	-	94,752
	<u>95,500</u>	<u>512,484</u>	<u>607,984</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

4. Funding for the Academy's funding for the academy trust's educational operations

	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
DfE/ESFA grants			
General Annual Grant (GAG)	6,163,516	6,163,516	5,575,272
Other DfE/ESFA grants			
Pupil Premium	305,232	305,232	288,518
Other DfE/ESFA Revenue Grants	45,289	45,289	45,044
Teachers' Pay and Pension Grant	315,637	315,637	298,201
	-	6,829,674	6,207,035
Other Government grants			
Other revenue grants	5,373	5,373	2,752
SEN 1-1 Funding	114,983	114,983	74,264
Other local authority grants	18,800	18,800	13,500
	139,156	139,156	90,516
COVID-19 additional funding (DfE/ESFA)			
Catch-up Premium	122,220	122,220	-
	122,220	122,220	-
COVID-19 additional funding (non-DfE/ESFA)			
Covid FSM Support	55,853	55,853	-
Other COVID-19 funding	55,547	55,547	-
	111,400	111,400	-
	7,202,450	7,202,450	6,297,551

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the academy's funding for Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the Coronavirus outbreak. The funding received is shown above under "COVID-19 additional funding (DfE/ESFA)" and "COVID-19 additional funding (non-DfE/ESFA)".

- The funding received of £122,220 (2020 - £Nil) relates to COVID catch up premium costs. These costs are included in the expenses notes as appropriate.

- The funding received of £65,525 (2020 - £Nil) relates to free school meals funding from the local authority. These costs are included in the expenses notes and appropriate.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

4. Funding for the Academy's funding for the academy trust's educational operations (continued)

- The funding received of £55,547 (2020 - £Nil) relates to a mass testing centre. These costs are included in the expenses notes as appropriate.

5. Income from other trading activities

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Catering income	60,218	60,218	93,457
Lettings income	12,487	12,487	10,946
Other income	215,091	215,091	160,056
	<u>287,796</u>	<u>287,796</u>	<u>264,459</u>

6. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Bank account interest	91	91	314
	<u>91</u>	<u>91</u>	<u>314</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

7. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £
Funding for the academy trust's educational operations:				
Direct costs	5,070,880	309,182	678,710	6,058,772
Allocated support costs	1,288,449	354,308	370,697	2,013,454
	<u>6,359,329</u>	<u>663,490</u>	<u>1,049,407</u>	<u>8,072,226</u>
	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £
Funding for the academy trust's educational operations:				
Direct costs	4,499,497	27,403	514,712	5,041,612
Allocated support costs	1,186,408	209,179	327,151	1,722,738
	<u>5,685,905</u>	<u>236,582</u>	<u>841,863</u>	<u>6,764,350</u>

8. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Funding for the academy trust's educational operations	<u>6,058,772</u>	<u>2,013,454</u>	<u>8,072,226</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

8. Analysis of expenditure by activities (continued)

	<i>Activities undertaken directly 2020 £</i>	<i>Support costs 2020 £</i>	<i>Total funds 2020 £</i>
Funding for the academy trust's educational operations	<u>5,041,612</u>	<u>1,722,738</u>	<u>6,764,350</u>

Analysis of direct costs

	Educational operations 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Staff costs	5,070,880	5,070,880	4,499,497
Depreciation	500,772	500,772	91,930
Educational supplies	305,673	305,673	185,440
Technology costs	46,110	46,110	72,319
Examination fees	97,466	97,466	111,300
Staff development	35,169	35,169	23,810
Other costs	2,702	2,702	58,754
Fixed asset losses	-	-	(1,438)
	<u>6,058,772</u>	<u>6,058,772</u>	<u>5,041,612</u>

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

Analysis of support costs

	Educational operations 2021 £	Total funds 2021 £	Total funds 2020 £
Staff costs	1,288,449	1,288,449	1,186,408
Technology costs	42,997	42,997	12,574
Recruitment and support	14,127	14,127	18,274
Maintenance of premises and equipment	129,953	129,953	19,209
Cleaning	15,691	15,691	14,879
Rent and rates	59,405	59,405	28,259
Energy costs	84,831	84,831	85,159
Insurance	63,427	63,427	61,673
Security	901	901	-
Transport	757	757	1,220
Telephone, postage and stationery	15,449	15,449	21,904
Catering	134,022	134,022	90,818
Other costs	111,109	111,109	93,131
Bank interest and charges	(10)	(10)	29
Operating leases - other	7,911	7,911	8,044
Auditors' remuneration	17,204	17,204	15,563
Professional fees	23,365	23,365	64,100
Legal fees	3,866	3,866	1,494
	<u>2,013,454</u>	<u>2,013,454</u>	<u>1,722,738</u>

During the year ended 31 August 2021, the Academy incurred the following Governance costs: £44,435 (2020 - £81,157) included within the table above in respect of Funding for the academy trust's educational operations.

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**NOTES TO THE FINANCIAL STATEMENTS
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9. Net (expenditure)/income

Net (expenditure)/income for the year includes:

	2021 £	2020 £
Operating lease rentals	7,911	8,044
Depreciation of tangible fixed assets	500,772	91,930
Auditors' remuneration		
- external audit	8,000	7,540
- external audit other services	7,304	6,428
- internal audit	1,900	-
	<u> </u>	<u> </u>

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	4,473,742	4,101,287
Social security costs	428,255	387,729
Pension costs	1,344,818	1,140,615
	<u>6,246,815</u>	<u>5,629,631</u>
Agency staff costs	112,514	56,274
	<u>6,359,329</u>	<u>5,685,905</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

10. Staff (continued)

b. Staff numbers

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

	2021 No.	2020 No.
Teachers	77	78
Admin and Support	79	78
Management	1	1
	<u>157</u>	<u>157</u>

c. Higher paid staff

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

	2021 No.	2020 No.
In the band £100,001 - £110,000	<u>1</u>	<u>1</u>

d. Key management personnel

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £665,988 (2020 £681,437).

QUARRYDALE ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
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11. Trustees' remuneration and expenses

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

		2021 £	2020 £
Mr T Paling	Remuneration	105,000 -	100,000 -
		110,000	105,000
	Pension contributions paid	25,000 -	20,000 -
		30,000	25,000
Mr P Hodson	Remuneration	55,000 -	45,000 -
		60,000	50,000
	Pension contributions paid	10,000 -	10,000 -
		15,000	15,000
Mrs J Marsh (resigned 31/10/2019)	Remuneration		5,000 -
			10,000
	Pension contributions paid		0 - 5,000
Mr A Heathcote	Remuneration	45,000 -	45,000 -
		50,000	50,000
	Pension contributions paid	10,000 -	10,000 -
		15,000	15,000
Mrs J Wells	Remuneration	50,000 -	35,000 -
		55,000	40,000
	Pension contributions paid	10,000 -	5,000 -
		15,000	10,000

During the year ended 31 August 2021, expenses totalling £NIL were reimbursed or paid directly to 0 Trustees (2020 - £39 to 1 Trustee). The reimbursed expenditure relates to educational materials paid for by a trustee.

12. Trustees' and Officers' insurance

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 £5,000,000 on any one claim and the cost for the year ended 31 August 2021 was £2,632 (2020 - £2,700). The cost of this insurance is included in the total insurance cost.

QUARRYDALE ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
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13. Tangible fixed assets

	Freehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2020	15,455,695	277,927	289,943	39,179	16,062,744
Additions	3,708	623,552	97,877	-	725,137
Disposals	(66,197)	-	-	-	(66,197)
At 31 August 2021	15,393,206	901,479	387,820	39,179	16,721,684
Depreciation					
At 1 September 2020	1,996,875	176,801	277,767	31,262	2,482,705
Charge for the year	309,182	164,846	24,765	1,979	500,772
At 31 August 2021	2,306,057	341,647	302,532	33,241	2,983,477
Net book value					
At 31 August 2021	13,087,149	559,832	85,288	5,938	13,738,207
At 31 August 2020	13,458,820	101,126	12,176	7,917	13,580,039

The Academy's transactions relating to land and buildings included:

- The disposal of the freehold on a classroom teaching block by the academy trust at a value of £66,197. This was as a result of the final work for the property being lower than initially invoiced. The original invoice was for £109,817 however this was credit noted by £66,197.

14. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	525	-
Prepayments and accrued income	115,019	419,202
VAT recoverable	24,607	9,761
	140,151	428,963

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**NOTES TO THE FINANCIAL STATEMENTS
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15. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	65,343	109,817
Other creditors	8,990	33,151
Accruals and deferred income	44,940	64,080
	<u>119,273</u>	<u>207,048</u>
	2021 £	2020 £
Deferred income at 1 September 2020	23,405	42,277
Resources deferred during the year	10,436	23,405
Amounts released from previous periods	(23,405)	(42,277)
	<u>10,436</u>	<u>23,405</u>

Deferred income is for Higher Learning Needs funding received in advance for 2021/22.

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
General Funds	317,671	349,778	(356,774)	-	-	310,675
Restricted general funds						
General Annual Grant (GAG)	-	6,163,516	(5,772,969)	(228,004)	-	162,543
Other DfE/ESFA Grants	33,151	360,926	(347,637)	-	-	46,440
Pupil Premium	-	305,232	(309,730)	4,498	-	-
Other Local Authority Revenue Grants	1,987	133,783	(133,783)	-	-	1,987
Other Government Revenue Grants	-	5,373	-	-	-	5,373
COVID DfE/ESFA	-	122,220	(77,161)	-	-	45,059
COVID non-DfE/ESFA	-	111,400	(111,400)	-	-	-
Pension reserve	(6,248,000)	-	(462,000)	-	(847,000)	(7,557,000)
	<u>(6,212,862)</u>	<u>7,202,450</u>	<u>(7,214,680)</u>	<u>(223,506)</u>	<u>(847,000)</u>	<u>(7,295,598)</u>
Restricted fixed asset funds						
DfE/ESFA capital grants	1,217,272	24,371	(100,356)	-	-	1,141,287
Capital expenditure from GAG	2,585,344	-	(160,086)	223,506	-	2,648,764
Capital expenditure from other income	10,188,486	-	(240,330)	-	-	9,948,156
	<u>13,991,102</u>	<u>24,371</u>	<u>(500,772)</u>	<u>223,506</u>	<u>-</u>	<u>13,738,207</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

16. Statement of funds (continued)

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Total Restricted funds	7,778,240	7,226,821	(7,715,452)	-	(847,000)	6,442,609
Total funds	<u>8,095,911</u>	<u>7,576,599</u>	<u>(8,072,226)</u>	<u>-</u>	<u>(847,000)</u>	<u>6,753,284</u>

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16. Statement of funds (continued)

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

General Annual Grant (GAG) must be used for the normal running costs of the Academy.

Other DfE/ESFA Grants comprise of various grants awarded for specific projects, in particular to boost standards of attainment. Grants include Pupil Premium funding which is intended to support education for pupils from a disadvantaged background.

Local Government Grants includes funding provided for pupils with Statements of Special Educational Needs and is used by the academy to assist with the pupil's education.

Devolved capital funding is that provided to academies to use as it sees fit in areas such as improvements to buildings or facilities, or the repair or refurbishment of such.

Other capital grants are provided to the Academy based on specific bids for individual projects.

The pension reserve arises from the actuarial measurement of the Academy's share of the Local Government Pension Scheme deficit. This deficit is recorded as a provision. The actuarial cost of employing staff during the year is initially reflected in the normal running costs of the school in the restricted pension fund. The amount included in resources expended represents the pension cost for the year charged to income and expenditure that arises from actuarial calculations of service cost rather than employer contributions paid, and amounts to £462,000. Actuarial gains and losses that arise from changes in assumptions by the actuary or wider influences are shown in the restricted pension fund, the movement this year being a net £847,000 actuarial increase in the net pension fund deficit.

Restricted fixed asset funds represent monies received in respect of and spent on fixed assets. This includes assets inherited on conversion. The total of resources expended within this fund include the depreciation charge for the year. The transfers figure is the amount of other funds used to acquire fixed assets.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2021.

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

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General Funds	259,982	360,273	(283,504)	(19,080)	-	317,671
Restricted general funds						
General Annual Grant (GAG)	-	5,575,273	(5,344,108)	(231,165)	-	-
Other DfE/ESFA Grants	-	343,245	(316,200)	6,106	-	33,151
Pupil Premium	-	288,517	(288,517)	-	-	-
Other Local Authority Revenue Grants	-	13,500	(11,513)	-	-	1,987
Other Government Revenue Grants	-	77,016	(77,016)	-	-	-
Pension reserve	(4,593,000)	-	(353,000)	-	(1,302,000)	(6,248,000)
	<u>(4,593,000)</u>	<u>6,297,551</u>	<u>(6,390,354)</u>	<u>(225,059)</u>	<u>(1,302,000)</u>	<u>(6,212,862)</u>
Restricted fixed asset funds						
DfE/ESFA capital grants	727,620	512,484	(22,833)	-	-	1,217,271
Capital expenditure from GAG	2,153,895	-	187,310	244,139	-	2,585,344
Capital expenditure from other income	10,443,456	-	(254,969)	-	-	10,188,487
	<u>13,324,971</u>	<u>512,484</u>	<u>(90,492)</u>	<u>244,139</u>	<u>-</u>	<u>13,991,102</u>
Total Restricted funds	<u>8,731,971</u>	<u>6,810,035</u>	<u>(6,480,846)</u>	<u>19,080</u>	<u>(1,302,000)</u>	<u>7,778,240</u>

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

Total funds	<u>8,991,953</u>	<u>7,170,308</u>	<u>(6,764,350)</u>	<u>-</u>	<u>(1,302,000)</u>	<u>8,095,911</u>
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QUARRYDALE ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	13,738,207	13,738,207
Current assets	310,675	380,675	-	691,350
Creditors due within one year	-	(119,273)	-	(119,273)
Provisions for liabilities and charges	-	(7,557,000)	-	(7,557,000)
Total	310,675	(7,295,598)	13,738,207	6,753,284

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	13,580,039	13,580,039
Current assets	317,671	242,186	411,063	970,920
Creditors due within one year	-	(207,048)	-	(207,048)
Provisions for liabilities and charges	-	(6,248,000)	-	(6,248,000)
Total	317,671	(6,212,862)	13,991,102	8,095,911

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

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

	2021 £	2020 £
Net (expenditure)/income for the year (as per Statement of financial activities)	(495,627)	405,958
Adjustments for:		
Depreciation	500,772	91,930
Capital grants from DfE and other capital income	(24,371)	(512,484)
Dividends, interest and rents from investment	(91)	(314)
Loss of the sale of fixed assets	66,197	3,562
Defined benefit pension scheme cost less contributions payable	361,000	271,000
Defined benefit pension scheme finance cost	101,000	82,000
Decrease in debtors	288,812	204,667
Decrease in creditors	(87,775)	(396,584)
Net cash provided by operating activities	709,917	149,735

19. Cash flows from investing activities

	2021 £	2020 £
Dividends, interest and rents from investments	91	314
Purchase of tangible fixed assets	(725,137)	(661,568)
Capital grants from DfE Group	24,371	512,484
Net cash used in investing activities	(700,675)	(148,770)

20. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	551,199	541,957
Total cash and cash equivalents	551,199	541,957

QUARRYDALE ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

21. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	541,957	9,242	551,199
	<u>541,957</u>	<u>9,242</u>	<u>551,199</u>

22. Contingent liabilities

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which the Government capital grant was received, the Academy is required either to re-invest the proceeds or to repay the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of State sums determined by reference to:

- (a) the value at that time of the Academy's site and premises and other assets held for the purpose of the Academy; and
- (b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

23. Capital commitments

	2021 £	2020 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	-	579,307
	<u>-</u>	<u>579,307</u>

24. Pension commitments

The Academy'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 Nottinghamshire County Council. Both are multi-employer defined benefit schemes.

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

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

24. Pension commitments (continued)

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £723,472 (2020 - £644,761).

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

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

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24. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £333,000 (2020 - £295,000), of which employer's contributions totalled £257,000 (2020 - £225,000) and employees' contributions totalled £ 76,000 (2020 - £70,000). The agreed contribution rates for future years are 20.8 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, 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 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

	2021	2020
	%	%
Rate of increase in salaries	3.90	3.25
Rate of increase for pensions in payment/inflation	2.90	2.25
Discount rate for scheme liabilities	1.65	1.60

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

	2021	2020
	Years	Years
<i>Retiring today</i>		
Males	21.6	21.8
Females	24.3	24.4
<i>Retiring in 20 years</i>		
Males	22.9	23.2
Females	25.7	25.9

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

Sensitivity analysis

	2021 £000	2020 £000
Discount rate +0.1%	(26)	(19)
Discount rate -0.1%	30	19
Mortality assumption - 1 year increase	35	21
Mortality assumption - 1 year decrease	(33)	(20)
CPI rate +0.1%	26	19
CPI rate -0.1%	(25)	(18)

Share of scheme assets

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

	2021 £	2020 £
Equities	3,508,000	2,701,000
Gilts	177,000	175,000
Other bonds	341,000	387,000
Property	554,000	594,000
Cash and other liquid assets	221,000	177,000
Inflation-linked pooled fund	259,000	170,000
Infrastructure	293,000	265,000
Unit trust	52,000	48,000
Total market value of assets	5,405,000	4,517,000

The actual return on scheme assets was £664,000 (2020 - £157,000).

The amounts recognised in the Statement of financial activities are as follows:

	2021 £	2020 £
Current service cost	(618,000)	(496,000)
Interest income	74,000	84,000
Interest cost	(172,000)	(166,000)
Administrative expenses	(3,000)	(2,000)
Total amount recognised in the Statement of financial activities	(719,000)	(580,000)

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

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

	2021 £	2020 £
At 1 September	10,765,000	9,086,000
Current service cost	618,000	496,000
Interest cost	172,000	166,000
Employee contributions	76,000	70,000
Actuarial losses	1,437,000	1,190,000
Benefits paid	(106,000)	(243,000)
At 31 August	12,962,000	10,765,000

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

	2021 £	2020 £
At 1 September	4,517,000	4,493,000
Interest income	74,000	84,000
Actuarial gains/(losses)	590,000	(112,000)
Employer contributions	257,000	225,000
Employee contributions	76,000	70,000
Benefits paid	(106,000)	(243,000)
Administrative expense	(3,000)	-
At 31 August	5,405,000	4,517,000

25. Operating lease commitments

At 31 August 2021 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	5,198	5,199
Later than 1 year and not later than 5 years	12,040	16,290
	17,238	21,489

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26. 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.

27. Related party transactions

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 11.

Mr C Wildsmith, husband of Mrs J Wildsmith, a trustee, is employed by the academy trust as a teacher. Mr C Wildsmith's appointment was made in open competition and Mrs J Wildsmith was not involved in the decision-making process regarding appointment. Mr C Wildsmith is paid within the normal pay scale for his role and receives no special treatment as a result of his relationship to a trustee.

Ms A Whetton, niece of Mrs J Wildsmith, a trustee, is employed by the academy trust as a teacher. Ms A Whetton's appointment was made in open competition and Mrs J Wildsmith was not involved in the decision-making process regarding appointment. Ms A Whetton is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a trustee.

Mr B Walton, son of Mr N Walton, a trustee, is employed by the academy trust as a teacher. Mr B Walton's appointment was made in open competition and Mr N Walton was not involved in the decision-making process regarding appointment. Mr B Walton is paid within the normal pay scale for his role and receives no special treatment as a result of his relationship to a trustee.

Mrs S Heald, wife of Mr J Heald, a trustee, is employed by the academy trust as a teaching assistant. Mrs S Heald's appointment was made in open competition and Mr J Heald was not involved in the decision-making process regarding appointment. Mrs S Heald is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a trustee.

28. Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ended 31 August 2021 the trust received £13,289 (2020 - £17,719) and disbursed £5,727 (2020 - £12,709). An amount of £8,990 (2020 - £33,151) is included in other creditors relating to undistributed funds that are repayable to ESFA.