

QEGSMAT
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

QEGSMAT
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members

Mrs E Barnes
Mr D Channon (resigned 15 October 2018)
Mr A Forsyth
Mr P Gadsby
Mr S Oliver
Dr A Brown (appointed 15 October 2018)

Trustees

Mr M Betteridge (resigned 8 July 2019)
Mr M Jeffery, Chair (resigned 8 July 2019)
Mrs A Martin, Executive Headteacher / Chief Executive and Accounting Officer
Mrs R Schofield, Chair of Primary Phase Committee
Mrs J Shepherd, Elected Chair 09/07/2019, previously Vice Chair
Mr S Smith, Chair of Secondary Phase Committee
Mr H Tresidder, Chair of Finance & Audit Committee, elected Vice Chair
09/07/2019
Mr K Wesley
Mrs A Wolvers (resigned 8 July 2019)
Mrs V Longson (appointed 9 July 2019)
Mr M Mallender (appointed 15 October 2018)
Mr R McCombs (appointed 20 February 2019)
Mr P Stanyer (appointed 9 July 2019)

Company registered number

07698914

Company name

QEGSMAT

Principal and registered office

QEGSMAT
The Green Road
Ashbourne
Derbyshire
DE6 1EP

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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019****Company secretary**

Mrs L Key

Executive leadership team

Mrs A Martin, Executive Headteacher / Chief Executive
Mrs L Key, Director of Finance & Operations
Mr D Wood, Director of Education (Primary)
Mrs B Smith, Director of Education (Secondary)

Independent auditors

Smith Cooper Audit Limited
Chartered Accountant & Registered Auditors
St Helen's House
King Street
Derby
DE1 3EE

Bankers

Lloyds
Compton
Ashbourne
Derbyshire
DE1 1BX

Solicitors

Knights Solicitors
26 Orient Way
Pride Park
Derby
Derbyshire
DE24 8BY

Solicitors

Veale Wasbrough Vizards (until May 2019)
Second Floor
3 Brindley Place
Birmingham
B1 2JB

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees present their Annual Report together with the Financial Statements and auditors' report of the Charitable Company, for the year 1 September 2018 to 31 August 2019. The Annual Report serves the purposes of both a Trustees' Report and a Directors' report under company law.

The Charitable Company was incorporated on 8th July 2011 and commenced trade as a single Academy Trust, Queen Elizabeth's Grammar School Ashbourne Academy (known as Queen Elizabeth's Grammar School) on 1st August 2011. On 1st April 2017, Queen Elizabeth's Grammar School converted from a single academy trust to a multi academy trust, QEGSMAT (the Academy Trust), with Waterhouses CE Primary Academy. On 1st June Springfield Junior School joined the Academy Trust, followed by City of Derby Academy on 1st September 2017 and Castle View Primary School on 1st February 2018.

Structure, governance and management

a. Constitution

The Academy Trust is a Charitable 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 QEGSMAT are also the Directors of the Charitable Company for the purposes of company law. The Charitable Company operates as QEGSMAT.

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

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

Subject to the provisions of the Companies Act 2006 and the Academy Trust's Articles of Association, every Trustee shall be indemnified out of the assets of the Academy Trust against any liability incurred by them in that capacity, in defending any proceedings, whether civil or criminal, in which judgment is in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Academy Trust.

The Academy Trust has indemnity cover for Trustees through the Risk Protection Arrangement provided by the Education and Skills Funding Agency.

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Methods of Recruitment and Appointment or Election of Trustees

The Academy Trust recruits and appoints Trustees in accordance with its Articles of Association:

- a) Up to 7 shall be appointed by the Members
- b) No less than 1 shall be appointed by the Derby Diocesan Board of Education
- c) No less than 1 shall be appointed by the Lichfield Diocesan Board of Education
- d) Up to 2 shall be appointed by the Old Trust

The total number of Trustees appointed by the Derby and Lichfield Diocesan Boards of Education shall not exceed 25% of the total number of Trustees, and the Executive Headteacher/Chief Executive shall be a Trustee, being the only employee of the Academy Trust who may be a Trustee.

The term of office for any Trustee shall be 4 years, save this time limit shall not apply to the Executive Headteacher/Chief Executive who shall serve for as long as they hold office.

Trustees are recruited following a rigorous process, which includes an initial introductory discussion, an informal CV review and an interview with Trustees, including the Chair of the Board. Appointments are made based on skills and experience, and in order for the Trust Board to operate effectively, the following mix of skills has been identified: education, business, governance, human resources, organisational development, legal, financial, information technology, estates and asset management, marketing, public relations, strategic partnership, health, safety and safeguarding. Enhanced DBS and right to work in the UK checks are carried out on Trustees, and in some cases barred list checks are conducted.

The Trust Board carries out an annual skills audit which identifies strengths and any skills gaps. These are used to inform recruitment processes and training programmes.

Policies and Procedures Adopted for the Induction and Training of Trustees

The induction and training provided to Trustees is tailored to their needs and is dependent on their skills and experience.

New Trustees attend an induction meeting as soon as practicable after their appointment, at which the following information about the Academy Trust is provided:

- Vision and values
- Strategic and operational plans
- Organisational structure
- Details of other Trustees
- Terms of Reference
- Scheme of Delegation
- Articles of Association
- Academies Financial Handbook
- Accounting Officer letters from the Education and Skills Funding Agency
- Calendar of meetings
- Minutes of the two most recent meetings
- Latest performance report to Trustees
- Code of Conduct
- List of Academy Trust policies and how to access them

They are also encouraged to visit as many of the Trust's academies as is practicable and meet pupils, students, staff and local governors.

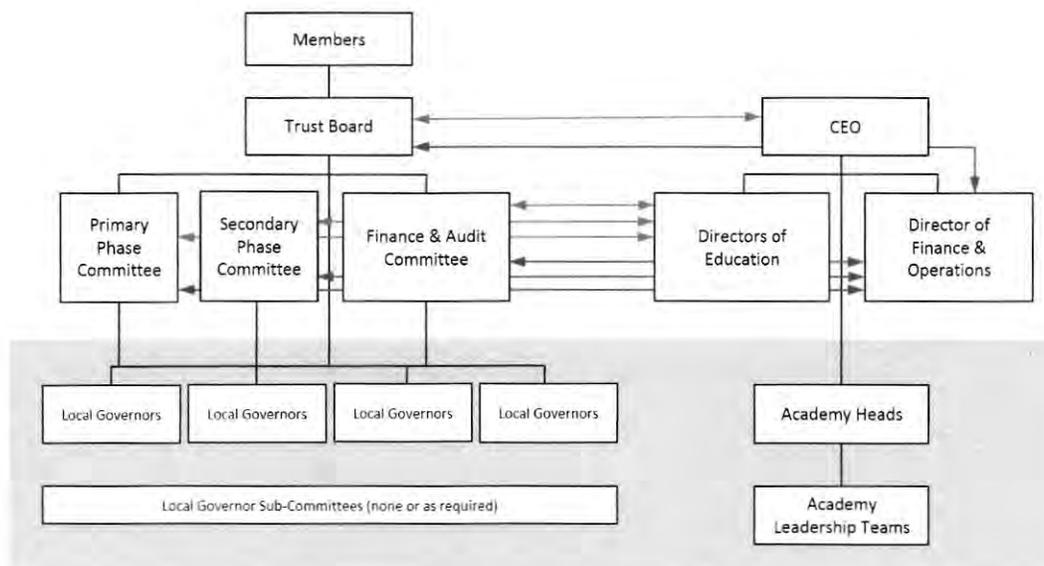
Governance reviews are undertaken regularly to ensure effectiveness and there is an on-going commitment to training and development.

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Organisational Structure

The Academy Trust is a single organisation operating across multiple sites in different contexts. This does not come without complexities, and the organisational structure (shown below) is designed to ensure Trustees and Executive Leaders maintain a sharp focus on the strategic needs of the organisation as a whole, while knowing their academies and being able to respond accordingly.



The Board of Trustees has appointed a number of sub-committees to ensure robust oversight of the Academy Trust is maintained. The scope of their work is set out in clear, written terms of reference.

During the course of the year, and in order to ensure greater scrutiny of the Trust's educational performance, the Trust Board dissolved its Performance Committee, replacing it with two new committees, the Primary Phase Committee and the Secondary Phase Committee. Each committee provides rigorous scrutiny of the educational performance of the academies in their phase.

The Finance and Audit Committee is responsible for overseeing the Trust's financial performance, and for ensuring resources are used efficiently and effectively to maximise outcomes for pupils and students. The Committee also provides assurance to the Board on the suitability of the financial systems and operational controls, and ensuring risks are being adequately identified and managed.

Additionally, each school has Local Governors that are responsible for teaching and learning, and achievement and standards in their academy. They ensure clarity of vision, ethos and strategic direction, providing support and challenge on educational performance.

A governance and leadership framework is in place, with clear lines of accountability and communication at all levels, and a written Scheme of Delegation sets out the decision making responsibilities.

Arrangements for setting pay and remuneration of key management personnel

The Academy Trust's key management personnel are its Members, Trustees, Executive Leaders and Headteachers.

The Members and Trustees receive no pay or remuneration for their work and discharge their responsibilities wholly voluntarily.

Whilst the Executive Headteacher/Chief Executive is remunerated, this is for their work as an employee of the Trust and in accordance with their contract of employment. It is not for their role as a Trustee.

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The Board of Trustees reviews the pay and remuneration of all employees, including the Executive Leaders and Headteachers annually. It does so in accordance with the School Teachers' Pay and Conditions Document, the Academy Trust's Pay and Appraisal Policies, and the employment contracts of employees.

Trade Union Facility Time

The Trade Union (Facility Time Publication Requirements) Regulations 2017 came into force on 1 April 2017. Under the provisions of those regulations the Academy Trust provides the following information for 2018/19:

Relevant union officials

Number of employees who were relevant trade union officials during the period	Full time equivalent number of employees
4	3.8

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	0
1% - 50%	4
51% - 99%	0
100%	0

Percentage of pay bill spent on facility time

Total cost of facility time	£3,800
Total pay bill	£11,817,000
Percentage of total pay bill spent on facility time	0.03%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	37%
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Related Parties and other Connected Charities and Organisations

The Academy Trust has continued to benefit from strong partnerships with other organisations for the advantage of its pupils and students.

During the period under review the Executive Headteacher/Chief Executive continued to work as a National Leader of Education (NLE), effectively supporting schools in challenging circumstances, and Queen Elizabeth's Grammar School continued to be a National Support School.

As an NLE, the Executive Headteacher/Chief Executive continued to develop and deliver training, support and development programmes to meet specific needs in Derby, Derbyshire and Staffordshire. The Executive Headteacher/Chief Executive continues to lead and be part of the network of National Coaches for Women Leading in Education, and is a member of the Derbyshire Strategic Improvement Partnership Board. Additionally, she is a member of the East Midlands and Humber Headteacher Board, which advises and supports the Regional Schools Commissioner to make decisions about academies, free schools and education trusts.

Additionally, the Academy Trust's Director of Finance and Operations works closely with Derbyshire Local Authority on school funding as a member of the Derbyshire Schools' Forum, and with peers in other Trusts via the East Midlands Finance Directors' Forum. She too is a National Coach for Women Leading in Education.

The Academy Trust continues to have flourishing relationships with a wide range of other partners. For example, we work both strategically and operationally with the Department for Education, the University of Derby, the Derby Teaching School Alliance and the Derby Diocese, to deliver the priorities of the Derby Opportunity Area Plan. Queen Elizabeth's Grammar School continues to be a member of a soft federation of schools in the High Peak and Derbyshire Dales known as 'Peak 11', and Waterhouses continues to work alongside the Leek Education Partnership.

During the period under review, the Academy Trust continued to work with The Windsor Academy Trust (a multi-academy trust of 8 schools based in the West Midlands) as part of the Department for Education's multi-academy trust development programme.

The Executive Headteacher/Chief Executive continues collaborating with both Derby and Lichfield Dioceses to develop a strategy for small schools. QEGSMAT also works closely with Derby Diocese Academy Trust (DDAT) and the Executive Headteacher/Chief Executive is a Member of DDAT.

Each academy in the Trust holds regular meetings with their partner schools and leaders from QEGSMAT attend these to share and receive information as required.

The Academy Trust continues to provide its pupils and students with a wide range of enrichment opportunities, including overseas travel, and continues to enjoy the support and sponsorship of our Friends, Parent and Teacher Associations, the Old Trust (The Trustees and Assistants of Queen Elizabeth's Grammar School), The Woodroffe Benton Foundation and the Old Ashburnian Society.

During the period under review, a number of the Academy Trust's Executive Leaders and Headteachers received one to one executive coaching from TrigPoint Coaching and Development, a company founded by Stephen Oliver, one of the Academy Trust's Members. TrigPoint's services were provided to the Academy Trust at cost, and the value of the contract was significantly below the level requiring prior approval from the ESFA.

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Objectives and Activities

Objects and Aims

The Academy Trust's purpose is to provide the best possible educational outcomes for all its young people to develop and thrive, in an environment which supports pupils, students, staff and the community.

The actions to **Question, Explore, Give and Succeed**; drive the provision of high quality education and care. The Trust's vision is to enable every young person to enjoy learning, to develop the knowledge and skills to be successful and to improve their life chances.

Objectives, Strategies and Activities

To achieve its purpose and vision, the Academy Trust's goals are to:

1. Offer a broad and balanced **curriculum**, which enables all our young people to achieve the very best outcomes and to leave education well prepared for the next steps in their lives;
2. Deliver **high quality teaching**, learning and assessment and effective leadership at all levels;
3. Develop the **culture** and individuality of our schools, building a strong community in and around us;
4. Offer a rewarding and stimulating **workplace** for staff; and
5. Provide a strong, safe and financially **sustainable environment**.

The academies share these goals and strive to achieve them in a way relevant to their own context, as set out in their Academy Improvement Plans which are summarised below:

Queen Elizabeth's Grammar School

- **Curriculum:** Provide a curriculum and pathways that are appropriate for all students and enhance co-curricular opportunities to improve student outcomes and reduce absence for student eligible for the Pupil Premium.
- **Teaching and Learning:** Develop independent learners and focus on improving standards using a range of feedback methods.
- **Culture:** Ensure all staff 'know' the students they teach, and further improve the safeguarding of students via the by implementation of the 'MyConcern' system.
- **Workplace:** Embed appraisal processes, reduce staff workload and improve staff wellbeing and recruitment and retention.
- **Environment:** Ensure high value for money is achieved and that resources are used efficiently to improve student outcomes, and develop plans to increase the number of places available in the school due to housing growth in the local area.

City of Derby Academy

- **Curriculum:** Improve student outcomes and develop the 'Connect' and 'Extended Learning' areas. Continue to review the curriculum to improve the life chances of all students and develop and implement raising achievement plans for underperforming departments.
- **Teaching and Learning:** Implement quality first teaching for all students, implement the Feedback Policy to support the school's vision and develop the middle leaders.
- **Culture:** Secure a quality first teaching environment and further develop community engagement. Implement the 'Paradigm Shift' and 'Student Character Development' and redesign the '3 Rs' (Respectful, Responsible and Ready to Achieve).
- **Workplace:** Ensure safeguarding is effective, promote and prioritise staff wellbeing by investing in staff development, and making effective use of the 'BlueSky' software and other technologies.
- **Environment:** Seek to make the school more energy efficient and develop plans to increase the number of places available in the school due to housing growth in the local area.

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Waterhouses CE Primary Academy

- **Improve teaching, learning and assessment:** Implement 'Talk for Writing' approaches across the school.
- **Improve education outcomes:** Improve the progress of all pupils through the development of 'live working walls' for Writing and Maths.
- **Improve pupil wellbeing:** Develop the nurture provision to support pupils and families.
- **Improve the effectiveness of leadership:** Provide support and training for curriculum leaders to develop their practice and knowledge of the strengths and areas for development within their subject, leading to the improvement of outcomes for pupils across the curriculum.

Springfield Junior School

- **Improve teaching, learning and assessment:** Maintain consistently high expectations of all pupils and continue to develop and embed strategies to improve the quality of teaching, pace of lessons and use of higher order questioning (linked to project vocabulary and whole class reading).
- **Improve education outcomes:** Maintain a clear focus on vulnerable groups and implement strategies to improve outcomes for those eligible for the Pupil Premium.
- **Improve reading standards:** Develop a range of strategies to raise the profile of reading and improve outcomes, including whole class guided reading and reading mentors.
- **Improve staff and pupil wellbeing:** Take part in the 'Time and Space' project and improve mental health and resilience for staff and pupils using Cognitive Behaviour Therapy.

Castle View Primary School

- **Improve educational outcomes:** Improve progress rates for all pupils and knowledge retention across all subjects including English and Maths.
- **Increase the number of pupils who are 'school ready':** Work with parents and pre-school age children to establish routines and expectations at the earliest possible opportunity.
- **Further improve teaching, learning and assessment:** Ensure consistently high quality teaching and learning across all subjects, supporting in particular, those new to the school, profession and developing practitioners.
- **Continue to grow pupil numbers to ensure continued financial sustainability:** Via a 'growth strategy', increase the number of pupils on roll, in order that more pupils within the community receive quality first teaching, and are responsible, respectful and active citizens.

The Academy Trust remained committed to ensuring all pupils and students benefited from consistently good or outstanding teaching to support their learning, and provided support and training and development opportunities to staff to facilitate this. Improving the achievement of all pupils and students remained the Academy Trust's highest priority. There was a real emphasis on all children and young people making progress, on improving and maintaining high quality teaching, learning and assessment, and on preparing our children and young people to achieve the very best outcomes, so they leave education well prepared for the next steps in their lives.

Efficient use of resources supported educational improvement and the achievement of these priorities.

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Public Benefit

The Trust's academies are non-selective, non-fee paying academies, and as such operate entirely for the public benefit. In addition to striving for and achieving the highest educational standards and attainment for all pupils and students, the Academy Trust engages in partnership working with others, particularly in Derbyshire, Derby City and Staffordshire.

The Academy Trust also has links with many local and national businesses that provide support for a wide range of enrichment and careers activities and opportunities for the benefit of its pupils and students. There are also links with the local churches in Ashbourne, and with the Derby and Lichfield Diocesan Boards of Education and with Derby Diocesan Academy Trust (DDAT).

The Academy Trust works for the benefit of the communities it serves and hires out its facilities, including halls, sports halls, swimming pools and sports pitches to local groups including to numerous young persons' sports and dance clubs.

In addition, a number of external agencies use the Academy Trust's facilities to enable families to access support and social care.

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Strategic Report

Achievements and Performance

As at 31 August 2019 the Academy Trust employed approximately 400 people, in both teaching and non-teaching roles, and had approximately 2,600 pupils and students on roll aged between 2 and 18.

Each academy provides a broad, balanced and creative curriculum designed to promote academic excellence and develop individual talents and interests through enrichment and extra-curricular activities and opportunities. Each curriculum reflects both national and local priorities.

Key Performance Indicators

The performance of the Academy Trust will always be determined by the achievements of the pupils and students. The results for the pupils and students who were assessed in the Summer 2019 are set out in the following tables. Note, where we have provided the 2018 school data, it is not to be used as a comparator to the 2019 school data. Provisional national 2019 data is shown for secondary. At the time of writing this report we are awaiting 2019 national data for primary.

Queen Elizabeth's Grammar School & City of Derby Academy

GCSE Results Summary	QEGS 2019	CoDA 2019	National 2019
Attainment 8	52.00	34.00	46.55
Progress 8	-0.03	-0.50	0.00
% 4+ English & Maths	72.1%	41.0%	65.7%
% 5+ English & Maths	54.4%	17.0%	43.0%
% Ebacc Entry	42.6%	62.0%	40.0%
Average Ebacc point score	4.63	3.10	4.07

Queen Elizabeth's Grammar School

Summary of Attainment at A-level	QEGS 2019	National 2019
Average point per entry	39.86 (B)	32.62
Progress	0.46	0.00

QEGSMAT**(A company limited by guarantee)****Waterhouses CE Primary Academy**

	2019 School	2019 School	2018 School	2018 School
	EXS	GDS	EXS	GDS
EYFS – GLD	75%	N/A	80%	N/A
Yr1 phonics	100%	N/A	93%	N/A
Yr2 phonics retakes	100%	N/A	100%	N/A
KS1 – Reading	94%	44%	78%	33%
KS1 – Writing	88%	13%	94%	17%
KS1 – Maths	94%	44%	89%	28%
KS2 – Reading	80%	50%	90%	30%
KS2 – Writing	90%	50%	80%	30%
KS2 – Maths	70%	30%	70%	0%
KS2 – RWM Combined	70%	30%	70%	0%

2019 Cohort sizes: EYFS = 16 Yr1 = 17 KS1 = 16 KS2 = 10

Springfield Junior School

	2019 School	2019 School	2018 School	2018 School
	EXS	GDS	EXS	GDS
KS2 – Reading	52%	11%	60%	13%
KS2 – Writing	72%	11%	73%	21%
KS2 – Maths	70%	14%	67%	10%
KS2 – RWM Combined	46%	4%	54%	2%

2019 Cohort size: KS2 = 56

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Castle View Primary School

	2019 School	2019 School	2018 School	2018 School
	EXS	GDS	EXS	GDS
EYFS – GLD	71%	N/A	44%	N/A
Yr1 phonics	62%	N/A	92%	N/A
Yr2 phonics retakes	93%	N/A	86%	N/A
KS1 – Reading	59%	12%	64%	7%
KS1 – Writing	59%	12%	64%	14%
KS1 – Maths	76%	6%	71%	0%
KS2 – Reading	50%	6%	70%	10%
KS2 – Writing	50%	0%	70%	30%
KS2 – Maths	38%	0%	60%	10%
KS2 – RWM Combined	38%	0%	60%	10%

2019 Cohort sizes: EYFS = 16 Yr1 = 13 KS1 = 17 KS2 = 16

Going Concern

After making appropriate enquiries, 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

The Academy Trust's incoming resources for the year ended 31 August 2019 totalled £16,143,000, made up of donations and capital grants, charitable activities, other trading activities and investments. No new schools joined the Academy Trust during the period under review, hence no land, buildings or other fixed assets transferred in from other Trusts or Local Authorities (unlike in the previous year when the City of Derby Academy and Castle View joined). Incoming resources during the period therefore fell by £35,872,000.

Resources expended totalled £17,176,000; £764,000 greater than in the previous period. In addition to the Academy Trust's usual running costs, this includes:

- Depreciation of £1,058,000 due to the high valuation on the Academy Trust's buildings. In terms of physical spend capital expenditure of £141,000 was incurred on improvements to property, fixtures and fittings and computer equipment. This includes £52,000 of the monies from Section 106 agreements, received specifically to fund extra school places at Queen Elizabeth's Grammar School, required due to extensive housing growth in the area.
- A movement of £581,000 on the Academy Trust's Local Government Pension Scheme (LGPS) deficit. This comprised a £151,000 net interest charge for the year plus a £341,000 excess on the current service cost calculated by the actuary when compared to the contributions made during the year. There was also an additional £89,000 service cost due to the McCloud ruling.

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Cash balances rose by £478,000 to £3,333,000, including Section 106 agreement monies of £624,000 in respect of Queen Elizabeth's Grammar School. Net current assets totalled £2,669,000; an increase of £465,000.

Reserves Policy

The reserve levels of the Academy Trust are kept under review by the Board of Trustees and its Finance and Audit Committee. It is the Academy Trust's policy to carry forward a prudent level of funding to ensure long term cyclical needs can be met, assets can be renewed and unforeseen circumstances such as emergency building repairs can be managed efficiently and effectively.

Unrestricted fund reserves as at 31 August 2019 were £431,000, made up largely of lettings income generated since August 2011 when the Academy Trust first began operating. These reserves will be used solely for the purpose of the Academy Trust's charitable objects and to efficiently improve educational outcomes for all pupils and students.

However, there is a deficit of £7,582,000 on the restricted fund due to a LGPS reserve deficit of £9,060,000. Without the pension reserve deficit there would be a surplus on the restricted reserve of £1,478,000, derived mostly from grants from the Department for Education.

The pension reserve reflects the present value of the defined benefit liability determined on an actuarial basis using a variety of assumptions. The liability therefore will only become due over the lifetime of the pension scheme. Parliament has agreed to a guarantee to meet these outstanding liabilities in the event of Academy Trust closure. Many of the assumptions on which the valuation is based relate to factors outside of the Academy Trust's control however and these factors have contributed to a significant increase in the deficit in the current financial year.

Investment Policy

Investments can only be made when approved by the Board of Trustees and only low risk investments will be approved. In the year under review £1,470,000 was held in fixed rate deposit accounts with Lloyds Bank, the Academy Trust's bankers, for an improved return on cash balances.

Principal Financial Risks and Uncertainties

The Academy Trust maintains a register of the risks to which it is exposed, and has established internal control systems and procedures to mitigate these. The risk register and control arrangements are reviewed by the Board of Trustees at least annually.

The Academy Trust's principal financial risks and uncertainties are:

- Levels of funding – the Academy Trust is reliant on grants from the Department for Education, and these can be affected by changes in government policy. Therefore, levels of funding are often uncertain. This risk is mitigated in the following ways:
 - The Academy Trust plans to retain a modest reserve each year;
 - Cash flow is carefully managed and cash balances are tightly controlled;
 - Since government funding is determined largely by the number of pupils/students on roll, the Academy Trust works hard to recruit and retain pupils and students. It strives to maintain a reputation for strong educational performance, and to provide all pupils and students with highly effective teaching and learning and great opportunities. Systems are in place to quality assure teaching and learning, and pupil/student progress is monitored rigorously from an early stage. Where required, interventions are swift and effective in ensuring that all pupils and students make progress and achieve.
- Local Government Pension Scheme (LGPS) liabilities – the Academy Trust makes employer contributions to the LGPS, which are determined by an independent actuary. Whilst increases in teachers' pension costs are often funded by the government, increases in respect of the LGPS are not. This puts pressure on already stretched budgets. Additionally, the Trust carries a share of the LGPS deficit on its balance sheet. Risk management strategies include careful financial planning and budget monitoring.

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- Cash solvency – the Academy Trust has robust cash management processes in place and works closely with its auditors to ensure effective systems of internal financial control are consistently implemented to minimise the risk of unexpected financial losses. Furthermore, the scrutiny of financial information by the Trust Board and Finance and Audit Committee ensures due diligence in all aspects of financial management. Careful consideration is given to new academies joining the Trust and extensive financial due diligence is undertaken to inform decision making. The Academy Trust is focussed on sustainable growth and building the necessary capacity to operate efficiently, effectively and economically.

Fundraising

In accordance with the Academy Trust's Charging and Remissions Policy, from time to time voluntary contributions are sought from parents and carers to help fund the cost of educational visits and activities. Parents and carers are notified in advance of seeking such contributions and are not obligated or pressured to pay; they are wholly voluntary. Where parents and carers are unable (or unwilling) to pay, their child(ren) are given equal chance to participate.

Plans for Future Periods

The Academy Trust's core purpose remains to provide the best possible educational outcomes for children and young people, regardless of their starting points and for all children and young people to develop and thrive in an environment which supports pupils, students, staff and the community.

Through the actions of **Question, Explore, Give, and Succeed**, the Academy Trust is driven to improve the life chances of all, to provide high quality education and care to enable every child and young person to develop the knowledge and skills they need to become successful and responsible citizens in modern Britain.

In order to achieve its purpose and vision the Academy Trust will again focus on its five key goals, and will continue to work in collaboration with others.

The Academy Trust's work with the Derby Opportunity Area, and the network of organisations involved, will continue, alongside the Executive Headteacher/Chief Executive working as a National Leader of Education and providing bespoke school to school support to others. The Academy Trust will also continue to work with a range of Educational Improvement Consultants to provide external quality assurance.

The Academy Trust is committed to improving pupil and student outcomes, not only in its academies, but much wider. The Academy Trust is in discussion with a number of other schools in the Derby City, South Derbyshire, Derbyshire Dales and Staffordshire Moorlands areas, about the educational benefits of being part of QEGSMAT, as the Academy Trust seeks to grow and develop over time. Indeed, we will be welcoming two new Staffordshire schools into the Trust during the early part of 2020; Ilam C of E (VA) Primary School, and St John's CE (C) Primary School, Wetley Rocks.

The Academy Trust's growth will be measured and capacity driven so that the quality of its school improvement and resource management work is not compromised. The Academy Trust aims to be a centre for outstanding learning and teaching, providing for the communities it serves with the best education, curriculum, opportunities, facilities and resources available.

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

Funds held as Custodian Trustee on Behalf of Others

In the period under review, neither the Academy Trust nor its Trustees were acting as custodian Trustees, and no funds were held on behalf of others.

Employee involvement and employment of the disabled

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The Academy Trust carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Trustees.

The Trust has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal opportunities policy
- Volunteers' policy
- Health & safety policy

In accordance with the Trust's equal opportunities policy, the Trust has long-established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the Trust's offices.

Disclosure of information to auditors

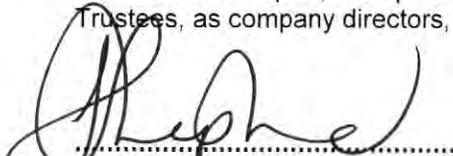
In so far as the Trustees are aware:

- there is no relevant audit information of which the Charitable Company's 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.

Auditors

The auditors, Smith Cooper Audit Limited, have indicated their willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditors at a meeting of the Trustees.

The Trustees' report, incorporating a strategic report, was approved by order of the Members of the board of Trustees, as company directors, on 16 December 2019 and signed on its behalf by:



.....
Mrs J Shepherd
Chair of Trustees

QEGSMAT

(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that QEGSMAT 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 board of Trustees has delegated to the Executive Headteacher/Chief Executive, as Accounting Officer, the day-to-day responsibility of 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 QEGSMAT and the Secretary of State for Education. They are also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of Trustees has formally met 4 times during the year.

Attendance during the year at meetings of the board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr M Jeffery, Chair	4	4
Mrs J Shepherd, Elected Chair 09/07/2019, previously Vice Chair	4	4
Mr H Tresidder, Chair of Finance & Audit Committee, elected Vice Chair 09/07/2019	4	4
Mr K Wesley	3	4
Mr M Betteridge	4	4
Mrs A Wolvers	2	4
Mr S Smith, Chair of Secondary Phase Committee	3	4
Mrs R Schofield, Chair of Primary Phase Committee	4	4
Mr M Mallender	2	3
Mr R McCombs	2	2
Mrs V Longson	1	1
Mr P Stanyer	1	1
Mrs A Martin, Executive Headteacher / Chief Executive and Accounting Officer	4	4

In addition to full Trust board L Key and D Wood were in attendance for all four of the meetings and B Smith was in attendance for three of the meetings.

All meetings were quorate and Trustees provided support and robust challenge to ensure improved outcomes for all pupils and students, and the efficient use of resources.

During the period under review there were key changes to the composition of the Board.

In July 2019, following the resignation of Max Jeffery, Jane Shepherd became Chair. Previously Mrs Shepherd was the Vice Chair, a position now held by Hereward Tresidder (also Chair of the Finance and Audit Committee).

In place of Mr Jeffery, the Members appointed Philip Stanyer. They also appointed Ryan McCombs in February 2019. Both Mr Stanyer and Mr McCombs serve on the Finance and Audit Committee.

Other new additions during the year were Mark Mallender, who was appointed by Derby Diocese in October 2018 and Vickie Longson, who was appointed by Lichfield Diocese in July 2019. Both Mr Mallendar and Mrs Longson have proven track records in primary education and school improvement hence they serve on the Primary Phase Committee.

QEGSMAT

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Mick Betteridge (Old Trust) resigned from his position in July 2019, which the Old Trust are actively seeking to fill early in the new academic year.

Academy Ambassadors, an organisation providing a free, bespoke service matching business people and professionals with multi-academy trusts, was instrumental in assisting us in recruiting some highly skilled Trustees, adding much strength and capacity to the Board.

In addition to the four meetings of the Trust Board, there were sub-committee meetings as follows:

Key: *P: Present, AP: Apologies, AB: Absent, IA: In Attendance*

Name	17/9/18	3/12/18	4/3/19	23/5/19	17/6/19	Total
Hereward Tresidder (Chair)	P	P	P	P	P	5/5
Max Jeffery	P	AB	P	P	P	4/5
Jane Shepherd	AP	P	AP	P	P	3/5
Mick Betteridge	P	P	AP	AP	AP	2/5
Anne Martin	P	P	P	P	P	5/5
Lisa Key	IA	IA	IA	IA	IA	5/5

The Academy Trust's auditors were in attendance at the December meeting where the Financial Statements for the period ending 31 August 2018 were presented for consideration.

Performance Committee – at the start of the period under review, the Academy Trust had a Performance Committee, responsible for keeping the educational performance of the Trust under review. The committee met just once during the year before being replaced by the Primary Phase Committee and Secondary Phase Committee. Attendance at the meeting of the Performance Committee was as follows:

Name	8/10/18		Total
Simon Smith (Chair)	P	Performance Committee replaced by Primary and Secondary Phase Committees (approved 17/12/18)	1/1
Keith Wesley	P		1/1
Alex Wolvers	P		1/1
Anne Martin	P		1/1
Barbara Smith	IA		1/1
David Wood	IA		1/1
Max Jeffery	P		1/1

QEGSMAT

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Primary Phase Committee – oversight of the quality of education in the Academy Trust’s primary academies became the responsibility of the Primary Phase Committee in December 2018. There were two meetings of this committee during the period, attended as follows:

Name	Meeting date		
	28/1/19	13/5/19	Total
Rose Schofield (Chair)	P	P	2/2
Mark Mallender	P	P	2/2
Mick Betteridge	AP	P	1/2
Alex Wolvers	P	P	2/2
David Wood	IA	IA	2/2

Secondary Phase Committee – this committee’s focus was the educational performance of the secondary academies. Again, there were two meetings of this committee during the period, attended as follows:

Name	Meeting date		
	28/1/19	13/5/19	Total
Simon Smith (Chair)	P	P	2/2
Keith Wesley	P	P	2/2
Hereward Tresidder	P	P	2/2
Barbara Smith	IA	IA	2/2

In future the Primary and Secondary Phase Committees will meet a minimum of three times per academic year.

QEGSMAT

(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

As accounting officer, the Executive Headteacher/Chief Executive 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:

Targeting its resources effectively

The Academy Trust's resources have been targeted at educational improvement for the benefit of all pupils and students. The Curriculum and Improvement Plans of the academies drove the budget planning process, and resources were targeted accordingly. Staffing levels were kept under review, and more efficient and effective working practices were introduced, particularly in relation to HR management (with the introduction of a new HR database, HCSS People) and data management (with the launch of Go4Schools in our secondary schools, and Insight Tracker in our primaries). There was a review of the roles and responsibilities of staff, both teaching and non-teaching, and some restructuring of the workforce was undertaken, including of senior and middle leadership teams. Swift, targeted intervention was put in place for pupils and students at risk of not achieving their targets, particularly in core curriculum areas, and pupils and students benefited from mentoring programmes and out of school hours study sessions as required. The Pupil Premium, and funding received to support those pupils and students with special educational needs and/or disabilities, was also targeted at the progress and attainment of pupils and students.

There was a continuous drive to improve the quality of teaching and learning. The Academy Trust supported the training and development of its workforce and implemented rigorous quality assurance and appraisal processes. The Academy Trust utilised the apprenticeship levy to upskill a number of its support staff and a number of teachers and leaders engaged with national professional qualifications.

Capital investment was also targeted at the Academy Trust's key premises and ICT priorities.

Purchasing reviews

During the last year the Academy Trust reviewed its approved supplier list, undertook regular market testing and undertook tender processes, as required, to ensure best value for money from purchases. This resulted in us achieving significant savings whilst improving quality. The supplier of our internet services at Springfield was changed, and we entered into 3 year contracts with some of our suppliers to benefit from discounted pricing. Additionally, we achieved higher value for money by outsourcing the catering service at the City of Derby Academy, and by successfully negotiating lower rates with some of the teaching supply agencies.

Reviewing financial controls

The Academy Trust's financial operations and internal financial control framework were kept under review to ensure the safety and security of the cash and other assets. The Academy Trust continues to operate a rigorous and robust internal financial control framework, tested by independent auditors three times per annum.

Robust governance, and oversight and scrutiny of the Academy Trust's finances was a focus. The Finance and Audit Committee and Trust Board receive and review comprehensive reports on the Academy Trust's financial performance, and the Trust Board remains responsible for all significant financial decisions.

QEGSMAT

(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust'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. During the period under review, and up to the date of approval of the Annual Report and Financial Statements, the Academy Trust's system of internal financial control remained strong.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the Annual Report and Financial Statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees
- Regular reviews by the Finance and Audit 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 considered the need for a specific internal audit function and has decided to appoint Smith Cooper Audit Limited as internal auditor.

The internal auditor'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 purchasing systems
- Testing of control account/bank reconciliations
- Testing of controls around other areas such as fixed assets, expense claims, credit card transactions, petty cash income, related party transactions and other compliance matters

The internal auditor reports to the board of Trustees through the Finance and Audit committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

The Academy Trust's internal auditor has delivered its schedule of work for the 2018/19 academic year as planned and raised no material issues as a result of the work carried out.

QEGSMAT

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GOVERNANCE STATEMENT (CONTINUED)

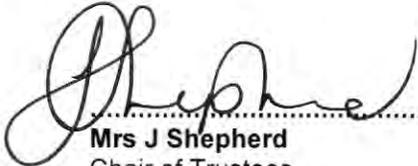
Review of effectiveness

As accounting officer, the Executive Headteacher/Chief Executive has responsibility for reviewing the effectiveness of the system of internal control. During the year in question, the review has been informed by the work of the:

- Internal auditor;
- External auditors;
- Academy Trust's Director of Finance and Operations, who has 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 16 December 2019 and signed on their behalf by:


.....
Mrs J Shepherd
Chair of Trustees


.....
Mrs A Martin
Accounting Officer

QEGSMAT

(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of QEGSMAT I have considered my responsibility to notify the Academy Trust's board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, 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 2018.

I confirm that I, and the Academy Trust Board of Trustees, are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2018.

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



Mrs A Martin
Accounting Officer
Date: 18 December 2019

QEGSMAT

(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2019

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 & 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:

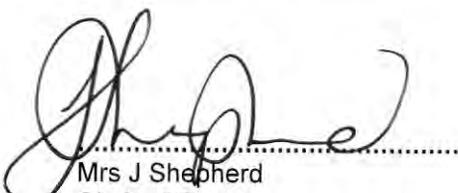
- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- Make judgments and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of Trustees on 16 December 2019 and signed on its behalf by:



.....
Mrs J Shepherd
Chair of Trustees

QEGSMAT

(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF QEGSMAT

Opinion

We have audited the financial statements of QEGSMAT (the Academy Trust) for the year ended 31 August 2019 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 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2019 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 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

QEGSMAT

(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF QEGSMAT (CONTINUED)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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.

QEGSMAT

(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF QEGSMAT (CONTINUED)

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.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report

This report is made solely to the trustees 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 members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Smith Cooper Audit Limited

James Delve (Senior statutory auditor)

for and on behalf of

Smith Cooper Audit Limited

Chartered Accountant & Registered Auditors

Statutory Auditors

St Helen's House

King Street

Derby

DE1 3EE

18 December 2019

QEGSMAT

(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 6th September 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by QEGSMAT during the year 1 September 2018 to 31 August 2019 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 QEGSMAT and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to QEGSMAT 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 QEGSMAT and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of QEGSMAT's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of QEGSMAT's funding agreement with the Secretary of State for Education dated 29th July 2011 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 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.

The work undertaken to allow us to draw our conclusions includes:

- Planned our assurance procedures including identifying key risks
- Carried out a program of substantive testing, including review of the program of work and findings in relation to internal scrutiny
- Undertook controls testing where considered appropriate
- Concluded on the procedures undertaken

QEGSMAT

(A company limited by guarantee)

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

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Smith Cooper Audit Limited

James Delve

Smith Cooper Audit Limited

St Helen's House
King Street
Derby
DE1 3EE

Date: 18 December 2019

QEGSMAT

(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Income from:						
Donations and capital grants:	3					
Transfers from local authorities on conversion		-	-	-	-	2,514
Transfers from other trusts		-	-	-	-	33,525
Other donations and capital grants		-	26	199	225	802
Charitable activities	4	-	15,760	-	15,760	15,028
Other trading activities	5	148	-	-	148	141
Investments	6	10	-	-	10	5
Total income		158	15,786	199	16,143	52,015
Expenditure on:						
Charitable activities	8	40	16,074	1,062	17,176	16,412
Total expenditure		40	16,074	1,062	17,176	16,412
Net income/(expenditure)		118	(288)	(863)	(1,033)	35,603
Transfers between funds	21	(12)	12	-	-	-
Net movement in funds before other recognised gains/(losses)		106	(276)	(863)	(1,033)	35,603
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	27	-	(3,239)	-	(3,239)	1,447
Net movement in funds		106	(3,515)	(863)	(4,272)	37,050

QEGSMAT**(A company limited by guarantee)****STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000	<i>Total funds 2018 £000</i>
Note					
Reconciliation of funds:					
Total funds brought forward	325	(4,067)	56,077	52,335	<i>15,285</i>
Net movement in funds	106	(3,515)	(863)	(4,272)	<i>37,050</i>
Total funds carried forward	431	(7,582)	55,214	48,063	<i>52,335</i>

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 35 to 65 form part of these financial statements.

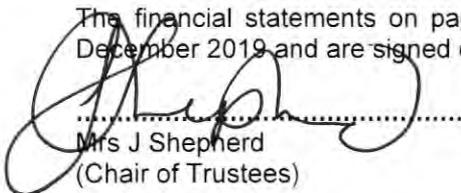
QEGSMAT**(A company limited by guarantee)****BALANCE SHEET
AS AT 31 AUGUST 2019**

	Note	2019 £000	2019 £000	2018 £000	2018 £000
Fixed assets					
Intangible assets	15		3		7
Tangible assets	16		54,477		55,394
			54,480		55,401
Current assets					
Stocks	17	2		2	
Debtors	18	437		490	
Cash at bank and in hand		3,333		2,855	
		3,772		3,347	
Creditors: amounts falling due within one year	19	(1,103)		(1,143)	
Net current assets			2,669		2,204
Total assets less current liabilities			57,149		57,605
Creditors: amounts falling due after more than one year	20		(26)		(30)
Net assets excluding pension liability			57,123		57,575
Defined benefit pension scheme liability	27		(9,060)		(5,240)
Total net assets			48,063		52,335

QEGSMAT**(A company limited by guarantee)****BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2019**

	Note	2019 £000	2019 £000	2018 £000	2018 £000
Funds of the Academy Trust					
Restricted funds:					
Fixed asset funds	21	55,214		56,077	
Restricted income funds	21	1,478		1,173	
Restricted funds excluding pension asset	21	56,692		57,250	
Pension reserve	21	(9,060)		(5,240)	
Total restricted funds	21		47,632		52,010
Unrestricted income funds	21		431		325
Total funds			48,063		52,335

The financial statements on pages 30 to 65 were approved by the Trustees, and authorised for issue on 16 December 2019 and are signed on their behalf, by:



.....
Mrs J Shepherd
(Chair of Trustees)

Date: 16 December 2019

The notes on pages 35 to 65 form part of these financial statements.

QEGSMAT**(A company limited by guarantee)****STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	2019 £000	2018 £000
Cash flows from operating activities			
Net cash provided by operating activities	23	415	470
Cash flows from investing activities			
	25	68	678
Cash flows from financing activities			
	24	(5)	(2)
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		478	1,146
Cash and cash equivalents at the beginning of the year		2,855	1,709
		<hr/>	<hr/>
Cash and cash equivalents at the end of the year	26	3,333	2,855
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 35 to 65 form part of these financial statements

QEGSMAT

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

QEGSMAT meets the definition of a public benefit entity under FRS 102.

The financial statements are prepared in Sterling which is the functional currency of the Academy Trust and rounded to the nearest £'000.

1.2 Going concern

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. Accounting policies (continued)

1.3 Income

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

• **Grants**

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

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

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

• **Sponsorship income**

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

• **Donations**

Donations are recognised on a receivable basis (where 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 Trust 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 Trust's educational operations, including support costs and costs relating to the governance of the Academy Trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

QEGSMAT

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.5 Taxation

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

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

1.6 Intangible assets

Intangible assets costing £2,500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

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

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

Computer software	- 33 % straight line
-------------------	----------------------

1.7 Tangible fixed assets

Assets costing £2,500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

QEGSMAT

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.7 Tangible fixed assets (continued)

Depreciation is provided on the following bases:

Freehold land and property	- Over the useful economic life
Leasehold property	- Over the useful economic life or the remaining length of the lease, whichever is shorter.
Improvement to property (included within leasehold property)	- 10% Straight Line
Furniture and fixtures	- 20% Straight Line
Plant and machinery	- 10% Straight Line
Computer equipment	- 33% Straight Line
Asset under construction	- No depreciation charge until the project is completed

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

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

Certain land occupied and used by Queen Elizabeth's Grammar School belongs to the Old Trust, and as such is not included on the balance sheet of the Academy Trust. No charge is made in the Statement of Financial Activities to reflect the use of this land and it has an infinite life, therefore would not be depreciated. The Old Trust have confirmed that the land will be available for the use of the school for as long as required.

1.8 Stocks

Unsold uniforms are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

1.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.10 Cash at bank and in hand

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

The trust also utilises deposit accounts for surplus funds, these vary from 3 to 12 months fixed term.

QEGSMAT

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.11 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised with interest payable and similar charges.

1.12 Financial instruments

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy 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 18. Prepayments are not financial instruments.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 19 and 20. 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.

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

1.13 Operating leases

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

QEGSMAT

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.14 Pensions

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.

1.15 Fund accounting

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

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

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

QEGSMAT

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

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 27, 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. 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.

QEGSMAT**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019****3. Income from donations and capital grants**

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000	<i>Total funds 2018 £000</i>
Transfers from local authorities on conversion	-	-	-	2,514
Transfers from other trusts	-	-	-	33,525
	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	-	36,039
	<hr/>	<hr/>	<hr/>	<hr/>
Donations	-	26	26	39
Capital Grants	-	199	199	62
S106 grant income	-	-	-	701
	<hr/>	<hr/>	<hr/>	<hr/>
	-	225	225	802
	<hr/>	<hr/>	<hr/>	<hr/>
	<hr/>	<hr/>	<hr/>	<hr/>
Total 2019	-	225	225	36,841
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Total 2018</i>	72	36,769	36,841	
	<hr/>	<hr/>	<hr/>	<hr/>

QEGSMAT**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019****4. Funding for Academy Trust's Educational Operations**

	Restricted funds 2019 £000	Total funds 2019 £000	<i>Total funds 2018 £000</i>
DfE/ESFA grants			
General Annual Grant	13,105	13,105	12,636
Other DfE Group grants	1,246	1,246	1,298
	<hr/> 14,351	<hr/> 14,351	<hr/> 13,934
Other Government grants			
Local authority grants	593	593	505
	<hr/> 593	<hr/> 593	<hr/> 505
Other income			
School trip income	426	426	317
Learning resources recovered	390	390	272
	<hr/> 816	<hr/> 816	<hr/> 589
Total 2019	<hr/> 15,760	<hr/> 15,760	<hr/> 15,028

5. Other Trading Activities

	Unrestricted funds 2019 £000	Total funds 2019 £000	<i>Total funds 2018 £000</i>
General sales	40	40	20
Hire of facilities	108	108	121
	<hr/> 148	<hr/> 148	<hr/> 141
Total 2019	<hr/> 148	<hr/> 148	<hr/> 141

QEGSMAT

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

6. Investment income

	Unrestricted funds 2019 £000	Total funds 2019 £000	<i>Total funds 2018 £000</i>
Investment received on short term deposits	10	10	5
Total 2019	10	10	5

7. Expenditure

	Staff Costs 2019 £000	Premises 2019 £000	Other 2019 £000	Total 2019 £000	<i>Total 2018 £000</i>
Academy's educational operations:					
Direct costs	9,185	1,063	807	11,055	10,539
Support costs	3,647	1,102	1,372	6,121	5,873
	<u>12,832</u>	<u>2,165</u>	<u>2,179</u>	<u>17,176</u>	<u>16,412</u>
<i>Total 2018</i>	<u>12,350</u>	<u>1,978</u>	<u>2,084</u>	<u>16,412</u>	

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000	<i>Total funds 2018 £000</i>
Educational operations	40	17,136	17,176	16,412
<i>Total 2018</i>	<u>-</u>	<u>16,412</u>	<u>16,412</u>	

QEGSMAT**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019****9. Analysis of expenditure by activities**

	Direct costs	Support	Total	<i>Total</i>
	2019	costs	funds	<i>funds</i>
	£000	2019	2019	<i>2018</i>
		£000	£000	<i>£000</i>
Educational Activities	11,055	6,121	17,176	16,412
<i>Total 2018</i>	<i>10,539</i>	<i>5,873</i>	<i>16,412</i>	

Analysis of direct costs

	Total	<i>Total</i>
	funds	<i>funds</i>
	2019	<i>2018</i>
	£000	<i>£000</i>
Staff costs	8,769	8,249
Depreciation	1,058	961
Educational supplies	269	239
Examination fees	201	192
Staff development	77	70
Other direct costs	420	532
Other project costs	237	244
Recruitment	20	52
Loss on disposal	5	-
Total 2019	11,055	10,539

QEGSMAT**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019****9. Analysis of expenditure by activities (continued)****Analysis of support costs**

	Total funds 2019 £000	<i>Total funds 2018 £000</i>
Staff costs	3,646	3,592
Repairs and maintenance	315	289
Cleaning	293	275
Rent and rates	158	154
Heat and light	337	300
Catering	268	212
Legal and professional	237	259
Insurance	66	67
Transport	54	46
Other support costs	416	403
Technology	300	257
Governance costs	31	19
Total 2019	6,121	5,873

No individual transactions exceeding £5,000 occurred under any of the following headings:

- Ex gratia/compensation payments - Nil
- Gifts made by the trust - Nil
- Fixed asset losses - £4,539
- Unrecoverable debts - Nil
- Cash losses - Nil

QEGSMAT**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019****10. Net income/(expenditure)**

Net income/(expenditure) for the year includes:

	2019	<i>2018</i>
	£000	<i>£000</i>
Operating lease rentals	33	<i>24</i>
Depreciation of tangible fixed assets	1,053	<i>957</i>
Amortisation of intangible assets	5	<i>4</i>
Gain/(loss) on disposal of fixed assets	(5)	<i>-</i>
Fees paid to auditors for:		
Statutory external audit	17	<i>13</i>
Governance internal audit costs	6	<i>6</i>
	=====	<i>=====</i>

11. Staff costs**a. Staff costs**

Staff costs during the year were as follows:

	2019	<i>2018</i>
	£000	<i>£000</i>
Wages and salaries	9,310	<i>8,869</i>
Social security costs	939	<i>890</i>
Pension costs	2,149	<i>2,082</i>
	=====	<i>=====</i>
	12,398	<i>11,841</i>
Agency staff costs	418	<i>509</i>
Staff restructuring costs	16	<i>-</i>
	=====	<i>=====</i>
	12,832	<i>12,350</i>
	=====	<i>=====</i>

Staff restructuring costs comprise:

Redundancy payments	16	<i>-</i>
	=====	<i>=====</i>

QEGSMAT**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019****11. Staff costs (continued)****b. Staff numbers**

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

	2019	<i>2018</i>
	No.	<i>No.</i>
Teachers	189	<i>182</i>
Administration and Support	144	<i>157</i>
Management	28	<i>12</i>
	361	<i>351</i>

c. Higher paid staff

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

	2019	<i>2018</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	7	<i>5</i>
In the band £70,001 - £80,000	2	<i>1</i>
In the band £80,001 - £90,000	1	<i>1</i>
In the band £110,001 - £120,000	1	<i>1</i>

The above employees participated in either the TPS or LGPS. During the year ended 31st August 2019, pension contributions for these staff members amounted to £143,176 (2018: £88,166).

d. Key management personnel

The key management personnel of the Academy Trust comprise the trustees, executive leadership team as listed on page 1, and the other members of the senior management team. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £1,324,267 (2018: £1,232,200).

QEGSMAT

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

12. Central services

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

- Financial Services
- Education Improvement
- Human Resources
- IT
- Assets and Estates

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

The charge is based on a flat percentage, charged at 5% of GAG for all Academies except Queen Elizabeth's Grammar School which is 3% of GAG due to it occupying the same premises.

The actual amounts charged during the year were as follows:

	2019 £000	2018 £000
Queen Elizabeth's Grammar School	184	178
Springfield Junior School	47	48
Waterhouses CE Primary School	28	26
City of Derby Academy	246	252
Castleview Primary School	27	15
Total	532	519

13. Trustees' remuneration and expenses

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

		2019 £000	2018 £000
Mrs A Martin, Executive Headteacher and Accounting Officer	Remuneration	110 - 115	110 - 115
	Pension contributions paid	15 - 20	5 - 10

During the year ended 31 August 2019, expenses totaling £452 were reimbursed to 1 Trustee (2018 - £245 to 1 Trustee).

14. Trustees' and Officers' insurance

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

QEGSMAT

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

15. Intangible assets

	Software £000
Cost	
At 1 September 2018	14
At 31 August 2019	<u>14</u>
Amortisation	
At 1 September 2018	6
Charge for the year	5
At 31 August 2019	<u>11</u>
Net book value	
At 31 August 2019	<u>3</u>
At 31 August 2018	<u>8</u>

QEGSMAT**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019****16. Tangible fixed assets**

	Freehold land and buildings £000	leasehold property £000	Furniture and equipment £000	Plant and equipment and computer equipment £000	Asset under construction £000	Total £000
Cost or valuation						
At 1 September 2018	36,023	22,077	272	317	25	58,714
Additions	-	13	16	60	52	141
Disposals	-	-	(7)	-	-	(7)
At 31 August 2019	36,023	22,090	281	377	77	58,848
Depreciation						
At 1 September 2018	528	2,312	212	269	-	3,321
Charge for the year	529	469	25	30	-	1,053
On disposals	-	-	(2)	-	-	(2)
At 31 August 2019	1,057	2,781	235	299	-	4,372
Net book value						
At 31 August 2019	34,966	19,309	46	78	77	54,476
At 31 August 2018	35,495	19,766	60	48	25	55,394

QEGSMAT

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

16. Tangible fixed assets (continued)

When Queen Elizabeth's Grammar School converted to an Academy, the ownership of existing school land, buildings and other assets were transferred to the company from the Local Education Authority, at no cost, on a 125 year lease.

The Trustees regarded the value of the land and buildings to be so significant as to warrant a full external valuation at 1 August 2011.

The valuation was undertaken by David Brown Commercial, an independent RICS qualified surveyor on a depreciated replacement cost (DRC) basis. The DRC valuation includes all estimated costs of replacing the assets, including finance costs.

The DRC valuation of leasehold land and buildings recognised in the financial statements at 1st August 2011 was £15,500,000 including £1,750,000 in respect of land. The assets are now depreciated over their remaining estimated useful economic life.

Certain land occupied and used by Queen Elizabeth's Grammar School belongs to the Old Trust, and as such is not included on the balance sheet of the Academy Trust. No charge is made in the Statement of Financial Activities to reflect the use of this land as it has an infinite life, and would not therefore be depreciated. The Old Trust have confirmed that the land will be available for the use of the school for as long as the school requires it.

When Waterhouses CE Primary School converted to an academy on 1 April 2017 the ownership of existing school land, and other assets were transferred to the company from the Local Authority, at no cost, on a 125 year lease. The DRC valuation of the land was £92,000 which is now depreciated over the length of the lease. The agreement with the diocese for use of the buildings at Waterhouses CE Primary School is in substance purely a licence to occupy the buildings and as such no amount has been recognised on the Academy Trust balance sheet in relation to these buildings.

When Springfield Junior School converted to an academy on 1 June 2017 the ownership of existing school land, buildings and other assets were transferred to the company from the Local Authority, at no cost, on a 125 year lease.

The DRC valuation of the leasehold and buildings recognised in the financial statements at 1 June 2017 was £3,585,000 including £1,785,000 in respect of land. The assets are now depreciated over their remaining estimated useful life.

When City of Derby Academy transferred to the Trust on 1 September 2017 the ownership of existing school land, and other assets were transferred to the company from the predecessor trust, at no cost on a freehold basis.

The DRC valuation of the freehold and buildings recognised in the financial statements at 1 September 2017 was £36,022,604 including £9,600,000 in respect of land. The assets are now depreciated over their remaining estimated useful life, no depreciation is charged on land.

When Castle View School converted to an academy on 1 February 2018 the ownership of existing school land, and other assets were transferred to the company from the Local Authority, at no cost, on a 125 year lease.

The DRC valuation of the leasehold and buildings recognised in the financial statements at 1 February 2018 was £2,458,486 including £1,436,535 in respect of land. The assets are now depreciated over their remaining estimated useful life.

Assets under construction relate to capital expenditure of "Children's Services - S106 Project" funding. These are initial works made on a new 2 storey building on the Boothby site. Amounts received total £700,818 which have been recognised in full within the restricted fixed asset funds.

QEGSMAT**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019****16. Tangible fixed assets (continued)**

Land

Included in the net book value of property displayed above are the following amounts ascribable to land:

	2019	<i>2018</i>
	£000	<i>£000</i>
Freehold land	9,600	<i>9,600</i>
Long-term leasehold land	4,896	<i>4,937</i>
	14,496	<i>14,537</i>

17. Stocks

	2019	<i>2018</i>
	£000	<i>£000</i>
Uniforms	2	<i>2</i>

18. Debtors

	2019	<i>2018</i>
	£000	<i>£000</i>
Due within one year		
Trade debtors	10	<i>23</i>
Other debtors	62	<i>105</i>
Prepayments and accrued income	365	<i>362</i>
	437	<i>490</i>

QEGSMAT**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019****19. Creditors: Amounts falling due within one year**

	2019	<i>2018</i>
	£000	<i>£000</i>
Other loans	5	<i>5</i>
Trade creditors	428	<i>402</i>
Other taxation and social security	227	<i>221</i>
Other creditors	195	<i>187</i>
Accruals and deferred income	248	<i>328</i>
	1,103	<i>1,143</i>

	2019	<i>2018</i>
	£000	<i>£000</i>
Deferred income at 1 September 2018	221	<i>288</i>
Resources deferred during the year	135	<i>221</i>
Amounts released from previous periods	(221)	<i>(288)</i>
Deferred income at 31 August 2019	135	<i>221</i>

20. Creditors: Amounts falling due after more than one year

	2019	<i>2018</i>
	£000	<i>£000</i>
Other loans	26	<i>30</i>

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	2019	<i>2018</i>
	£000	<i>£000</i>
Repayable by installments	7	<i>12</i>

The loan was entered into before conversion and is an interest free loan entered into with Salix Finance Ltd as part of the energy efficiency loans programme. The loan is interest free and repayments are made twice a year over an 8 year period.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

21. Statement of funds

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2019 £000
Unrestricted funds						
General Funds - all funds	325	158	(40)	(12)	-	431
Restricted general funds						
Restricted Funds - all funds	1,173	2,636	(2,343)	12	-	1,478
General Annual Grant	-	13,105	(13,105)	-	-	-
Pupil premium	-	45	(45)	-	-	-
Pension reserve	(5,240)	-	(581)	-	(3,239)	(9,060)
	(4,067)	15,786	(16,074)	12	(3,239)	(7,582)
Restricted fixed asset funds						
Restricted Fixed Asset Funds - all funds	55,401	-	(1,062)	141	-	54,480
S106 Capital Grant	676	-	-	(52)	-	624
DfE Group capital grants	-	199	-	(89)	-	110
	56,077	199	(1,062)	-	-	55,214
Total Restricted funds	52,010	15,985	(17,136)	12	(3,239)	47,632
Total funds	52,335	16,143	(17,176)	-	(3,239)	48,063

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

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 Department for Education where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education and will only be used for the purpose that the grants were intended. The main grant received within these funds is the GAG.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

21. Statement of funds (continued)

The DfE Group grant is received from the ESFA specifically for the purchase and maintenance of capital items.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019 £000	<i>2018</i> <i>£000</i>
QEGSMAT	1,909	<i>1,498</i>
Restricted fixed asset fund	55,214	<i>56,077</i>
Pension reserve	(9,060)	<i>(5,240)</i>
Total	48,063	<i>52,335</i>

The Academy Trust is a single financial entity and pools the year end balances. The Board of Trustees then determines how best to utilise these to improve pupil and student outcomes and ensure financial sustainability.

QEGSMAT**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019****21. Statement of funds (continued)****Total cost analysis by academy**

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2019 £000	<i>Total 2018 £000</i>
Waterhouses CE Primary Academy	345	83	53	136	617	697
Springfield Junior School	900	104	68	230	1,302	1,288
Queen Elizabeth's Grammar School	5,174	355	421	885	6,835	6,851
QEGSMAT	489	226	55	67	837	768
City of Derby Academy	4,035	354	300	970	5,659	5,350
Castle View Primary School	559	53	63	193	868	497
Academy Trust	<u>11,502</u>	<u>1,175</u>	<u>960</u>	<u>2,481</u>	<u>16,118</u>	<u>15,451</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

21. Statement of funds (continued)

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

	<i>Balance at 1 September 2017 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Transfers in/out £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 August 2018 £000</i>
Unrestricted funds						
General Funds - all funds	179	218	-	(72)	-	325
Restricted general funds						
Other grants and restricted funds	936	2,351	(2,208)	94	-	1,173
General Annual Grant	-	12,636	(12,636)	-	-	-
Transfers from local authorities on conversion	-	(2,562)	-	2,562	-	-
Pension reserve	(3,493)	-	(607)	(2,587)	1,447	(5,240)
	(2,557)	12,425	(15,451)	69	1,447	(4,067)
Restricted fixed asset funds						
Restricted Fixed Asset Funds - all funds	17,663	38,671	(961)	28	-	55,401
S106 Capital Grant	-	701	-	(25)	-	676
	17,663	39,372	(961)	3	-	56,077
Total Restricted funds	15,106	51,797	(16,412)	72	1,447	52,010
Total funds	15,285	52,015	(16,412)	-	1,447	52,335

QEGSMAT**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019****22. Analysis of net assets between funds****Analysis of net assets between funds - current year**

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000
Tangible fixed assets	-	-	54,477	54,477
Intangible fixed assets	-	-	3	3
Current assets	431	2,607	734	3,772
Creditors due within one year	-	(1,103)	-	(1,103)
Creditors due in more than one year	-	(26)	-	(26)
Provisions for liabilities and charges	-	(9,060)	-	(9,060)
Total	431	(7,582)	55,214	48,063

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2018 £000</i>	<i>Restricted funds 2018 £000</i>	<i>Restricted fixed asset funds 2018 £000</i>	<i>Total funds 2018 £000</i>
Tangible fixed assets	-	-	55,394	55,394
Intangible fixed assets	-	-	7	7
Current assets	325	2,346	676	3,347
Creditors due within one year	-	(1,143)	-	(1,143)
Creditors due in more than one year	-	(30)	-	(30)
Provisions for liabilities and charges	-	(5,240)	-	(5,240)
Total	325	(4,067)	56,077	52,335

QEGSMAT**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019****23. Reconciliation of net movements in funds to net cash flow from operating activities**

	2019	2018
	£000	£000
Net (expenditure)/income for the year (as per Statement of financial activities)	(1,033)	35,603
Adjustments for:		
Depreciation and amortisation charges	1,058	961
Loss on disposal of tangible fixed asset	5	-
Capital grants received	(199)	(763)
Dividends, interest and rents from investments	(10)	(5)
LGPS scheme cost less contributions payable	430	452
LGPS pension cost	151	155
Decrease/(increase) in stocks	-	(1)
Decrease/(increase) in debtors	53	(56)
(Decrease)/increase in creditors	(44)	144
Net (loss) on assets and liabilities from local authority conversion	-	(2,473)
Assets transferred from Multi Academy Trust	-	(36,128)
LGPS deficits transferred	-	2,587
Other adjustments	4	(6)
Net cash provided by operating activities	415	470

24. Cash flows from financing activities

	2019	2018
	£000	£000
Repayments of borrowing	(5)	(2)

25. Cash flows from investing activities

	2019	2018
	£000	£000
Dividends, interest and rents from investments	10	5
Purchase of tangible fixed assets	(141)	(90)
Capital grants from DfE Group	199	62
Capital funding received from sponsors and others	-	701
Net cash provided by investing activities	68	678

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

26. Analysis of cash and cash equivalents

	2019 £000	2018 £000
Cash in hand	1,863	1,575
Short term deposit accounts	1,470	1,280
Total cash and cash equivalents	3,333	2,855

27. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £136,352 were payable to the schemes at 31 August 2019 (2018 - £132,674) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers 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. 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 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

27. Pension commitments (continued)

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS has been undertaken and employer rates have been reassessed and will be payable from 1 September 2019 at 23.68%.

The employer's pension costs paid to TPS in the year amounted to £1,062,161 (2018 - £995,545).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £651,000 (2018 - £619,000), of which employer's contributions totalled £509,000 (2018 - £483,000) and employees' contributions totalled £ 142,000 (2018 - £136,000). The agreed contribution rates for future years are 21.6 per cent for employers and 5.5-12.5 per cent for employees.

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

Principal actuarial assumptions

	2019	2018
	%	%
Rate of increase in salaries	2.70 - 2.80	2.80
Rate of increase for pensions in payment/inflation	2.30	2.30
Discount rate for scheme liabilities	1.90	2.80

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

	2019	2018
	Years	Years
<i>Retiring today</i>		
Males Derbyshire & Staffordshire	21.9 & 21.1	21.9 & 22.1
Females Derbyshire & Staffordshire	24.4 & 23.5	24.4
<i>Retiring in 20 years</i>		
Males Derbyshire & Staffordshire	23.9 & 22.2	23.9 & 24.1
Females Derbyshire & Staffordshire	26.5 & 24.8	26.5 & 26.4

QEGSMAT**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019****27. Pension commitments (continued)****Sensitivity analysis**

	2019	<i>2018</i>
	£000	<i>£000</i>
Discount rate -0.5%	2,352	<i>1,632</i>
Salary increase rate 0.5%	443	<i>342</i>
Pension increase rate 0.5%	1,853	<i>1,263</i>
	=====	<i>=====</i>

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

	At 31	<i>At 31 August</i>
	August 2019	<i>2018</i>
	£000	<i>£000</i>
Equities	4,395	<i>4,204</i>
Bonds	1,719	<i>1,191</i>
Property	574	<i>441</i>
Cash	492	<i>431</i>
	=====	<i>=====</i>
Total market value of assets	7,180	<i>6,267</i>
	=====	<i>=====</i>

The actual return on scheme assets was £334,000 (2018 - £293,000).

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

	2019	<i>2018</i>
	£000	<i>£000</i>
Current service cost	(850)	<i>(935)</i>
Past service cost	(89)	<i>-</i>
Interest income	183	<i>139</i>
Interest cost	(334)	<i>(294)</i>
	=====	<i>=====</i>
Total amount recognised in the Statement of financial activities	(1,090)	<i>(1,090)</i>
	=====	<i>=====</i>

QEGSMAT**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019****27. Pension commitments (continued)**

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

	2019	<i>2018</i>
	£000	<i>£000</i>
At 1 September	11,506	<i>7,178</i>
Transfers from local authorities on conversion and other trusts	-	<i>4,364</i>
Current service costs	850	<i>935</i>
Past service costs	89	-
Interest cost	334	<i>294</i>
Employee contributions	142	<i>136</i>
Actuarial losses/(gains)	3,442	<i>(1,293)</i>
Benefits paid	(123)	<i>(108)</i>
	<hr/>	<hr/>
At 31 August	16,240	<i>11,506</i>
	<hr/> <hr/>	<hr/> <hr/>

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

	2019	<i>2018</i>
	£000	<i>£000</i>
At 1 September	6,266	<i>3,685</i>
Transfers from local authorities on conversion and other trusts	-	<i>1,777</i>
Interest income	183	<i>139</i>
Actuarial gains	203	<i>154</i>
Employer contributions	509	<i>483</i>
Employee contributions	142	<i>136</i>
Benefits paid	(123)	<i>(108)</i>
	<hr/>	<hr/>
At 31 August	7,180	<i>6,266</i>
	<hr/> <hr/>	<hr/> <hr/>

28. Operating lease commitments

At 31 August 2019 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	academy	<i>academy</i>
	2019	<i>2018</i>
	£000	<i>£000</i>
Not later than 1 year	33	<i>28</i>
Later than 1 year and not later than 5 years	11	<i>21</i>
	<hr/>	<hr/>
	44	<i>49</i>
	<hr/> <hr/>	<hr/> <hr/>

Lease payments included as an expense for the current year total £32,845 (2018: £24,000)

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

29. 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.

30. Related party transactions

Apart from certain trustees' remuneration and expenses disclosed in note 13, the following related party transactions took place during the year.

Consultancy services in relation to Stephen Oliver, a Member, totalling £2,400 (2018: £2,115) were provided during the year. This contract was entered into prior to Stephen Oliver becoming a related party. There were no balances outstanding.

During the year, the trust procured IT support from Peak Digital Limited, a company in which Mark Longson, the chair of Waterhouses Primary, is a director. Expenses totalled £135 (2017: £1,433) for the year, there were no balances outstanding.

During the year, Reverend Alan Behan, a governor at Waterhouses is also a member of the Lichfield Diocese, costs totalling £325 were incurred during the year. There are no balances outstanding.

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

31. Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In accounting period ending 31 August 2019 the academy trust received £12,514 (2018: £11,429) and fully distributed the fund leaving no amount repayable.