

Company Registration Number: 07698914 (England & Wales)

QEGSMAT

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

QEGSMAT
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mrs E Barnes Dr A Brown Mr A Forsyth Mr P Gadsby Mr S Oliver
Trustees	Mrs J Shepherd, Chair of Trustees Mr H Tresidder, Vice Chair/Chair of Finance & Audit Committee Mrs A Martin, Executive Headteacher / Chief Executive and Accounting Officer Mr S Smith, Chair of Secondary Phase Committee Mrs R Schofield, Chair of Primary Phase Committee Mr K Wesley Mr P Stanyer Mr M Mallender Mr A Evans (appointed 1 November 2019) Mrs S Hall (appointed 24 March 2020) Mr R McCombs (appointed 20 February 2019, resigned 23 March 2020)
Company registered number	07698914
Company name	QEGSMAT
Principal and registered office	QEGSMAT The Green Road Ashbourne Derbyshire DE6 1EP

QEGSMAT**(A company limited by guarantee)****REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

Company secretary	Mrs L Key
Chief executive officer	Mrs A Martin
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) Mr S Hardy, Head of Human Resources
Independent auditors	Smith Cooper Audit Limited Chartered Accountants 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

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their annual report together with the Financial Statements and auditors' report of the Charitable Company, for the year 1 September 2019 to 31 August 2020. 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 1 August 2011. On 1 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 1 June 2017, Springfield Junior School joined the Academy Trust, followed by City of Derby Academy on 1 September 2017. Castle View Primary School joined the multi Academy Trust on 1 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 is 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 provision 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 (ESFA).

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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 is required: 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 ESFA
- 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 Academy Trust's academies as is practicable and meet pupils, students, staff and Local Governors.

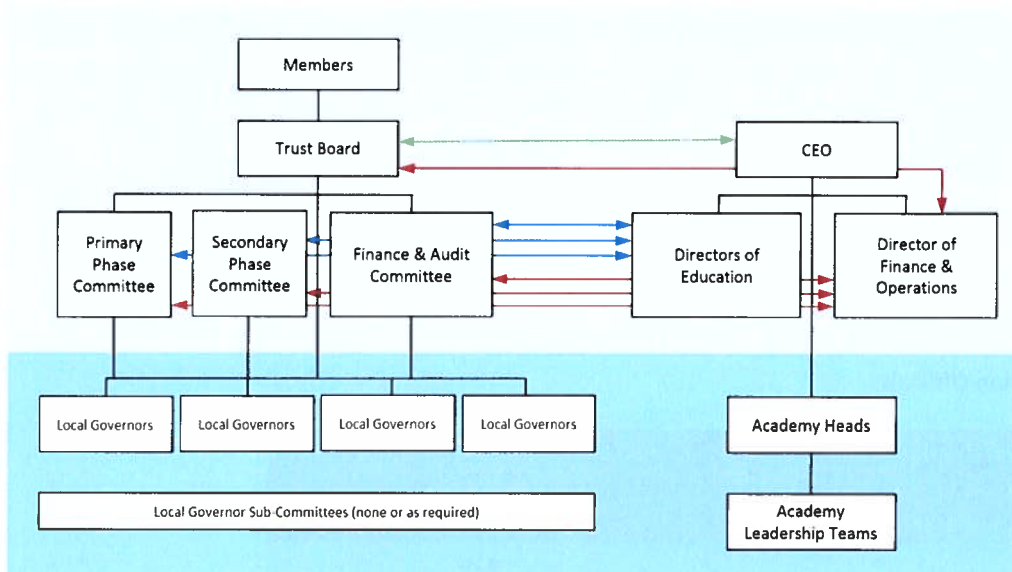
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Governance reviews are undertaken regularly to ensure effectiveness and there is an on-going commitment to training and development.

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. Each sub-committee provides rigorous scrutiny of the educational and financial performance of the academies.

The Finance and Audit Committee is responsible for overseeing the Academy 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.

The Primary and Secondary Phase Committees are responsible for ensuring the highest possible standards and performance are set and maintained across the designated phase.

Additionally, each school has Local Governors who are responsible for quality of 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.

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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 Academy Trust and in accordance with their contract of employment. It is not for their role as a Trustee.

The Board of Trustees review 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 the period under review:

Relevant Union Officials

Number of employees who were relevant trade union officials during the period	Full time equivalent number of employees
5	4.6

Percentage of Time Spent on Facility Time

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

Percentage of Pay Bill Spent on Facility Time

Total cost of facility time	£4,433
Total pay bill	£12,358,344
Percentage of total pay bill spent on facility time	0.04%

Paid Trade Union Activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	20%
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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. In December 2019 the Executive Headteacher/Chief Executive became a Fellow of the Chartered College of Teaching and in August 2020 became the interim CEO for PEAK MAT – a group of four schools in Derby city.

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, it works both strategically and operationally with the Department for Education (DfE), 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'. City of Derby Academy fully engages with Derby City collaboration of schools, including Opportunity Area initiatives. Waterhouses continues to work alongside the Leek Education Partnership. Springfield works with the Swadlup group of schools. Castle View collaborates with the Highfield's cluster of schools

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.

During the early part of the academic year the Academy Trust continued 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. 2019/2020 was a unique and very challenging year as schools closed in March due to COVID-19.

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 below the level requiring prior approval from the ESFA.

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Engagement with Employees (Including Disabled Persons)

The Academy Trust encourages employees to have a voice concerning the Trust, its performance and management. This is undertaken through formal and informal routes, which include staff voice surveys. The results are summarised and disseminated to all staff with a view to implementing ideas of improvement.

The Academy Trust continues to offer vacancies to all, making sure that if an individual has a disability the training, support or adjustments that can be made to ensure the individual is able to fulfil the role, are investigated and implemented.

In accordance with the Equality and Equal Opportunities in Employment Policies, the Academy Trust has established fair employment practices in the recruitment, selection, training, support and retention of disabled staff.

Engagement with Suppliers, Customers and Others in a Business Relationship with the Trust

The Academy Trust works hard to foster effective business relationships with others. Positive, polite and professional communication is critical to this, alongside prompt payment of invoices.

The Academy Trust selects its suppliers with care, having regard to their ability to provide high quality goods and/or services at the best price, and uphold the Academy Trust's strong reputation.

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 Academy 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:

- 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;
- Deliver **high quality teaching**, learning and assessment and effective leadership at all levels;
- Develop the **culture** and individuality of our schools, building a strong community in and around us;
- Offer a rewarding and stimulating **workplace** for staff; and
- Provide a strong, safe and financially **sustainable environment**.

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

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. Due to COVID-19 the plans for 2019-2020 were adapted during the year as the country went into lockdown on 23 March 2020, schools closed and Centre Assessed Grades were used to award all external secondary qualifications; primary phase assessments were cancelled by the Government. During lockdown, all schools provided remote learning and, as schools reopened in June

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2020, blended learning approaches were developed and introduced. Schools have completely reviewed and reformed every aspect of their day-to-day operations to ensure the safety of pupils, students and staff, whilst trying to stay abreast of constantly changing guidance from the Government. Movement around school was restricted with new daily routines and wearing of face coverings and most importantly welcoming pupils, students and staff back and ensuring they feel safe, secure and able to resume learning. Staff and the vast majority of pupils and students have risen to this challenge; returning to school, smiling and happy to be back.

The 2020 strengths and areas of development are summarised below:

Secondary School Strengths and Developments

Queen Elizabeth's Grammar School and the City of Derby Academy

Immediate priorities:

The schools have fully re-opened to all students. Risk assessments are in place and followed. All students have returned to school. The main priority is the safety and well-being of staff and students:

- New routines need to be embedded
- Behaviour and expectations re-established
- Relationships reaffirmed
- Day-to-day operations of the school need to be COVID-19 safe, orderly and communicated to all students, staff, parents and carers
- Students need to feel supported

It is not 'business as usual'; full recognition is being given to these unique challenges, and our focus is to support our schools with their immediate priorities.

Blended/remote learning: Teachers are adapting schemes of learning and lessons to meet the needs of students whose access and engagement with the curriculum over the lockdown period has varied considerably, alongside students and staff who need to self-isolate. The secondary schools are collaborating and sharing expertise and workload at every opportunity. Both schools have designated a member of the leadership team to lead blended/remote learning. We have established a collaborative 'Team' on which to meet regularly and share resources and held an INSET day in October to continue this work.

We are agreeing an Academy Trust wide blended/remote learning plan (which will need to be made bespoke to the needs of the different schools).

Queen Elizabeth's Grammar School

Strengths (note the analysis below is based on Centre Assessed Grades):

- KS5 sustained strong results, particularly in Chemistry, Computer Science, Psychology, and Biology
- Excellent vocational results, particularly in Science and Art
- KS4 strong improvement in attainment and progress across all subjects, improvement in French, Spanish and D&I subjects (AIP priority for 2019-2020)
- Improved outcomes in Triple Science (first cohort to choose it, plus additional curriculum time).
- Improved progress of K code (special needs definition code) SEN students, compared to all

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Areas for Development:

- KS5 progress and attainment in BTEC Sport Science.
- KS4 progress 'gaps' remain a concern, for students eligible for Pupil Premium (PP) and non PP, and boys versus girls.
- The performance in German and BTEC Engineering against external target (AIP focus on improving accuracy of teacher prediction in these subjects).
- Performance in Maths compared to English.
- Progress of EHCP (Education Healthcare Plan) students.

City of Derby Academy

Strengths (note the analysis below is based on Centre Assessed Grades):

- Improvement in number of students attaining Grade 5+ English and Maths.
- Gap between English and Maths has narrowed.
- Most subjects have improved progress and attainment.
- French significantly improved (first cohort to choose the subject).

Areas for Development:

- Progress and attainment of boys in English, particularly English Literature.
- Progress and attainment of girls in Maths.
- Progress and attainment of students eligible for Pupil Premium funding.
- Progress and attainment of students with K code SEN.

Primary Strengths and Developments

Castle View

Immediate priorities:

The school is fully re-opened to all pupils. COVID-19 related risk assessments were put in place and reviewed on a regular basis. The school was pleased with how well the children settled back in to the routine. Blended learning delivered through Google Classrooms when required. Attendance currently at 92%.

Strengths:

- Learning behaviours are strong, despite extended period where most children were not in school
- Teaching and Learning is a strength of the school
- Blended and online learning established

Areas for development:

- High percentage of pupils from disadvantaged backgrounds means that there will be a significant impact on their attainment due to the prolonged school closure period
- Children's stamina for reading at length is low
- Children's spelling ability has weakened
- Multiplication and division skills have not been as well retained as addition and subtraction

Springfield

Immediate priorities:

The school is fully re-opened to all pupils. COVID-19 related risk assessments were put in place and reviewed on a regular basis. The school was pleased with how well the children have settled back in to the routine. Some vulnerable children are starting to find being kept in their bubble challenging. Blended learning will be delivered through a mix of Class Dojo and Microsoft Teams. Attendance is around 95% due to general sickness and parents erring on the side of caution.

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Strengths:

- Inclusion – the Enhanced Resource School unit is a strength and a number of managed move children/children who have been out of school for long periods, are in school and demonstrating positive behaviours to learning from where they were at previous schools
- Staff working together as a strong team. Where staff are absent other staff step up to the plate to ensure that learning does not suffer
- PSHE/mental health and wellbeing and the recovery curriculum are supporting the pupil's feelings through the English curriculum

Areas for development:

- High percentage of pupils from a disadvantaged background means that there has been a significant impact on their attainment due to the prolonged school closure period
- Work with specific parents who continue to not engage with the learning that is sent home for children to complete when isolating
- Reading and vocabulary remains a key focus due to pupil's language deprivation. This also impacts on writing attainment and progress

Waterhouses

Immediate priorities:

The school is fully re-opened to all pupils. COVID-19 related risk assessments were put in place and reviewed on a regular basis. The school was pleased with how well the children have settled back in to the school routine. Blended learning delivered through Class Dojo and printed paper copies for certain families when needed. Attendance currently running at 96%.

Strengths:

- Strong learning behaviours
- Effective support and identification of SEND
- Highly dedicated and hardworking teaching staff

Areas for development:

- Falling number on roll. Staffing restructure required alongside advertising the school locally to raise awareness
- Support children who have fallen behind in their reading in order that they become able to fluently blend letter sounds when reading
- Develop the outdoor learning opportunities to enhance the curriculum offer
- Work with specific parents who continue to not engage with the learning that is sent home for children to complete when isolating

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.

Strategic Report

Achievements and Performance

As at 31 August 2020 the Academy Trust employed 357 people (425 posts), in both teaching and non-teaching roles, and had approximately 2,800 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 students who were awarded Centre Assessed Grades in Summer 2020 are set out in the following tables.

Queen Elizabeth's Grammar School

Key stage 4 & 5 outcomes	2018 Actual	2019 Target	2019 Actual	2020 Target	2020 Actual
Absence					
A-level APS	33		39	40	42
Applied General APS	34		34	36	36
Key stage 4 Attainment 8	49	55	52	52	59
% 4+ English & Maths	66	78	73	76	78
% 5+ English & Maths	45	60	55	56	58
%EBacc Entry	31	43	43	49	49
EBacc APS	4.4	4	4	4	5
Absence					
Whole School Absence	5.3%	4%	5%	4%	*5%
Whole School PA	13%	12%	11%	9%	*12%
Pupil Premium Absence	9%	6%	7%	7%	*9%
Pupil Premium PA	30%	20%	26%	20%	*25%

*2020 actual figures are up to and including 13 March 2020 when the school partially closed due to COVID-19 outbreak.

City of Derby Academy

Key Stage 4 Outcomes	2018 Actual	2019 Actual (Stable)	2020 Target	2020 Actual (Stable)
Attainment 8	31	34 (36)	36	36 (37)
% 4+ English & Maths	33	41 (47)	42	42.3 (46.9)
% 5+ English & Maths	17	17 (22)	20	21.1 (23.4)
% EBacc Entry	44	67 (70)	15	16
EBacc APS	2	3.14 (3.4)	2.9	3.2 (3.3)
Absence				
Whole School Absence	7%	5.8%	5%	5.8%
Whole School PA	21.9%	14.6%	16%	15.9%
Pupil Premium Absence	9.3%	7.23%	7%	7.99%
Pupil Premium PA	30.6%	23%	20%	22.18%

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Castle View

Key Stage 2 Outcomes	2019 Actual	2020 Target	2020 Teacher Assessment	2021 Target
Reading	50%	68% (31% GDS)	68% (31% GDS)	56%
Writing	50%	68% (31% GDS)	63% (31% GDS)	56%
Maths	38%	73% (21% GDS)	68% (21% GDS)	50%
GPS	56%	73% (31% GDS)	68% (31% GDS)	56%
RWM combined	38%	68%	63%	50%
Absence			September 3 rd 2019 to 20 th March 2020	
Whole School Absence	3%	4%	5%	4%
Whole School PA	9%	10%	12%	10%
Pupil Premium Abs	4%	4%	5%	4%
Pupil Premium PA	6%	10%	12%	10%

Springfield

Key Stage 2 Outcomes	2019 Actual (56 pupils)	2020 Target (61 pupils)	2020 Teacher Assessment	2021 Target (46 pupils)
Reading	52% (11% GDS)	75% EXS+ (16% GDS)	68% EXS+ (16% GDS)	68% EXS+ (20% GDS)
Writing	72% (11% GDS)	77% EXS+ (8% GDS)	59% EXS+ (5% GDS)	69% EXS+ (16% GDS)
Maths	68% (10% GDS)	77% EXS+ (10% GDS)	77% EXS+ (11% GDS)	74% EXS+ (22% GDS)
GPS	60% (14% GDS)	77% EXS+	74% EXS + (20% GDS)	
RWM combined	46% (4% GDS)	66% EXS+	59% (5% GDS)	60% EXS+ (9% GDS)
Absence			4 th Sept to 3 rd April	
Whole School Absence	4%	3%	5%	3.9%
Whole School PA	9%		12%	
Pupil Premium Abs	5%		6%	
Pupil Premium PA	8%		6%	

Waterhouses

Key Stage 2 Outcomes	2019 Actual	2020 Target	2020 Actual (Teacher Assessed)	2021 Target (3 pupils)
Reading	80%	71%	86%	100%
Writing	90%	71%	71%	100%
Maths	70%	71%	86%	100%
SPAG	80%	71%	71%	100%
R,W,M combined	70%	71%	71%	100%
Absence				
Whole School Absence	97%	97%	96% (to end of Spring term)	97%
Whole School PA	1%	1%	5.4%	1%
Pupil Premium Abs	96%	97%	96%	97%
Pupil Premium PA	7% (1 child)	7% (1 child)	7% (1 child)	0%

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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.

Promoting the Success of the Company

The Trustees promote the success of the Academy Trust and have regard to the:

- Likely long term consequences of their decisions;
- Interests of the Academy Trust's employees;
- Need to foster the Academy Trust's business relationships with suppliers, customers and others;
- Impact of the Academy Trust's operations on the community and the environment;
- The Academy Trust's reputation for high standards of business conduct; and
- Need to act fairly.

Trustees are rigorous in their scrutiny of information and the performance of the Academy Trust. They undertake school visits as often as possible, and meet with leaders, other staff, pupils, students and Local Governors to gain a wider comprehension of each school's culture and ethos, and the needs of the communities they serve. This equips them to understand the impact of their decisions.

Trustees appreciate the importance of recruiting and retaining the very best employees, and work hard to provide a safe, stimulating and rewarding work environment. Periodic staff surveys are undertaken, and consultations with employees and their professional associations take place. Trustees act upon the feedback they receive.

The Trustees and employees of the Academy Trust maintain the highest standards of conduct at all times to safeguard the reputation of the Academy Trust.

Financial Review

The Academy Trust's incoming resources rose by £600,000 to £16,743,000 in the year ended 31 August 2020. These were made up of donations and capital grants, charitable activities, other trading activities and investments.

Following a successful bid to the Government, the Academy Trust was awarded a capital grant, known as Condition Improvement Funding (CIF), of £247,000 for much needed building condition and safety improvements at Castle View and Waterhouses. However, the closure of schools in March 2020 led to a reduction of £46,000 in lettings and general sales income.

No new schools joined the Academy Trust during the year, hence no land, buildings or other fixed assets transferred in from other Trusts or Local Authorities.

In the period under review, resources expended increased by £1,065,000 to £18,241,000, inclusive of the following non-cash items:

- Depreciation of £1,061,000 due to the high valuation on the Academy Trust's buildings; and
- A movement of £857,000 on the Academy Trust's Local Government Pension Scheme (LGPS) deficit. This comprised a £179,000 net interest charge for the year plus a £678,000 excess on the current service cost calculated by the actuary when compared to the contributions made during the year.

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Without these, expenditure in the period totalled £16,323,000.

In addition to the Academy Trust's usual running costs, there was capital expenditure of £480,000, mostly relating to property improvements; £178,000 on replacement roofs at Castle View and £69,000 on new hot and cold water services at Waterhouses (projects for which CIF was received), and £125,000 on replacement boilers at the City of Derby Academy. There was also some investment in computer equipment.

Cash balances fell by £84,000 to £3,249,000, including Section 106 agreement monies of £616,000 to be spent on expanding Queen Elizabeth's Grammar School to provide more school places in response to housing growth in the area.

Net current assets totalled £2,606,000; a decrease of £63,000.

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 2020 were £438,000, made up largely of lettings income generated since August 2011, when the Academy Trust first began operating. This figure is not the profit on lettings, until September 2018 no associated costs were attributed to the unrestricted fund. 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.

Restricted income funds as at 31 August 2020 were £1,420,000, derived mostly from grants from the DfE. The pension reserve as at 31 August 2020 was £8,777,000, reflecting 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 the Academy Trust closure. Many of the assumptions on which the valuation is based relate to factors outside of the Academy Trust's control, and these factors have contributed to a decrease in the deficit of £283,000 in the year under review.

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 £1,595,506 was held in fixed rate deposit accounts with Lloyds Bank, the Academy Trust's bankers, for an improved return on cash balances.

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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 DfE, 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.
- 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 Academy Trust carries a share of the LGPS deficit on its balance sheet. Risk management strategies include careful financial planning and budget monitoring.
- 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 Academy 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.

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Streamlined Energy and Carbon Reporting

QEGSMAT greenhouse gas emissions and energy usage for 1 September 2019 to 31 August 2020

Total energy consumption	2,171,762 kwh (equivalent)
Total emissions in metric tonnes	279.6 tonnes CO ₂ e
Total emissions per pupil – intensity ratio	107kg CO ₂ e
These emissions are split into Scopes 1, 2 and 3 as per the Greenhouse Gas (GHG) Protocol – corporate standard:	

Scope 1 – direct emissions

Gas	40.9 tonnes CO ₂ e
Oil	11.9 tonnes CO ₂ e
Biomass	8.9 tonnes CO ₂ e

Scope 2 – energy indirect emissions

Electricity	214.5 tonnes CO ₂ e
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Scope 3 – other indirect emissions

Business mileage	3.4 tonnes CO ₂ e
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Quantification and Reporting Methodology

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

Intensity Measurement

The chosen intensity measurement ratio is total gross emissions in kg CO₂e per pupil (pupil numbers on role as of 1 September 2019), the recommended ratio for the sector. This will allow for comparison against future years.

Measures Taken (or to be taken) to Improve Energy Efficiency

As the technology improves, we will look to replace outdated meters with smart meters to ensure up to date energy reporting, upgrade old heating sources and increase levels of thermal insulation across the Academy Trust. Due to the current pandemic we have also increased video conferencing technology for staff meetings, to reduce the need for travel between sites and have encouraged working from home where possible, again reducing the need to travel, but also reducing the requirement to heat and light school premises.

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.

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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 priority for our schools is to successfully re-open and re-engage pupils and students with learning. Future plans are about welcoming staff, pupils and students back to school safely.

During the next academic year, the Academy Trust will embark on a construction project at Queen Elizabeth's Grammar School. Due to housing growth in and around Ashbourne, the demand for school places at the school is increasing, and following a successful application to the DfE in Summer 2020, the school will expand to provide more school places. This project has been a long time in the planning and construction works will start in the 2020/2021 academic year following a tender process.

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 where appropriate/needed.

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, the Academy Trust will be welcoming two new Staffordshire schools during Autumn 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 2020****Funds held as custodian on behalf of others**

In the year under review, neither the Academy Trust nor its Trustees were acting as custodian Trustees, and no funds were held on behalf of others, other than the bursary grants as detailed in note 32.

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, St. Helens House, King Street Cathedral Quarter, Derby, DE1 3EE have been re-appointed as auditors for the financial year 2019/2020.

The Trustees' report was approved by order of the Board of Trustees, as the company directors, on 14 December 2020 and signed on its behalf by:



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

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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.

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

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 with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between 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.

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GOVERNANCE STATEMENT (CONTINUED)

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 2019/2020 academic year.

Attendance during the 2019/2020 academic year at meetings of the board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mrs J Shepherd, Chair of Trustees	4	4
Mr H Tresidder, Vice Chair/Chair of Finance & Audit Committee	4	4
Mrs A Martin, Executive Headteacher / Chief Executive and Accounting Officer	4	4
Mr S Smith, Chair of Secondary Phase Committee	0	4
Mrs R Schofield, Chair of Primary Phase Committee	3	4
Mr K Wesley	3	4
Mrs V Longson	1	4
Mr P Stanyer	4	4
Mr M Mallender	3	4
Mr A Evans	1	2
Mrs S Hall	1	2
Mr R McCombs	2	2

All meetings were quorate apart from the 2 April 2020 where any items recommended for approval were dealt with electronically after the meeting. Trustees provided support and robust challenge to ensure improved outcomes for all pupils and students, and the efficient use of resources.

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

Mr Ryan McCombs resigned on 23 March 2020, replaced by Mrs Susan Hall on 24 March 2020. Mrs Hall has a proven track record in primary education and school improvement hence she has been appointed to serve on the Primary Phase Committee.

The Old Trust appointed Mr Andrew Evans to the Board on 1 November 2019 in place of Mr Mick Betteridge who resigned in July 2019. Mr Evans was also appointed to the Finance and Audit Committee to replace Mr McCombs.

The Board of Trustees has appointed a number of sub-committees to ensure robust oversight of the Academy Trust is maintained, and the scope of their work is set out in clear, written terms of reference. Each committee provides rigorous scrutiny of the educational and financial performance of the academies, and in addition to the four meetings of the Trust Board, there were sub-committee meetings as follows:

QEGSMAT**(A company limited by guarantee)****GOVERNANCE STATEMENT (CONTINUED)****Governance (continued)**

Finance and Audit – there were five meetings during the year at which Trustees kept the financial performance of the Academy Trust under review. Financial sustainability and effective financial management was a focus, whilst ensuring high value for money and the efficient use of resources to improve education. Attendance at meetings in the year was as follows:

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

Name	Meeting date					Total
	21/10/19	2/12/19	18/2/20	27/4/20	22/6/20	
Hereward Tresidder (Chair)	P	P	P	P	P	5
Jane Shepherd	AP	P	P	P	P	4
Anne Martin	P	P	P	P	P	5
Phil Stanyer	P	P	P	P	P	5
Ryan McCombs (resigned 23.3.20)	P	P	AP	-	-	2
Andrew Evans (appointed 1.11.19)	-	-	AP	P	P	2
Lisa Key	IA	IA	IA	IA	IA	5

The Academy Trust's auditors were in attendance at the December meeting where the Financial Statements for the period ending 31 August 2019 were presented for consideration.

Primary Phase Committee - responsible for monitoring staff recruitment, retention and performance and for reviewing data on the progress and attainment of all Academy Trust primary phase academies. Mrs Rose Schofield stood down as Chair of this committee after the January meeting and a new Chair has yet to be elected.

Name	Meeting date			Total
	23/9/19	20/1/20	4/5/20	
Rose Schofield (Chair)	P	P	-	2
Mark Mallender	AB	P	P	2
Vickie Longson	P	AP	AP	1
Sue Hall	-	-	P	1
David Wood	P	P	P	3

Secondary Phase Committee - responsible for monitoring staff recruitment, retention and performance and for reviewing data on the progress and attainment of all Academy Trust secondary phase academies.

Name	Meeting date			Total
	21/10/19	31/1/20	11/5/20	
Simon Smith (Chair)	P	P	P	3
Keith Wesley	P	AP	P	2
Hereward Tresidder	P	P	P	3
Barbara Smith	P	P	P	3

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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

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

The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money during the academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the 2019/2020 academic 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 and data management. The roles and responsibilities of staff, both teaching and non-teaching, were kept under review 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. 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, despite the schools being closed from 23 March 2020. Schools partially reopened in June 2020 and planned to fully reopen in September. The Academy Trust supported the training and development of its workforce and implemented training for online approaches to distance learning and to organising meetings to aid collaboration. 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 year, a review of the approved supplier list and regular market testing was undertaken to ensure the highest possible value for money from purchases.

The Academy Trust reviewed its energy contracts and successfully negotiated reduced rates with supply agencies. Occupational health services were also reviewed and a cost effective employee assistance programme was introduced for the health and wellbeing of staff.

Value for money was further improved when a new, more flexible, cloud hosted telephone system with lower line rental and call charges was implemented, and the Academy Trust made savings on recruitment advertising by purchasing an annual subscription with the TES.

During the year under review, due to COVID-19, the Academy Trust's expenditure on hygiene supplies and personal protective equipment (PPE) increased. However, supplies were procured centrally and the Academy Trust benefitted from economies of scale.

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

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GOVERNANCE STATEMENT (CONTINUED)**Review of value for money (continued)**

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.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. During the year 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 period 1 September 2019 to 31 August 2020 and up to the date of approval of the Annual Report and Financial Statements. This process is regularly reviewed by the Board of Trustees.

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GOVERNANCE STATEMENT (CONTINUED)

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; and
- 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 include:

- 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 Finance and Audit Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The Academy Trust's internal auditor has delivered its schedule of work for the 2019/2020 academic year as planned and has raised no material issues as a result of its work.

Following the publication of the new FRC Ethical Standards for Auditors, Smith Cooper Audit Limited will no longer be eligible to carry out this work and alternative arrangements will be entered into for the 2020/21 financial year.

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 auditor;
- 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.

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GOVERNANCE STATEMENT (CONTINUED)

Approved by order of the members of the board of Trustees on 14 December 2020 and signed on their behalf by:



.....
Jane Shepherd
Chair of Trustees



.....
Anne Martin
Accounting Officer

QEGSMAT

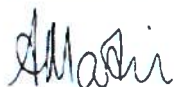
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



Anne Martin

Accounting Officer

Date: 14 December 2020

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

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

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

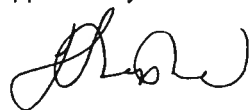
- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- Make judgments and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting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

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

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

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

Approved by order of the members of the Board of Trustees on 14 December 2020 and signed on its behalf by:



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

QEGSMAT

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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 2020 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2019 to 2020 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 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2019 to 2020 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

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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.

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**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 Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

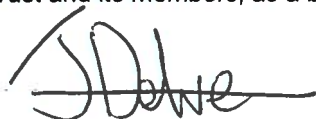
Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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



James Delve (Senior statutory auditor)

for and on behalf of
Smith Cooper Audit Limited
Chartered Accountants
Statutory Auditors
St Helen's House
King Street
Derby
DE1 3EE

16 December 2020

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

This report is made solely to 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 29 July 2011 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

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

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

- Planned our assurance procedures including identifying key risks
- Carried out a program of substantive testing, including a 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 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

A handwritten signature in black ink that reads "Smith Cooper Audit Limited". The script is cursive and fluid, with the words connected together.

James Delve

Smith Cooper Audit Limited
St Helen's House
King Street
Derby
DE1 3EE

Date: 16 December 2020

QEGSMAT

(A company limited by guarantee)

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

		Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
	Note					
Income from:						
Donations and capital grants	3	-	27	322	349	225
Charitable activities		-	16,280	-	16,280	15,760
Other trading activities		102	-	-	102	148
Investments	6	12	-	-	12	10
Total income		114	16,307	322	16,743	16,143
Expenditure on:						
Charitable activities	8	30	17,150	1,061	18,241	17,176
Total expenditure		30	17,150	1,061	18,241	17,176
Net income/(expenditure)		84	(843)	(739)	(1,498)	(1,033)
Transfers between funds	21	(77)	(72)	149	-	-
Net movement in funds before other recognised gains/(losses)		7	(915)	(590)	(1,498)	(1,033)
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	28	-	1,140	-	1,140	(3,239)
Net movement in funds		7	225	(590)	(358)	(4,272)
Reconciliation of funds:						
Total funds brought forward		431	(7,582)	55,214	48,063	52,335
Net movement in funds		7	225	(590)	(358)	(4,272)
Total funds carried forward		438	(7,357)	54,624	47,705	48,063

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

The notes on pages 39 to 69 form part of these financial statements.

QEGSMAT

(A company limited by guarantee)
REGISTERED NUMBER: 07698914

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £000	2019 £000
Fixed assets			
Intangible assets	15	-	3
Tangible assets	16	53,897	54,477
		<u>53,897</u>	<u>54,480</u>
Current assets			
Stocks	17	6	2
Debtors	18	599	437
Cash at bank and in hand		3,249	3,333
		<u>3,854</u>	<u>3,772</u>
Creditors: amounts falling due within one year	19	(1,248)	(1,103)
Net current assets		<u>2,606</u>	<u>2,669</u>
Total assets less current liabilities		<u>56,503</u>	<u>57,149</u>
Creditors: amounts falling due after more than one year	20	(21)	(26)
Net assets excluding pension liability		<u>56,482</u>	<u>57,123</u>
Defined benefit pension scheme liability	28	(8,777)	(9,060)
Total net assets		<u><u>47,705</u></u>	<u><u>48,063</u></u>


QEGSMAT

(A company limited by guarantee)
 REGISTERED NUMBER: 07698914

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

	Note	2020 £000	2019 £000
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	21	54,624	55,214
Restricted income funds	21	1,420	1,478
Restricted funds excluding pension asset	21	56,044	56,692
Pension reserve	21	(8,777)	(9,060)
Total restricted funds	21	47,267	47,632
Unrestricted income funds	21	438	431
Total funds		47,705	48,063

The financial statements on pages 35 to 69 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



Mrs J Shepherd
 (Chair of Trustees)
 Date: 14 December 2020

The notes on pages 39 to 69 form part of these financial statements.

QEGSMAT
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £000	2019 £000
Cash flows from operating activities			
Net cash provided by operating activities	23	67	415
Cash flows from investing activities	25	(146)	68
Cash flows from financing activities	24	(5)	(5)
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		(84)	478
Cash and cash equivalents at the beginning of the year		3,333	2,855
		<hr/>	<hr/>
Cash and cash equivalents at the end of the year	26	3,249	3,333
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 39 to 69 form part of these financial statements

QEGSMAT

(A company limited by guarantee)

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

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 2020

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 period for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital 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.

• **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 period 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.

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

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

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.

The estimated useful lives are as follows:

Amortisation is provided on the following basis:

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:

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

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, leasehold land and buildings or improvements to properties depending on the class of asset.

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.

Additional land occupied by Waterhouses CE Primary Academy is under a church settlement agreement. Under this agreement the land and buildings 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 the rent is at a peppercorn rate.

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 2020

1. Accounting policies (continued)

1.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.12 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 18. Prepayments are not financial instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in 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. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment.

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 2020

1. Accounting policies (continued)

1.14 Pensions

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

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

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

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

1.15 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.

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

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3. Income from donations and capital grants

	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	<i>Total funds 2019 £000</i>
Donations	27	11	38	26
Capital grants	-	64	64	199
Condition improvement fund	-	247	247	-
Total 2020	27	322	349	225
<i>Total 2019</i>	<i>26</i>	<i>199</i>	<i>225</i>	

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

4. Funding for Academy Trust's Educational Operations

	Restricted funds 2020 £000	Total funds 2020 £000	<i>Total funds 2019 £000</i>
DfE/ESFA grants			
General Annual Grant	13,383	13,383	13,105
Start up grant	25	25	-
Other DfE group grants	1,742	1,742	1,246
	<hr/> 15,150	<hr/> 15,150	<hr/> 14,351
Other Government grants			
Local authority grants	603	603	593
	<hr/> 603	<hr/> 603	<hr/> 593
Other income			
School trip income	312	312	426
Learning resources recovered	215	215	390
	<hr/> 527	<hr/> 527	<hr/> 816
Total 2020	<hr/> 16,280	<hr/> 16,280	<hr/> 15,760
<i>Total 2019</i>	<hr/> <i>15,760</i>	<hr/> <i>15,760</i>	

Included within other DfE group grants is an amount totaling £39,805 in relation to COVID funding.

5. Other Trading Activities

	Unrestricted funds 2020 £000	Total funds 2020 £000	<i>Total funds 2019 £000</i>
General sales	30	30	40
Hire of facilities	72	72	108
Total 2020	<hr/> 102	<hr/> 102	<hr/> 148
<i>Total 2019</i>	<hr/> <i>148</i>	<hr/> <i>148</i>	

QEGSMAT
(A company limited by guarantee)

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

6. Investment income

	Unrestricted funds 2020 £000	Total funds 2020 £000	<i>Total funds 2019 £000</i>
Investment received on short term deposits	12	12	10
Total 2020	<u>12</u>	<u>12</u>	<u>10</u>
<i>Total 2019</i>	<u>10</u>	<u>10</u>	

7. Expenditure

	Staff Costs 2020 £000	Premises 2020 £000	Other 2020 £000	Total 2020 £000	<i>Total 2019 £000</i>
Academy's educational operations:					
Direct costs	9,838	1,061	726	11,625	11,055
Support costs	4,092	1,105	1,419	6,616	6,121
Total 2020	<u>13,930</u>	<u>2,166</u>	<u>2,145</u>	<u>18,241</u>	<u>17,176</u>
<i>Total 2019</i>	<u>12,832</u>	<u>2,165</u>	<u>2,179</u>	<u>17,176</u>	

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000	<i>Total funds 2019 £000</i>
Educational operations	30	18,211	18,241	17,176
<i>Total 2019</i>	<u>40</u>	<u>17,136</u>	<u>17,176</u>	

QEGSMAT**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020****9. Analysis of expenditure by activities**

	Direct costs	Support	Total	<i>Total</i>
	2020	costs	funds	<i>funds</i>
	£000	2020	2020	<i>2019</i>
		£000	£000	<i>£000</i>
Educational Activities	11,625	6,616	18,241	<i>17,176</i>
<i>Total 2019</i>	<i>11,055</i>	<i>6,121</i>	<i>17,176</i>	

Analysis of direct costs

	Total	<i>Total</i>
	funds	<i>funds</i>
	2020	<i>2019</i>
	£000	<i>£000</i>
Staff costs	9,542	<i>8,768</i>
Depreciation	1,061	<i>1,058</i>
Educational supplies	227	<i>269</i>
Examination fees	199	<i>201</i>
Staff development	59	<i>77</i>
Other direct costs	293	<i>420</i>
Other project costs	211	<i>237</i>
Recruitment	32	<i>20</i>
Loss on disposal	-	<i>5</i>
Total	11,625	<i>11,055</i>

QEGSMAT**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020****9. Analysis of expenditure by activities (continued)****Analysis of support costs**

	Total funds 2020 £000	<i>Total funds 2019 £000</i>
Staff costs	4,094	3,646
Repairs and maintenance	310	315
Cleaning	319	293
Rates	150	158
Heat and light	322	337
Catering	355	268
Legal and professional	213	237
Insurance	60	66
Transport	41	54
Other support costs	457	416
Technology	271	300
Governance costs	24	31
Total	6,616	6,121

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 - Nil
- Unrecoverable debts - £53
- Cash losses - Nil

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020 £000	<i>2019 £000</i>
Operating lease rentals	34	33
Depreciation of tangible fixed assets	1,058	1,053
Amortisation of intangible assets	3	5
Gain/(loss) on disposal of fixed assets	-	(5)
Fees paid to auditors for:		
Statutory external audit	22	21
Governance internal audit costs	2	2

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

11. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2020	2019
	£000	£000
Wages and salaries	9,696	9,310
Social security costs	969	939
Pension costs	2,971	2,149
	13,636	12,398
Agency staff costs	294	418
Staff restructuring costs	-	16
	13,930	12,832

Staff restructuring costs comprise:

Redundancy payments	-	16
---------------------	----------	-----------

b. Staff numbers

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

	2020	2019
	No.	No.
Teachers	189	189
Administration and Support	139	144
Management	29	28
	357	361

c. Higher paid staff

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

	2020	2019
	No.	No.
In the band £60,001 - £70,000	5	7
In the band £70,001 - £80,000	3	2
In the band £80,001 - £90,000	2	1
In the band £110,001 - £120,000	1	1

QEGSMAT

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020****11. Staff costs (continued)****c. Higher paid staff (continued)**

The above employees participated in either the TPS or LGPS. During the year ended 31 August 2020, pension contributions for these staff members amounted to £175,894 (2019: £143,176).

d. Key management personnel

The key management personnel of the Academy Trust comprise the trustees, executive leadership team as listed on page 2, 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 £2,094,044 (2019: £1,324,267).

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:

	2020	2019
	£000	£000
Queen Elizabeth's Grammar School	183	184
Springfield Junior School	47	47
Waterhouses CE Primary School	27	28
City of Derby Academy	263	246
Castleview Primary School	27	27
Total	547	532

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

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:

	2020	2019
	£000	£000
Mrs A Martin, Executive Headteacher / Chief Executive and Accounting Officer	115 - 120	110 - 115
Pension contributions paid	5 - 10	15 - 20

During the year, retirement benefits were accruing to 1 Trustees (2019 - 1) in respect of defined benefit pension schemes.

During the year ended 31st August 2020, expenses totalling £364 were reimbursed to 1 Trustee (2019: £452 to 1 Trustee).

14. Trustees' and Officers' insurance

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

15. Intangible assets

	Software
	£000
Cost	
At 1 September 2019	14
At 31 August 2020	14
Amortisation	
At 1 September 2019	11
Charge for the year	3
At 31 August 2020	14
Net book value	
At 31 August 2020	-
At 31 August 2019	3

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

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 2019	36,023	22,090	281	377	77	58,848
Additions	-	198	26	178	78	480
At 31 August 2020	<u>36,023</u>	<u>22,288</u>	<u>307</u>	<u>555</u>	<u>155</u>	<u>59,328</u>
Depreciation						
At 1 September 2019	1,057	2,781	235	299	-	4,372
Charge for the year	528	473	22	36	-	1,059
At 31 August 2020	<u>1,585</u>	<u>3,254</u>	<u>257</u>	<u>335</u>	<u>-</u>	<u>5,431</u>
Net book value						
At 31 August 2020	<u>34,438</u>	<u>19,034</u>	<u>50</u>	<u>220</u>	<u>155</u>	<u>53,897</u>
At 31 August 2019	<u>34,966</u>	<u>19,309</u>	<u>47</u>	<u>78</u>	<u>77</u>	<u>54,477</u>

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

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 2020****16. Tangible fixed assets (continued)**

Other assets under construction relate to work in progress on a conditional improvement grant project at Waterhouses CE Primary School to upgrade the Hot and Cold pipework and heating system. The total grant for the project is £183,104, currently only £69,173 has been received and spent.

Land

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

	2020	<i>2019</i>
	£000	<i>£000</i>
Freehold land	9,600	<i>9,600</i>
Long-term leasehold land	4,896	<i>4,896</i>
	<u>14,496</u>	<i><u>14,496</u></i>

17. Stocks

	2020	<i>2019</i>
	£000	<i>£000</i>
Uniforms	6	<i>2</i>
	<u>6</u>	<i><u>2</u></i>

18. Debtors

	2020	<i>2019</i>
	£000	<i>£000</i>
Due within one year		
Trade debtors	1	<i>10</i>
Other debtors	142	<i>62</i>
Prepayments and accrued income	456	<i>365</i>
	<u>599</u>	<i><u>437</u></i>

An impairment against trade debtors of £53 has been recognised during the year (2019: £Nil).

QEGSMAT**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020****19. Creditors: Amounts falling due within one year**

		2020	2019
		£000	£000
Other loans	20	5	5
Trade creditors		328	428
Other taxation and social security		232	227
Other creditors		245	195
Accruals and deferred income		438	248
		1,248	1,103
		2020	2019
		£000	£000
Deferred income at 1 September 2019		135	221
Resources deferred during the year		116	135
Amounts released from previous periods		(110)	(221)
		141	135

At the balance sheet date the Academy Trust was holding funds of £25,231 received in advance for start up grants, £47,264 in relation to rates adjustments, £24,341 in relation to sports premium, £21,889 in relation to a SENTA grant and £22,130 made up of immaterial deferrals.

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

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

	2020 £000	<i>2019</i> <i>£000</i>
Other loans	21	<i>26</i>
	<u><u>21</u></u>	<u><u>26</u></u>

Included within the above are amounts falling due as follows:

	2020 £000	<i>2019</i> <i>£000</i>
Between one and two years		
Other loans	5	<i>5</i>
	<u><u>5</u></u>	<u><u>5</u></u>
Between two and five years		
Other loans	14	<i>14</i>
	<u><u>14</u></u>	<u><u>14</u></u>
Over five years		
Other loans	2	<i>7</i>
	<u><u>2</u></u>	<u><u>7</u></u>

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

	2020 £000	<i>2019</i> <i>£000</i>
Repayable by installments	2	<i>7</i>
	<u><u>2</u></u>	<u><u>7</u></u>

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

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

21. Statement of funds

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
Unrestricted funds						
General Funds - all funds	431	114	(30)	(77)	-	438
Restricted general funds						
Restricted Funds - all funds	1,478	2,083	(2,069)	(72)	-	1,420
GAG	-	13,383	(13,383)	-	-	-
Pupil premium	-	816	(816)	-	-	-
Start up grant	-	25	(25)	-	-	-
Pension reserve	(9,060)	-	(857)	-	1,140	(8,777)
	(7,582)	16,307	(17,150)	(72)	1,140	(7,357)
Restricted fixed asset funds						
Class II Restricted Funds - all funds	54,480	-	(1,061)	477	-	53,896
S106 Capital Grant	624	-	-	(8)	-	616
DfE Group Capital Grants	110	311	-	(309)	-	112
Capital Donations	-	11	-	(11)	-	-
	55,214	322	(1,061)	149	-	54,624
Total Restricted funds	47,632	16,629	(18,211)	77	1,140	47,267
Total funds	48,063	16,743	(18,241)	-	1,140	47,705

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 objectives 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 required or created is held for a specific purpose.

QEGSMAT**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020****21. Statement of funds (continued)**

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

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 2020.

Total funds analysis by Academy

Fund balances at 31 August 2020 were allocated as follows:

	2020 £000	<i>2019</i> <i>£000</i>
QEGSMAT	1,858	<i>1,909</i>
Restricted fixed asset fund	54,624	<i>55,214</i>
Pension reserve	(8,777)	<i>(9,060)</i>
Total	47,705	<i>48,063</i>

QEGSMAT**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020****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 2020 £000	Total 2019 £000
Waterhouses CE Primary Academy	413	87	42	148	690	617
Springfield Junior School	970	113	51	229	1,363	1,302
Queen Elizabeth's Grammar School	5,505	397	362	1,147	7,411	6,835
QEGSMAT	375	250	26	81	732	837
City of Derby Academy	4,419	337	317	1,024	6,097	5,659
Castle View Primary School	604	62	53	169	888	868
Academy Trust	12,286	1,246	851	2,798	17,181	16,118

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

21. Statement of funds (continued)

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

	<i>Balance at 1 September 2018 £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 2019 £000</i>
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)
	<u>(4,067)</u>	<u>15,786</u>	<u>(16,074)</u>	<u>12</u>	<u>(3,239)</u>	<u>(7,582)</u>
Restricted fixed asset funds						
Restricted Funds - all funds	55,401	-	(1,062)	141	-	54,480
S106 Capital Grant	676	-	-	(52)	-	624
DfE Group Capital Grants	-	199	-	(89)	-	110
	<u>56,077</u>	<u>199</u>	<u>(1,062)</u>	<u>-</u>	<u>-</u>	<u>55,214</u>
Total Restricted funds	<u>52,010</u>	<u>15,985</u>	<u>(17,136)</u>	<u>12</u>	<u>(3,239)</u>	<u>47,632</u>
Total funds	<u>52,335</u>	<u>16,143</u>	<u>(17,176)</u>	<u>-</u>	<u>(3,239)</u>	<u>48,063</u>

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

22. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000
Tangible fixed assets	-	-	53,897	53,897
Current assets	438	2,689	727	3,854
Creditors due within one year	-	(1,248)	-	(1,248)
Creditors due in more than one year	-	(21)	-	(21)
Provisions for liabilities and charges	-	(8,777)	-	(8,777)
Total	438	(7,357)	54,624	47,705

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2019 £000</i>	<i>Restricted funds 2019 £000</i>	<i>Restricted fixed asset funds 2019 £000</i>	<i>Total funds 2019 £000</i>
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

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

23. Reconciliation of net expenditure to net cash flow from operating activities

	2020 £000	2019 £000
Net expenditure for the period (as per Statement of financial activities)	(1,498)	(1,033)
Adjustments for:		
Depreciation and amortisation charges	1,061	1,058
Loss on disposal of tangible fixed asset	-	5
Capital grants from DfE and other capital income	(322)	(199)
Dividends, interest and rents from investments	(12)	(10)
LGPS scheme cost less contributions payable	678	430
LGPS pension cost	179	151
(Increase)/decrease in stocks	(4)	-
(Increase)/decrease in debtors	(162)	53
Increase/(decrease) in creditors	145	(44)
Other adjustments	2	4
Net cash provided by operating activities	67	415

24. Cash flows from financing activities

	2020 £000	2019 £000
Repayments of borrowing	(5)	(5)

25. Cash flows from investing activities

	2020 £000	2019 £000
Dividends, interest and rents from investments	12	10
Purchase of tangible fixed assets	(480)	(141)
Capital grants from DfE Group	311	199
Capital funding received from sponsors and others	11	-
Net cash (used in)/provided by investing activities	(146)	68

QEGSMAT**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020****26. Analysis of cash and cash equivalents**

	2020	2019
	£000	£000
Cash in hand	1,653	1,863
Short term deposit accounts	1,596	1,470
Total cash and cash equivalents	3,249	3,333

27. Analysis of changes in net debt

	At 1 September 2019	Cash flows	Total funds
	£000	£000	£000
Cash at bank and in hand	3,333	(84)	3,249
Salix loan	(31)	5	(26)
Total 2020	3,302	(79)	3,223

28. 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 2016 and of the LGPS 31 March 2019.

Contributions amounting to £244,564 were payable to the schemes at 31 August 2020 (2019 - £193,299) 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.

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

28. Pension commitments (continued)

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 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2018. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- an employer cost cap of 7.3% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 2.8% in excess until 2019 and then 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.86% until 2019 and then 4.45%.

The TPS valuation for 2016 determined an employer rate of 23.6%, which was payable from September 2019. The next valuation review of the TPS will be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £1,563,642 (2019 - £1,062,161).

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 2020 was £698,000 (2019 - £651,000), of which employer's contributions totalled £547,000 (2019 - £509,000) and employees' contributions totalled £ 151,000 (2019 - £142,000). The agreed contribution rates for future years are 21.6 & 24.2 per cent for Derbyshire and Staffordshire 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

	2020 %	2019 %
Rate of increase in salaries	2.6 - 2.9	2.7 - 2.8
Rate of increase for pensions in payment/inflation	2.2	2.3
Discount rate for scheme liabilities	1.7	1.9

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28. Pension commitments (continued)

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

	2020 Years	2019 Years
<i>Retiring today</i>		
Males Derbyshire & Staffordshire	21.6 & 21.2	21.9 & 21.1
Females Derbyshire & Staffordshire	23.7 & 23.6	24.4 & 23.5
<i>Retiring in 20 years</i>		
Males Derbyshire & Staffordshire	22.6 & 22.1	23.9 & 22.2
Females Derbyshire & Staffordshire	25.1 & 25	26.5 & 24.8

Sensitivity analysis

Derbyshire pension fund

	2020 £000	2019 £000
Discount rate 0.5%	2,009	2,265
Salary increase rate 0.5%	227	429
Pension increase rate 0.5%	1,744	1,782

Staffordshire pension fund

	2020 £000	2019 £000
Discount rate 0.5%	97	87
Salary increase rate 0.5%	13	14
Pension increase rate 0.5%	82	71

The Academy Trust's share of the assets in the schemes:

	At 31 August 2020 £000	At 31 August 2019 £000
Equities	4,468	4,395
Bonds	1,645	1,719
Property	574	574
Cash	496	492
Total market value of assets	7,183	7,180

The actual return on scheme assets was (£167,000) (2019 - £334,000).

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

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

	2020	2019
	£000	£000
Current service cost	(1,225)	(850)
Past service cost	-	(89)
Interest income	142	183
Interest cost	(321)	(334)
Total amount recognised in the Statement of financial activities	(1,404)	(1,090)

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

	2020	2019
	£000	£000
At 1 September	16,240	11,506
Current service costs	1,225	850
Past service costs	-	89
Interest cost	321	334
Employee contributions	151	142
Actuarial (gains)/losses	(1,449)	3,442
Benefits paid	(171)	(123)
At 31 August	16,317	16,240

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

	2020	2019
	£000	£000
At 1 September	7,180	6,266
Interest income	142	183
Actuarial (losses)/gains	(309)	203
Employer contributions	547	509
Employee contributions	151	142
Benefits paid	(171)	(123)
At 31 August	7,540	7,180

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

29. Operating lease commitments

At 31 August 2020 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £000	2019 £000
Not later than 1 year	33	33
Later than 1 year and not later than 5 years	3	11
	36	44

The following lease payments have been recognised as an expense in the Statement of financial activities:

	2020 £000	2019 £000
Operating lease rentals	33	33

30. Members' liability

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

31. 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 £1,760 (2019: £2,400) were provided during the year. This contract was entered into prior to Stephen Oliver becoming a related party. There were no balances outstanding.

In the previous year, the trust procured IT support from Peak Digital Limited, a company in which Mark Longson, at the time the chair of Waterhouses Primary, is a director. Expenses in the prior year totalled £135 for the year. There were no balances outstanding.

During the year, Vickie Longson a trustee and in the previous year Reverend Alan Beahan, a governor at Waterhouses are both members of the Lichfield Diocese, costs totalling £1,250 (2019: £325) were incurred during the year. There are no balances outstanding.

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

QEGSMAT

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020****32. Agency arrangements**

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In accounting period ending 31 August 2020 the academy trust received £11,566 (2019: £12,514) and distributed £9,898 leaving £1,667 being written forward.

