Company registration number 08331789 (England and Wales)

QEGS BLACKBURN ACADEMY TRUST

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2023

QEGS BLACKBURN ACADEMY TRUST

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 12
Governance statement	13 - 16
Statement on regularity, propriety and compliance	17
Statement of trustees' responsibilities	18
Independent auditor's report on the accounts	19 - 21
Independent reporting accountant's report on regularity	22 - 23
Statement of financial activities including income and expenditure account	24 - 25
Balance sheet	26
Statement of cash flows	27
Notes to the accounts including accounting policies	28 - 48

QEGS BLACKBURN ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members	
	D A Peat
	D J Clark
	S Hirst
	I Liddle
	P F Singleton
Trustees	
	D A Peat (Chairman)
	C Y Gammon (Accounting Officer)
	D Edmundson
	S D Gunn (Resigned 1 December 2022)
	N McMillan
	M A Norse
	K A Whyte
	M Batan (Appointed 1 April 2023)
	N Rehman (Appointed 26 June 2023)
	G Turner
	J V Haworth (Appointed 1 April 2023)
	A Mohammed (Resigned 3 February 2023)
	M R Cross
Senior management team	
- Head	C Y Gammon
- Deputy Head	N H Vyse
- Director of Business and Finance	P A Atkinson
- Head of Primary Phase	H Southworth
- Deputy Head	R Tattersall
- Deputy Head	R Cox
- Head of Sixth Form	M Hindle
Company secretary	P A Atkinson
Company registration number	08331789 (England and Wales)
Principal and registered office	Queen Elizabeth's Grammar School West Park Road Blackburn Lancashire BB2 6DF
Independent auditor	Azets Audit Services Fleet House New Road Lancaster LA1 1EZ
Bankers	Lloyds TSB Church Street Blackburn BB2 1JQ

QEGS BLACKBURN ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors	Forbes Solicitors 73 Northgate Blackburn BB2 1AA

QEGS BLACKBURN ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees present their annual report together with the financial statements and auditors' report of QEGS Blackburn Academy Trust (the "Charitable Company") for the year ended 31 August 2023.

The annual report serves the purposes of both a trustees' report and a directors' and strategic report under company law.

The trust operates an academy for pupils aged 4-19 serving a catchment area in Blackburn with Darwen and Lancashire. It has a pupil capacity of 1,392 and had a roll of 1,247 in the school census on October 2023.

Structure, governance and management

Constitution

QEGS Blackburn Academy Trust ("The Academy") is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy for the purposes of company law.

The trustees act as the trustees for the charitable activities of the Academy and are also the directors of the Charitable Company for the purposes of company law. Details of the trustees who served throughout the year, and to the date these accounts are approved are included in the Reference and Administrative Details on page 1.

The meaning of "trustee", "director", "governor" and "member"

In this report there are frequent references to trustees. This is the same body of people as both the directors of the company and the governors of the academy; these words are used interchangeably. The trustees have a different status to the members of the academy trust.

Members' liability

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

Trustees' indemnities

The Trust has purchased indemnity insurance to protect trustees and officers from claims arising in connection with Trust business. The insurance provides cover of up to £2,000,000 on any one claim.

Method of recruitment and appointment or election of trustees

The procedure for the recruitment, appointment and election of trustees is set out in the company's articles of association. The Trust shall have up to 12 trustees appointed in accordance with the articles, with a minimum of two parent trustees elected by parents /carers of registered pupils/students at the Academy and the Executive Head (ex-officio).

Policies and procedures adopted for the induction and training of trustees

The Trust maintains an induction handbook for new trustees. The Trust also funds, via an external provider, training opportunities for trustees, including specific induction training.

Organisational structure

The Trust is governed by its Trustee Body, whose members are directors of the charitable company for the purposes of the Companies Act 2006 and trustees for the purposes of charity legislation. The organisational structure of the Academy consists of 4 levels:

Members,
Trustee Body,
Executive Head, and
Senior Leadership Team.

The Members oversee the Trustee Body and formally appoint the external auditors each year.

The Trustee Body is responsible for setting general policies, adopting a trust development plan and budget, monitoring the performance of the schools in the Trust, making major policy decisions, appointing senior staff, and through its various committees, overseeing the general strategic operation of the Trust. Certain elements of these responsibilities are delegated to the following committees which make recommendations to the full Trustee Body:

Education and Standards
Finance, Human Resources and Site
Audit and Risk
Remuneration

The Executive Head is also the Accounting Officer and in addition to the responsibilities associated with this role has responsibility for the strategic direction of the schools in the Trust, the day-to-day management of the schools in the Trust and their curriculum delivery.

The Senior Leadership Team comprises the:
Executive Head
Deputy Head (Attendance, Behaviour and Safeguarding)
Deputy Head (Data, Reporting and Staff Welfare)
Deputy Head (Teaching and Learning)
Director of Business and Finance
Head of Primary School
Head of Sixth Form

The Finance, Human Resources and Site Committee of the Trustee Body, together with the Executive Head and Director of Business and Finance, will ensure the effective allocation of resources to appropriate budget holders for staffing, premises, administration, curriculum resources and pupil/student services. An annual budget is presented to the Trustee Body for approval and regular management accounts are reviewed by the Trustee Body, initially via its Finance, Human Resources and Site Committee.

Arrangements for setting pay and remuneration of key management personnel

The salary of the Executive Head is set by the Remuneration Committee and approved by the Trustee Body. For the remaining members of the senior leadership team, salaries are recommended to the Remuneration Committee by the Executive Head and approved by the Trustee Body.

Trade union facility time

QEGS Blackburn Academy Trust does not provide facility time for trade union activities. Any member of staff can raise any concern with the Executive Head or member of the Senior Leadership Team and they can be supported by another member of staff of their choosing if they wish. If this does not resolve the issue then external HR services are consulted and advice taken in order to resolve the concern.

Related parties and other connected charities and organisations

The Trust was formed out of the former Queen Elizabeth's Grammar School. Queen Elizabeth's Grammar School Blackburn Limited continues to exist and support the Trust.

QEGS Blackburn Academy Nursery Ltd, a registered charity, manages the Queen Elizabeth's Nursery School. The Executive Head and Director of Business & Finance are Trustees of this Charity. The Trust provides education and business support services to the Nursery.

As the original School was founded in 1509, a number of historic links, particularly to former pupils/students, exist and this may be a source of donations or other financial support to Queen Elizabeth's Grammar School and Queen Elizabeth's Primary School going forward. One such organisation is the Old Blackburnian Association which is comprised of former pupils/students and amongst whose aims are the furthering of good relations between former pupils and the support of Queen Elizabeth's Grammar School and Queen Elizabeth's Primary School.

QEGS Mission Values and Vision Statement

Our Trust

Our Trust opened in September 2014. It was formed from one of the oldest and most highly respected schools in Northern England, Queen Elizabeth's Grammar School. It currently consists of Queen Elizabeth's Primary School and Queen Elizabeth's Grammar School (Secondary and Sixth Form). The Trust provides free, co-educational schooling for over 1250 pupils and students from the ages of 4 to 19.

Our Mission

To provide all our pupils and students with an ambitious, rounded and balanced education, supported by first class facilities and pastoral care, in order to help them achieve excellent academic results and prepare for life in an ever-changing world.

Our Values

Our Trust motto is *'disce prodesse'* which means 'learn to be of service'.

We are ***proud of our history and culture*** - built on over 500 years of experience and with strong links to Blackburn Cathedral, we maintain a Christian ethos, placing strong emphasis on exemplary behaviour, kindness to all and extra-curricular community participation.

We ***believe in academic excellence for all*** - achieving high academic results by providing a rounded and balanced education at all stages of learning demonstrated through internal performance measurement and external inspections.

We are ***passionate about our role at the heart of the local community*** - serving the broad community of the region by reflecting its demographic and social characteristics, supporting social mobility, welcoming parent/carer involvement in the life of the schools in the Trust and encouraging pupils and students to engage with people from a wide range of backgrounds.

We ***understand the importance of pastoral care for all*** - we provide first class support from Early Years to Sixth Form. This is supported by our system of Houses in which pupils and students of all ages can easily integrate. Form Tutors, Head of Years and the Senior Leadership Team oversee academic progress alongside participation in extra-curricular activities so a sense of balance is maintained.

We ***strive to be a great place to work*** - by providing a safe and enjoyable place to work where staff are encouraged to contribute to our values and can develop their skills and knowledge through encouraging and supporting continuous professional development.

We ***recognise the importance of maintaining a viable future*** – delivered through strong, managerial oversight and discipline to ensure continued capacity to achieve the Trust's long-term strategy.

Our Vision

We want to be the leading multi-academy trust in the region, meeting the community's educational needs by creating new academies and supporting existing academies to maximise their potential.

Guiding Strategic Principles

Maintaining and improving the Trust's reputation, based on its high performance and values, is paramount if it is to continue to exist within any model for mainstream education determined by the Government.

Continued excellence as an employer for all staff is vital if we are to retain and attract the best staff.

Future development will be undertaken at a pace which is sustainable and achievable and without damage to the Trust's reputation or performance.

A flexible and pragmatic approach to future developments will be applied including a willingness to make the most of unanticipated opportunities, provided these do not have an adverse impact.

Objectives and activities

Objects and aims

The Trust's object is specifically restricted to the following: to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools that offer a broad, rich, ambitious and balanced curriculum.

The core aim is to fulfil the potential of each child through the provision of education of the highest quality, characterised by the pursuit of excellence.

Objectives, strategies and activities

The Academy's main aim is encompassed in its school motto which is: Disce Prodesse (Learn to be of Service) and its mission, values and vision statement:

To discover and develop the potential of pupils and students from all abilities and backgrounds through a programme of academic challenge, leadership development and wider curricular life, within a culture of high aspiration, mutual respect and consistent expectations of behaviour, enabling them to become active learners and committed members of the community.

The main objectives for the year were:

- to uphold its reputation as an institution delivering the highest standards of education to the local and wider community;
- for the Trustee Body to review its strategy including assumptions, efficiencies, financial pressures and deployment of resources in the context of changes of government or government policy;
- for the Trust to implement all necessary action plans, monitored by the Trustee Body, to ensure that further improvements are made in order to continue the Trust's journey of improvement; and
- to expand the Multi Academy Trust by both de-amalgamating the Secondary School and Primary School and by exploring all options with the appropriate input and advice from the RSC.

All of these objectives have been met using a detailed trust improvement action plan that was monitored closely by the Trustee Body.

Public benefit

In setting objectives and planning activities, the Trustee Body has paid due regard to the published guidance from the Charity Commission on the operation of the public benefit.

Strategic report

Achievements and performance

Ofsted

The School had its second Ofsted inspection on 24th and 25th September 2019. The School is graded Good with Outstanding Personal Development and Outstanding Early Years Provision. The School continues to build its improvements plan around those areas highlighted in this report for consideration in order that we continue to strive for absolute excellence in all that it does.

The reports comment that:

- Pupils study an exceptionally broad and ambitious curriculum.
- Pupils benefit from a stunning range of opportunities to enhance their personal development.
- Staff are ambitious for all pupils.
- Pupils work hard in lessons and show commitment to becoming well rounded individuals.
- Pupils value the strong sense of community and feel a sense of belonging.
- Pupils feel safe and appreciate the support that they receive from staff.
- Bullying is rare at the school. When it does happen, staff deal with it well.
- Pupils who join the school at different times are made to feel welcome. They settle quickly and adopt the QEGS' way.

- Pupils show respect for each other. They appreciate what different religions and cultures have in common. They also value difference.
- Pupils benefit from an exceptional range of opportunities beyond the formal curriculum. These experiences help pupils to grow as human beings. They also ensure that pupils leave the school with fond memories.
- Pupils leave Queen Elizabeth's Grammar School with an appreciation of what the world has to offer.
- Since the last inspection, staff have considered the content of the curriculum deeply.
- Teachers from the primary phase work closely with their secondary colleagues to carefully plan subject curriculums that run from the early years to the sixth form. This helps pupils to know and remember more as they move through the school. Pupils are confident at recalling previously learned work and relating it to new learning.
- Pupils learn foreign languages very well from key stage 2 onwards.
- Pupils learn three different languages in Year 8. They study French or Spanish as well as German and Latin.
- Leaders have also prioritised pupils learning in the humanities. In the secondary phase, pupils learning in history and geography is supported by their study of ethics and philosophy and classics.
- The school has made it compulsory to study at least one foreign language and humanities subject in key stage 4. This reflects the school's commitment to entering almost all pupils for the English Baccalaureate.
- The school also promotes the arts. Pupils learning in music and art is well planned. Teachers have high expectations for what pupils should know and be able to do in these subjects. As a result, the arts are growing in popularity. Over 70% of pupils currently in Year 9 have opted to study art, design technology or music at GCSE.
- Pupils achievement has improved significantly in all key stages since the last inspection. All measures of attainment now compare favourably to national averages from the early years to the end of key stage 4.
- Reading is given a high priority in the school. Children begin to learn sounds as soon as they start in Reception. The books they read match the sounds that they are learning. They soon learn to read simple words and sentences.
- Training for teachers enables them to help pupils who fall behind in their reading. Pupils read with greater accuracy and fluency as they move through the primary phase. Pupils from Year 6 spoke with enthusiasm about their favourite authors and genres.
- In the early years, children settle quickly into the nurturing environment created by leaders.
- Teachers use careful assessment to judge what children know, understand and can do. Teachers use this information to identify what children need to do next.
- Teachers develop children's early mathematics, language and communication skills effectively.
- Children take part in activities that develop their understanding of the world.
- The sixth form offers students the opportunity to select from a wide range of academic subjects.
- The majority of students go to university after completing their programmes of study. Students are articulate, well-mannered and mature. They benefit from a well-planned range of opportunities beyond their academic studies.
- The school's sporting offer is broad and inclusive. During the inspection pupils were told that the school has been invited to Lords as a recognition of its commitment to cricket.
- All pupils from Years 1 to 9 have regular swimming lessons.
- Staff think carefully about how to involve all pupils in extracurricular sport and other activities.
- Pupils benefit from many opportunities to develop their leadership skills.
- The school's personal, social, health and economic curriculum is exemplary.
- Leaders act with integrity. They have the same high academic expectations of all pupils, including disadvantaged pupils and/or pupils with special educational needs and/or disabilities (SEND). They ensure that these pupils have the same opportunities as everyone else.
- The actions that leaders take are always in pupils' best interests.
- Leaders and governors have played a key role in improving the school since the last inspection.
- The arrangements for safeguarding are effective.
- Leaders have created a positive safeguarding culture. Staff are alert to any signs of abuse or neglect. Staff and governors are well trained on matters relating to pupil's safety.
- Pupils benefit from a wealth of age-appropriate information related to different dangers. This helps them to manage risk and act sensibly, including when online.
- Vulnerable pupils are supported well. Their needs are identified quickly through the school's systems. These pupils are then provided with appropriate help. The school works well with a range of external agencies.

Academic Results

Academic results are good. They are at least in line with national but often higher and, in some areas significantly higher. The Trust priority is to continue to ensure that all children achieve their very best. This means that, as every cohort is different, it is accepted by the Trust that every set of academic results are different and we should be cautious when comparing year on year.

Key performance indicators

The Trust has set strategic goals related to achievement, progress, engagement, destinations and its provision. These are set out in the School Self Evaluation Forma (SEFa). These goals are monitored closely by the Trustee Body.

We continue to be a very popular and we do have waiting lists for all year groups EYFS – Year 11. The Sixth Form is growing steadily with the aim to achieve between 80 and 100 students in each year group being met.

Highlights

We pride ourselves at Queen Elizabeth's in ensuring that all children develop their talents whatever they may be. This means that we place as much value on what happens outside the classroom as what happens in the classroom. We are extremely fortunate to be able to offer to all our pupils and students a wide range of clubs and activities that take part during the day, after school, at weekends and, sometimes, even during the holidays. These clubs and activities cover academic subjects alongside sport, creative subjects, drama, Duke of Edinburgh, well-being activities amongst many other things. Last year, we offered more than 335 different visits, events and activities beyond the taught curriculum, which is an exceptional achievement that is not found in other schools.

In the Primary School this included visiting Blackpool Zoo, St Silas's Church, The Preston Hindu Centre, Pantomime, Ice Skating, animal workshops, a Tudor workshop, a Victorian workshop to name just a few.

In the Secondary School and Sixth Form this included visiting theatres, Blackpool Pleasure Beach, Alton Towers, UCAS Fairs, University visits, medical study day, Duke of Edinburgh expeditions, Art Galleries, to name just a few. The highlight for many pupils was a cricket tour to South Africa in February 2023.

To promote and develop our pupils'/student's leadership and teamwork skills, pupils and students vote for their own School Council representatives. The different School Councils (Primary, Secondary and Sixth Form) work together to undertake initiatives that concern the pupil/student body in order that their voices can be heard, and opinions used to improve the educational offer in the widest sense for all. In addition, we also encourage pupils and students to attend the Food Committee to have their say on the menus that we offer and, we regularly hold Head's breakfasts so that children can offer their opinions on what is working and not working directly to the Head.

Promoting children and young people's mental health and wellbeing is given priority. We work with a range of agencies, including MHST and Kooth, alongside having a CANW counsellor to work on site for a number of days per week, to ensure that our pupils and students know how to achieve positive mental health and that they know who to contact when they require any help. We send regular communications to our parents and carers so that they are also fully aware of the services available to them and their child, alongside the signs that they must look out for in order to be able to identify quickly any potential issues. In addition to this, we also send regular communications to our parents and carers in regards to online safety and how they can keep their child safe.

QEGS gained the prestigious award of Artsmark Platinum in 2023 from the Arts Council England for our commitment to the Creative subjects. This award recognised how we inspire young people to create, experience and participate in extraordinary Art and Culture. This was the result of two years' hard work and we are one of only, currently, 65 schools to achieve this award.

We were delighted to be able to offer a full schedule of music and drama activities throughout all age groups including the EYFS nativity, Key Stage 1 nativity, Key Stage 2 production, Tea Time Concerts, Choir performances and the Secondary School and Sixth Form musical production of 'Into the Woods'.

QEGS offers private music tuition through Bolton Music Services. This allows our pupils and students to access a wide range of instrument lessons. Through our participation in this scheme, we have seen an increase in pupils and students participating fully in musical activities, including those that are pupil premium.

The Secondary School was re-awarded the prestigious Quality Mark Distinction for Physical Education and Sport Award from afPE in 2020. This award recognises our commitment to school sport and the benefits it brings to pupils and students. We were delighted to return to a full sports programme for every age group including regular sporting fixtures both during the week and on Saturdays. This includes prestigious annual fixtures against the 40 Club and the MCC.

Pupils and students took part in a range of online academic competitions throughout the year up including Olympiads in the individual Sciences, Mathematics and Languages as well as individual music examinations.

Going concern

On the basis of its rolling 3 year financial plan prepared, the Trustee body believes that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial review

Reserves policy

The Trustees review reserve levels of the Trust annually. This review encompasses the nature of the income and expenditure stream, the need to match income with commitments, the uncertainty surrounding the levels of future funding and the nature of reserves. The Trust's current level of free reserves is £127,544.

The Trust needs to hold reserves for a number of reasons, examples of which are listed below:

- contingency fund to deal with minor adjustments to operational expenditure from some budget headings;
- a planned accumulation of funds to pay for some major construction work or project; and
- expenditure held over to the following year to withstand variations in the level of funding to the Trust to balance out variations in funding levels.

Restricted General Annual Grant (GAG) reserves

The Trustees have considered the level of GAG reserves which they believe will provide sufficient working capital to cover delays between the spending and receipt of grants and unexpected or planned future revenue and capital costs. The Trustees believe that, under normal circumstances, the appropriate level of GAG reserve should be between 2% and 5% of GAG income and aim to keep the reserve within these parameters.

At 31 August 2023 the school held GAG reserves of £178,195 (2022: £127,427). The Trustees will seek to increase this reserve in future years.

Unrestricted reserves

The Academy may hold unrestricted free reserves, which provide additional working capital and are not committed or designated. It is the trustees' policy to aim to hold approximately 3 months' expenditure in unrestricted reserves, to provide an additional cushion over and above the restricted GAG reserve.

At 31 August 2023 the level of unrestricted reserves held was a surplus of £127,544 (2022: £59,671).

Investment policy

All investments are agreed by the Trustee Body, which has regard to the Charity Commission guidance in relation to charity investment policy. The Trust does not currently hold any investments other than cash, which is held for its normal operations. The Trustee Body has adopted a low-risk strategy to its cash holdings. Surplus cash is held in an instant access account to ensure that there is always sufficient cash to meet short and medium-term requirements.

In the longer term, as reserves build up, the Trust will seek to maximise its return by investing surplus cash in time deposits with banks approved by the Trustee Body.

Principal risks and uncertainties

The Trust has identified the following principal risks related to its financial and operating status.

- Pupil numbers. The income of the institution is greatly dependent on the number of pupils and students on roll. The Trust is oversubscribed at all stages (apart from Sixth Form) with recruitment of pupils being restricted only by the constraint of class size. Recruitment in the Sixth Form is subject to greater competition, both locally in Blackburn with Darwen and further afield. The risk of Sixth Form under recruitment is being mitigated by enhanced marketing.
- Funding. The income of the Academy is dependent not solely on pupil recruitment but also on the Education and Skills Funding Agency (ESFA) national funding for both mainstream funding and deprivation funding. This risk is subject to the vagaries of government and not within the control of the Academy. However, the risk is managed through good communication with the ESFA in the understanding of future funding such that forward plans can be formulated, subject to the inherent uncertainties.
- Diversification of income. The pressures on government funding cause the Academy to rely more heavily on its other funding streams.
- Capital expenditure. Due to the financial constraints under which the Academy is operating, it is not in a position to accumulate reserves to finance capital expenditure. The Academy has formulated a long-term plan which will yield surpluses and generate cash. In the short-term the Academy is reliant on ESFA capital grants to fund essential works on its buildings and necessary measures have been taken in order to maximise success in the bidding process.
- Teaching and learning. In order to continue as a successful provider of academic education, high standards of teaching and learning must be delivered. The Trust is focusing on maintaining and enhancing its high standards by implementing an annual clear Trust Improvement Action Plan.
- Growth of the Trust. The Trust continues to explore ways of developing the MAT to ensure that we explore all income streams and make appropriate cost efficiencies.

Financial and risk management objectives and policies

Fundraising

The Trust continues to support a range of charitable causes both at home and abroad, and raised in excess of £4,300 during the 2022/23 academic year.

Plans for future periods

The Trust has developed a comprehensive Trust Improvement Action Plan with a focus on the following 6 strands: Quality of Education, Behaviour and Attitudes, Personnel Development, Leadership and Management, EYFS and Sixth Form.

We continue to explore opportunities to grow as a Multi-Academy Trust. We aim to work with communities across Blackburn with Darwen and wider Lancashire to open new free schools and manage sponsor-led academies. The Trust will work to ensure that the schools joining the MAT have high expectations for their pupils and students and meet the needs of their communities.

Auditor

In so far as the trustees are aware:
- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on ....11/12/23.... and signed on its behalf by:

.....
D A Peat
Chairman

QEGS BLACKBURN ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2023

Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that QEGS Blackburn Academy Trust has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

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

The Trustee Body has delegated the day-to-day responsibility to Mrs CY Gammon, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between QEGS Blackburn Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Trustee Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 4 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
D A Peat (Chairman)	4	4
C Y Gammon (Accounting Officer)	4	4
D Edmundson	4	4
S D Gunn (Resigned 1 December 2022)	2	2
N McMillan	3	4
M A Norse	3	4
K A Whyte	4	4
M Batan (Appointed 1 April 2023)	1	1
N Rehman (Appointed 26 June 2023)	1	1
G Turner	3	4
J V Haworth (Appointed 1 April 2023)	1	1
A Mohammed (Resigned 3 February 2023)	2	2
M R Cross	4	4

Conflicts of interest

Trustee's and Members are required to complete an annual declaration of interests. A register of these interests is published on the Trust's website. In addition, Trustees are asked to declare any conflict of interest at each meeting of the board and its sub committees.

Meetings

The Trust has maintained adequate oversight of its finances through delegation to the Resources Committee and circulating monthly financial management reports to all trustees.

Governance reviews

The Trust, as part of its 2022/23 Internal Audit Plan included a compliance review for both Governance and Finance with reference to the EFSA's Academy Trust Handbook. The Audit and Risk Committee oversaw the governance review undertaken by independent internal auditors, Redrambler.

A new MAT wide Financial Procedures manual was approved in February 2023.

The Finance, HR and Site Committee is a sub-committee of the main board of trustees. Its purpose is to monitor financial performance and related activites includign staffing and premises. Issues dealt with during the year included reviewing budgets, cash flow and long term forecasts, financial procedures and schemes of delegation, management accounts and staffing requirements.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
D A Peat (Chairman)	4	5
C Y Gammon (Accounting Officer)	5	5
D Edmundson	4	5
N McMillan	5	5
G Turner	2	5
M R Cross	4	5

The Audit and Risk Commitee is a sub-committee of the main board of trustees. Its purpose is to ensure that the Academy has an effective internal control system in place. The particular issues dealt with during the year were reviews of policies, internal audit reports and governor skills.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
D A Peat (Chairman)	2	3
C Y Gammon (Accounting Officer)	2	3
S D Gunn (Resigned 1 December 2022)	1	1
K A Whyte	3	3
M R Cross	3	3

Review of value for money

As Accounting Officer, the Executive Head has responsibility for ensuring that the 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 Trust's use of its resources has provided good value for money during each academic year, and reports to the Trustee Body where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the Trust has delivered improved value for money during the year through the undertaking of good procurement procedures, including tender processes and quotations and the reviewing of service contracts. Other specific measures include the following:

- the replacement of some external courses for the provision of staff training with in-house courses for the whole staff, thereby both reducing costs and ensuring greater participation;
- the upskilling of individual staff by supporting NPQ courses;
- implementation of recommendations from external and internal audits alongside those from any valid external source such as SMRA reports.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in QEGS Blackburn Academy Trust for the period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Trustee Body has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Trustee Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Trustee Body.

The risk and control framework

The 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 Trustee Body;
- regular reviews by the finance, HR and site committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Trustee Body has considered the need for a specific internal audit function and has decided to appoint an external firm of accountants as internal auditors.

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

- Budget Planning, Monitoring and Reporting
- Purchasing
- Income
- Payroll and Human Resources
- Cashflow and VAT
- Risk Management
- Premises Management
- GDPR Compliance

Review of effectiveness

As Accounting Officer, the Executive Head 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 Trustee Body
- the work of the external auditor
- the work of the internal auditor
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

The Accounting Officer has been advised of the implications of the result of the review of the systems of internal control by the Audit and Risk Committee and the Finance, HR and Site Committee and a plan to address weakness and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 11/12/23 and signed on its behalf by:

D A Peat
Chairman

C Y Gammon
Accounting Officer

QEGS BLACKBURN ACADEMY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2023

As accounting officer of QEGS Blackburn Academy Trust, I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2022, including responsibilities for estates safety and management.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academy Trust Handbook 2022.

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

C Y Gammon
Accounting Officer
C Gammon
.....

QEGS BLACKBURN ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2023

The trustees (who are also the directors of QEGS Blackburn Academy Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2022 to 2023 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare accounts for each financial year. Under company law, the trustees must not approve the accounts 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 accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 accounts 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 that 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 11/12/23 and signed on its behalf by:

D A Peat
Chairman

QEGS BLACKBURN ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF QEGS BLACKBURN ACADEMY TRUST

FOR THE YEAR ENDED 31 AUGUST 2023

Opinion

We have audited the accounts of QEGS Blackburn Academy Trust for the year ended 31 August 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the accounts, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023.

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 'Auditor's responsibilities for the audit of the accounts' 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 accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error. In preparing the accounts, 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 charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 accounts.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report

This report is made solely to the charitable company'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 charitable company's members those matters we are required to state to them in an auditor's 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Azelo Audit Services

Susanna Cassey (Senior Statutory Auditor)
for and on behalf of

19 Dec 23

Chartered Certified Accountants
Statutory Auditor

QEGS BLACKBURN ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO QEGS BLACKBURN ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2023

In accordance with the terms of our engagement letter dated 15 June 2023 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by QEGS Blackburn Academy Trust during the period 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to QEGS Blackburn Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the QEGS Blackburn Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than QEGS Blackburn Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of QEGS Blackburn Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of QEGS Blackburn Academy Trust's funding agreement with the Secretary of State for Education dated 12 June 2014 and the Academy Trust Handbook, extant from 1 September 2022, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2022 to 2023. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2022 to 31 August 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- completion of self assessment questionnaire by Accounting Officer
- discussions with the Accounting Officer and finance team
- review of Internal Audit reports
- review of trustee and committee meeting minutes
- review of finance and other relevant policies
- review of purchases, expenses and expense claims on a sample basis including the application of tendering processes where applicable
- review of charge card transactions including the application of controls
- review of payroll transactions on a sample bases including the application of controls
- review of potential special payments to staff
- review of leases and consideration of areas where borrowing may have been incurred
- consideration of transactions with related and connected parties
- review of register of business interests for completeness and compliance with regulations
- enquiries into transactions that may require disclosure under ESFA delegated authority rules
- consideration of value for money and appropriateness of transactions

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Azets Audit Services

Reporting Accountant

Dated: 19 Dec '23

QEGS BLACKBURN ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	Unrestricted funds	Restricted funds: General	Restricted funds: Fixed asset	Total 2023	Total 2022 as restated
		£	£	£	£	£
Income and endowments from:						
Donations and capital grants	3	12,611	-	169,440	182,051	136,898
Charitable activities:						
- Funding for educational operations	4	304,060	7,737,401	-	8,041,461	7,751,915
Other trading activities	5	521,368	-	-	521,368	263,554
Total		838,039	7,737,401	169,440	8,744,880	8,152,367
Expenditure on:						
Charitable activities:						
- Educational operations	7	770,166	7,719,168	379,426	8,868,760	8,724,127
Total	6	770,166	7,719,168	379,426	8,868,760	8,724,127
Net income/(expenditure)		67,873	18,233	(209,986)	(123,880)	(571,760)
Other recognised gains/(losses)						
Actuarial (losses)/gains on defined benefit pension schemes	17	-	(481,000)	-	(481,000)	3,160,000
Net movement in funds		67,873	(462,767)	(209,986)	(604,880)	2,588,240
Reconciliation of funds						
Total funds brought forward		59,671	699,700	16,692,563	17,451,934	14,863,694
Total funds carried forward		127,544	236,933	16,482,577	16,847,054	17,451,934

QEGS BLACKBURN ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2023

Comparative year information Year ended 31 August 2022 As restated	**Notes**	**Unrestricted funds** £	**Restricted funds: General** £	**Fixed asset** £	**Total 2022** £
Income and endowments from:					
Donations and capital grants	3	85,210	28,000	23,688	136,898
Charitable activities:					
- Funding for educational operations	4	390,467	7,361,448	-	7,751,915
Other trading activities	5	263,554	-	-	263,554
Total		739,231	7,389,448	23,688	8,152,367
Expenditure on:					
Charitable activities:					
- Educational operations	7	710,742	7,644,490	368,895	8,724,127
Total	6	710,742	7,644,490	368,895	8,724,127
Net income/(expenditure)		28,489	(255,042)	(345,207)	(571,760)
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	17	-	3,160,000	-	3,160,000
Net movement in funds		28,489	2,904,958	(345,207)	2,588,240
Reconciliation of funds					
Total funds brought forward		31,182	(2,205,258)	17,037,770	14,863,694
Total funds carried forward		59,671	699,700	16,692,563	17,451,934

QEGS BLACKBURN ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2023

	Notes	2023 £	2023 £	2022 as restated £	2022 as restated £
Fixed assets					
Tangible assets	11		16,665,389		16,875,490
Current assets					
Debtors	12	127,709		116,774	
Cash at bank and in hand		711,310		571,934	
		839,019		688,708	
Current liabilities					
Creditors: amounts falling due within one year	13	(552,813)		(518,787)	
Net current assets			286,206		169,921
Total assets less current liabilities			16,951,595		17,045,411
Creditors: amounts falling due after more than one year	14		(104,541)		(113,477)
Net assets excluding pension asset			16,847,054		16,931,934
Defined benefit pension scheme asset	17		-		520,000
Total net assets			16,847,054		17,451,934
Funds of the academy trust:					
Restricted funds	15				
- Fixed asset funds			16,482,577		16,692,563
- Restricted income funds			236,933		179,700
- Pension reserve			-		520,000
Total restricted funds			16,719,510		17,392,263
Unrestricted income funds	15		127,544		59,671
Total funds			16,847,054		17,451,934

The accounts on pages 24 to 48 were approved by the trustees and authorised for issue on 11/12/23 and are signed on their behalf by:

.....
D A Peat
Chairman

Company registration number 08331789 (England and Wales)

QEGS BLACKBURN ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	2023 £	2023 £	2022 as restated £	2022 as restated £
Cash flows from operating activities					
Net cash provided by operating activities	18		145,182		175,012
Cash flows from investing activities					
Capital grants from DfE Group		169,440		-	
Capital funding received from sponsors and others		-		23,688	
Purchase of tangible fixed assets		(169,325)		(124,001)	
Net cash provided by/(used in) investing activities			115		(100,313)
Cash flows from financing activities					
Repayment of long term bank loan		(5,658)		(18,673)	
Finance costs		(263)		-	
Net cash used in financing activities			(5,921)		(18,673)
Net increase in cash and cash equivalents in the reporting period			139,376		56,026
Cash and cash equivalents at beginning of the year			571,934		515,908
Cash and cash equivalents at end of the year			711,310		571,934

1 Accounting policies

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

1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

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

1.3 Income

All incoming resources are recognised when the academy 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.

Sponsorship income

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

Donations

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 **Accounting policies** **(Continued)**

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the accounts until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

1.5 Tangible fixed assets and depreciation

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding that require 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.

1 **Accounting policies** **(Continued)**

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

Leasehold Property	20 years - 125 years on a straight line basis
Computer equipment	3 years on a straight line basis
Fixtures, fittings & equipment	5 years on a straight line basis
Motor vehicles	4 years on a straight line basis

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

1.6 Liabilities

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

1.7 Leased assets

Rentals under operating leases are charged on a straight-line basis over the lease term.

1.8 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 basis are as follows.

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.9 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 chapter 3 part 11 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.

1.10 Pensions benefits

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 and the assets are held separately from those of the academy trust.

1 Accounting policies **(Continued)**

The TPS is an unfunded scheme and contributions are calculated 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 based on quadrennial valuations using a prospective unit credit method. The 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 are 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 net income or expenditure 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.

1.11 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 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.

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 17, will impact on the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2 Critical accounting estimates and areas of judgement **(Continued)**

Critical areas of judgement

The Trustees have established that there are no areas of judgement which are deemed to be critical to the Academy Trust's financial statements.

Agency Accounting

The Academy Trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from the ESFA and subsequent disbursments to students are excluded from the statement of financial activities as the Trust does not have control over the charitable application of the funds. The Trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 24.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Capital grants	-	169,440	169,440	23,688
Other donations	12,611	-	12,611	113,210
	12,611	169,440	182,051	136,898

4 Funding for the academy trust's educational operations

Educational operations	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
DfE/ESFA grants				
General annual grant (GAG)	-	6,787,020	6,787,020	6,497,959
Other DfE/ESFA grants:				
- UIFSM	-	67,649	67,649	65,412
- Pupil premium	-	260,071	260,071	259,551
- PE & sports premium	-	19,350	19,350	19,430
- Teacher pension grants	-	39,123	39,123	28,599
- Teacher pay grants	-	1,192	1,192	10,121
- Others	-	338,756	338,756	342,088
	-	7,513,161	7,513,161	7,223,160
Other government grants				
Local authority grants	-	224,240	224,240	138,288
Other incoming resources	1,123	-	1,123	-
Total funding for educational operations	1,123	7,737,401	7,738,524	7,361,448
Catering income	302,937	-	302,937	390,467
Total funding	304,060	7,737,401	8,041,461	7,751,915

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Hire of facilities	145,774	-	145,774	133,270
Catering income	31,770	-	31,770	-
Music tuition	2,520	-	2,520	1,879
Parental contributions	93,681	-	93,681	128,405
Other income	247,623	-	247,623	-
	521,368	-	521,368	263,554

6 Expenditure

	Staff costs	Non-pay expenditure Premises	Non-pay expenditure Other	Total 2023	Total 2022
	£	£	£	£	£
Academy's educational operations					
- Direct costs	4,904,361	-	479,428	5,383,789	5,190,951
- Allocated support costs	1,749,484	1,034,254	701,233	3,484,971	3,533,176
	6,653,845	1,034,254	1,180,661	8,868,760	8,724,127

Net income/(expenditure) for the year includes:	2023	2022
	£	£
Operating lease rentals	15,138	17,042
Depreciation of tangible fixed assets	379,426	368,895
Fees payable to auditor for:		
- Audit	14,700	12,360
- Other services	4,600	5,771
Bank and loan interest	263	-
Net interest on defined benefit pension liability	(26,000)	36,000

7 Charitable activities

	Unrestricted funds	Restricted funds	Total 2023	Total 2022
	£	£	£	£
Direct costs				
Educational operations	93,305	5,290,484	5,383,789	5,190,951
Support costs				
Educational operations	676,861	2,808,110	3,484,971	3,533,176
	770,166	8,098,594	8,868,760	8,724,127

	2023	2022
	£	£
Analysis of support costs		
Support staff costs	1,755,417	1,933,487
Depreciation	379,426	368,895
Premises costs	654,828	516,786
Legal costs	-	2,165
Other support costs	677,100	697,802
Governance costs	18,200	14,041
	3,484,971	3,533,176

8 Staff

Staff costs
Staff costs during the year were:

	2023 £	2022 £
Wages and salaries	5,386,471	5,186,154
Pension costs	1,056,074	1,260,111
Staff costs - employees	6,442,545	6,446,265
Agency staff costs	211,300	159,606
	6,653,845	6,605,871
Staff development and other staff costs	21,359	29,318
Total staff expenditure	6,675,204	6,635,189

Severance payments
The academy trust paid 1 severance payments in the year, disclosed in the following bands:

£0 - £25,000	1

Staff numbers
The average number of persons employed by the academy trust during the year was as follows:

	2023 Number	2022 Number
Teachers	85	79
Administration and support	87	110
Management	7	7
	179	196

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

	2023 Number	2022 Number
£60,001 - £70,000	2	3
£70,001 - £80,000	3	1
£110,001 - £120,000	-	1
£120,001 - £130,000	1	-

8 Staff **(Continued)**

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £719,756 (2022: £672,977).

9 Trustees' remuneration and expenses

One or more of the 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, and not in respect of their services as trustees.

The value of trustees' remuneration and other benefits was as follows:

C Y Gammon (head teacher and trustee):

- Remuneration £120,000 - £125,000 (2022: £110,000 - £115,000)
- Employer's pension contributions £25,000 - £30,000 (2022: £25,000 - £30,000)

During the year, there were no travel and subsistence payments made to the trustees (2022: £nil).

Other related party transactions involving the trustees are set out in note 22.

10 Trustees' and officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost of the insurance is included in the total insurance cost, and the individual premium is not separately identifiable for this year or last.

11 Tangible fixed assets

	Leasehold Property	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 September 2022	18,484,478	278,240	161,745	58,525	18,982,988
Additions	91,181	58,772	17,722	1,650	169,325
At 31 August 2023	18,575,659	337,012	179,467	60,175	19,152,313
Depreciation					
At 1 September 2022	1,727,058	245,114	98,953	36,373	2,107,498
Charge for the year	298,421	45,948	20,013	15,044	379,426
At 31 August 2023	2,025,479	291,062	118,966	51,417	2,486,924
Net book value					
At 31 August 2023	16,550,180	45,950	60,501	8,758	16,665,389
At 31 August 2022	16,757,420	33,126	62,792	22,152	16,875,490

12 Debtors

	2023	2022
	£	£
Trade debtors	8,831	28,014
VAT recoverable	38,211	25,348
Other debtors	-	6,000
Prepayments and accrued income	80,667	57,412
	127,709	116,774

13 Creditors: amounts falling due within one year

	2023	2022
	£	£
Government loans	19,614	16,336
Trade creditors	250,762	210,827
Other taxation and social security	113,157	109,404
Other creditors	137,844	143,206
Accruals and deferred income	31,436	39,014
	552,813	518,787

14 Creditors: amounts falling due after more than one year

	2023	2022
	£	£
Government loans	104,541	113,477

Analysis of loans	2023 £	2022 £
Wholly repayable within five years	124,155	129,813
Less: included in current liabilities	(19,614)	(16,336)
Amounts included above	104,541	113,477

Loan maturity		
Debt due in one year or less	19,614	16,336
Due in more than one year but not more than two years	19,801	16,336
Due in more than two years but not more than five years	56,064	49,008
Due in more than five years	28,676	48,133
	124,155	129,813

15 **Funds**

	Balance at 1 September 2022 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2023 £
Restricted general funds					
General Annual Grant (GAG)	127,427	6,787,020	(6,736,252)	-	178,195
UIFSM	-	67,649	(67,649)	-	-
Pupil premium	13,901	260,071	(269,673)	-	4,299
Other DfE/ESFA grants	-	398,421	(398,421)	-	-
Other government grants	38,372	224,240	(208,173)	-	54,439
Pension reserve	520,000	-	(39,000)	(481,000)	-
	699,700	7,737,401	(7,719,168)	(481,000)	236,933
Restricted fixed asset funds					
Transfer from Queen Elizabeth's Grammar School Blackburn Limited	14,035,108	-	(120,069)	-	13,915,039
DfE group capital grants	2,657,455	169,440	(259,357)	-	2,567,538
	16,692,563	169,440	(379,426)	-	16,482,577
Total restricted funds	17,392,263	7,906,841	(8,098,594)	(481,000)	16,719,510
Unrestricted funds					
General funds	59,671	838,039	(770,166)	-	127,544
Total funds	17,451,934	8,744,880	(8,868,760)	(481,000)	16,847,054

15 Funds **(Continued)**

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

General Annual Grant must be used for the normal running costs of the school. Under the funding agreement with the Secretary of State, the school was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2023.

Other DfE/ESFA grants includes teachers' pay and pension grants, pupil premium, PE and sports grants and Universal Infant Free School Meals income.

Other government grants comprise SEN funding for pupils with special educational needs, pupil premium received from the local authority and early years funding.

The pension reserve reflects the LGPS transactions. The costs and income associated with the defined benefit pension scheme have been recorded in the restricted fund. Staff costs are paid from this fund including contributions to the LGPS, and the pension liability has therefore been aligned with these funds.

DfE/ESFA capital grants received in the year consists of capital grants of £169,440 received in the year which has been utilised on asset additions and repairs across the trust. A net balance of £2,567,538 has been carried forward to 2023/24.

Unrestricted funds can be used for any purpose at the discretion of the Trust, within its objectives.

The Trust's restricted general and unrestricted funds were £364,477 at 31 August 2023.

15 **Funds** **(Continued)**

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

	Balance at 1 September 2021 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2022 £
Restricted general funds					
General Annual Grant (GAG)	85,742	6,497,959	(6,456,274)	-	127,427
UIFSM	-	65,412	(65,412)	-	-
Pupil premium	-	259,551	(245,650)	-	13,901
Other DfE/ESFA grants	-	428,238	(389,866)	-	38,372
Other government grants	-	138,288	(138,288)	-	-
Pension reserve	(2,291,000)	-	(349,000)	3,160,000	520,000
	(2,205,258)	7,389,448	(7,644,490)	3,160,000	699,700
Restricted fixed asset funds					
Transfer from Queen Elizabeth's Grammar School Blackburn Limited	14,239,722	-	(204,614)	-	14,035,108
DfE group capital grants	2,798,048	23,688	(164,281)	-	2,657,455
	17,037,770	23,688	(368,895)	-	16,692,563
Total restricted funds	14,832,512	7,413,136	(8,013,385)	3,160,000	17,392,263
Unrestricted funds					
General funds	31,182	739,231	(710,742)	-	59,671
Total funds	14,863,694	8,152,367	(8,724,127)	3,160,000	17,451,934

16 **Analysis of net assets between funds**

	Unrestricted Funds £	Restricted funds: General £	Restricted funds: Fixed asset £	Total Funds £
Fund balances at 31 August 2023 are represented by:				
Tangible fixed assets	-	-	16,665,389	16,665,389
Current assets	139,961	699,058	-	839,019
Current liabilities	(607)	(462,125)	(90,081)	(552,813)
Non-current liabilities	(11,810)	-	(92,731)	(104,541)
Total net assets	127,544	236,933	16,482,577	16,847,054

16 **Analysis of net assets between funds** **(Continued)**

	Unrestricted Funds	Restricted funds: General	Restricted funds: Fixed asset	Total Funds
	£	£	£	£
Fund balances at 31 August 2022 are represented by:				
Tangible fixed assets	-	-	16,875,490	16,875,490
Current assets	59,671	629,037	-	688,708
Current liabilities	-	(449,337)	(69,450)	(518,787)
Non-current liabilities	-	-	(113,477)	(113,477)
Pension scheme asset	-	520,000	-	520,000
Total net assets	59,671	699,700	16,692,563	17,451,934

17 **Pension and similar obligations**

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Lancashire 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 that of the LGPS related to the period ended 31 March 2019.

Contributions amounting to £115,959 were payable to the schemes at 31 August 2023 (2022: £112,112) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

17 Pension and similar obligations **(Continued)**

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
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to the TPS in the period amounted to £713,027 (2022: £744,174).

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 contributions are as noted below. The agreed contribution rates for future years are 19.6% for employers and 5.5% - 12.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

Total contributions made	**2023**	**2022**
	£	**£**
Employer's contributions	215,000	202,000
Employees' contributions	73,000	68,000
Total contributions	288,000	270,000

Principal actuarial assumptions	**2023**	**2022**
	%	**%**
Rate of increase in salaries	4.3	4.4
Rate of increase for pensions in payment/inflation	2.9	3.0
Discount rate for scheme liabilities	5.4	4.3
Inflation assumption (CPI)	2.8	2.9

17 Pension and similar obligations **(Continued)**

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

	2023 Years	2022 Years
Retiring today		
- Males	21.0	22.3
- Females	23.4	25.0
Retiring in 20 years		
- Males	22.2	23.7
- Females	25.2	26.8

Scheme liabilities would have been affected by changes in assumptions as follows:

	2023 £	2022 £
Discount rate + 0.1%	(90,000)	(110,000)
Discount rate - 0.1%	92,000	112,000
Mortality assumption + 1 year	128,000	139,000
Mortality assumption - 1 year	(125,000)	(136,000)
CPI rate + 0.1%	92,000	113,000
CPI rate - 0.1%	(90,000)	(111,000)

The academy trust's share of the assets in the scheme	2023 Fair value £	2022 Fair value £
Equities	2,906,000	3,334,000
Other bonds	-	311,000
Government bonds	24,000	-
Cash and other liquid assets	36,000	113,000
Property	570,000	770,000
Other assets	2,467,000	2,536,000
Total market value of assets	6,003,000	7,064,000

The actual return on scheme assets was £154,000 (2022: £485,000).

Amount recognised in the statement of financial activities	2023 £	2022 £
Current service cost	280,000	515,000
Interest income	(306,000)	(111,000)
Interest cost	280,000	147,000
Total operating charge	254,000	551,000

17 Pension and similar obligations **(Continued)**

Changes in the present value of defined benefit obligations	2023 £	2022 £
At 1 September 2022	6,544,000	8,751,000
Current service cost	280,000	508,000
Interest cost	280,000	147,000
Employee contributions	73,000	68,000
Actuarial gain	(1,005,000)	(3,356,000)
Benefits paid	(169,000)	(151,000)
(Gains)/losses on curtailment	-	577,000
At 31 August 2023	6,003,000	6,544,000

Changes in the fair value of the academy trust's share of scheme assets	2023 £	2022 £
At 1 September 2022	7,064,000	6,460,000
Interest income	306,000	111,000
Actuarial gain	10,000	374,000
Employer contributions	215,000	202,000
Employee contributions	73,000	68,000
Benefits paid	(169,000)	(151,000)
Effect of asset ceiling	(1,496,000)	-
At 31 August 2023	6,003,000	7,064,000

Note 25 outlines a prior period adjustment regarding the recognition of the pension surplus as at the year ended 31 August 2022.

18 Reconciliation of net expenditure to net cash flow from operating activities

	Notes	2023 £	2022 £
Net expenditure for the reporting period (as per the statement of financial activities)		(123,880)	(571,760)
Adjusted for:			
Capital grants from DfE and other capital income		(169,440)	(23,688)
Finance costs payable		263	-
Defined benefit pension costs less contributions payable	17	65,000	313,000
Defined benefit pension scheme finance (income)/cost	17	(26,000)	36,000
Depreciation of tangible fixed assets		379,426	368,895
(Increase)/decrease in debtors		(10,935)	69,199
Increase/(decrease) in creditors		30,748	(16,634)
Net cash provided by operating activities		145,182	175,012

19 Analysis of changes in net funds

	1 September 2022	Cash flows	31 August 2023
	£	£	£
Cash	571,934	139,376	711,310
Loans falling due within one year	(16,336)	(3,278)	(19,614)
Loans falling due after more than one year	(113,477)	8,936	(104,541)
	442,121	145,034	587,155

20 Long-term commitments

Operating leases

At 31 August 2023 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2023	2022
	£	£
Amounts due within one year	6,828	6,828
Amounts due in two and five years	4,461	11,289
	11,289	18,117

21 Capital commitments

	2023	2022
	£	£
Expenditure contracted for but not provided in the accounts	436,714	-

As at the year end, the Trust has contracted for the rewiring of one of the school buildings.

22 Related party transactions

Owing to the nature of the academy trust 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 the trustees have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures.

The following related party transactions took place in the financial period.

Certain Trustees of The Academy are also Trustees of the Queen Elizabeth's Grammar School Blackburn Limited. During the year The Academy received donations from Queen Elizabeth's Grammar School Blackburn Limited amounting to £nil (2022: £60,473). At 31 August, Queen Elizabeth's Grammar School Blackburn Limited owed £nil (2022: £nil) to The Academy.

During the year The Academy received donations from QEGS Blackburn Academy Nursery Limited amounting to £189,323 (2022: £140,502). At 31 August, QEGS Blackburn Academy Nursery Limited owed £nil (2022: £nil) to The Academy.

The son of the Chair of Trustees is employed by The Academy as a teacher. The Chair of Trustees had no involvement in their recruitment and discloses an interest whenever staffing matters are discussed at governing body meetings. The Policy Audit Committee have reviewed the Academy's recruitment process and concluded that the procedures are robust.

23 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

24 Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent of the ESFA. In the accounting period ending 31 August 2023 the Academy Trust received £31,048 and disbursed £18,709 from the fund. An amount of £9,668 is included in other creditors relating to undistributed funds that is repayable to the ESFA. Comparatives for the accounting period ending 31 August 2022 are £21,241 received, £23,912 disbursed, and (£2,671) included in other creditors.

25 Prior period adjustment

Reconciliation of funds	Notes	1 September 2021 £	31 August 2022 £
Funds as previously reported		14,863,694	16,931,934
Adjustments arising:			
Recognition of LGPS asset	1	-	520,000
Funds as restated		14,863,694	17,451,934

25 Prior period adjustment (Continued)

		2022
Reconciliation of net income/(expenditure) for the previous financial period		**£**
Net expenditure as reported - not affected by restatement		(571,760)
Recognition of LGPS asset	1	-

Notes to restatement

Recognition of LGPS Asset

In the prior year the LGPS scheme was in a surplus position of £520,000. The accounting treatment then was to cap this to £nil as a result of the asset ceiling effect. However, the correct accounting treatment would have been to recogise the £520,000 pension surplus. As such, a prior period adjustment has been made to the 2022 comparative primary financial statements. The prior period adjustment impact is an increase in the pension reserve on the Balance Sheet and a gain in the Statement of Financial Activities on actuarial valuation by £520,000.

26 Post balance sheet events

As of 1 September 2023 the Trust has become a Multi-Academy Trust as a result of the Primary School being spun off as its own Academy. The Trust is now made up of two academies.