

Registration number: 8331789 (England and Wales)

QEGS Blackburn Academy Trust
(A company limited by guarantee)
Annual Report and Financial Statements
for the Year Ended 31 August 2019

Beever and Struthers
Chartered Accountants
Central Buildings
Richmond Terrace
Blackburn
Lancashire
BB1 7AP

QEGS Blackburn Academy Trust

Contents

Reference and Administrative Details	1 to 2
Trustees' Report	3 to 15
Governance Statement	16 to 19
Statement on Regularity, Propriety and Compliance	20
Statement of Trustees' Responsibilities	21
Independent Auditor's Report on the Financial Statements	22 to 24
Independent Reporting Accountant's Report on Regularity	25 to 26
Statement of Financial Activities incorporating Income and Expenditure Account	27
Balance Sheet	28
Statement of Cash Flows	29
Notes to the Financial Statements	30 to 50

QEGS Blackburn Academy Trust
Reference and Administrative Details

Members

Mr M J Gorick
Mr D A Peat
Mr I D H Hamilton

**Governors and
Trustees (Directors)**

Mr DA Peat
Mrs L Baron (Appointed 1st March 2019)
Mr S Brown (Left 28th February 2019)
Dr Z Bux (Left 28th February 2019)
Mr DJ Clark
Mrs A Dean (Left 31st August 2019)
Mrs CY Gammon (ex-officio)
Dr S Gunn (Appointed 10th December 2018)
The Dean of Blackburn, The Very Reverend P Howell-Jones
Mr IDH Hamilton (Appointed 1st September 2018)
Mr I Liddle
Mr NRD McMillan
Mr P Robinson (Appointed 1st March 2019)
Prof I Singh
Mr G Turner
Dr KA Whyte

**Senior Leadership
Team**

Mrs C Y Gammon, Head
Mr N H Vyse, Deputy Head
Mr P Atkinson, Director of Business & Finance
Mr M Park, Head of Sixth Form
Ms K O'Donoghue, Joint Head of Primary Phase
Mrs H Southworth, Joint Head of Primary Phase
Mrs P Wild, Assistant Head
Mrs R Tattersall, Assistant Head
Mrs R Cox, Assistant Head

**Company Registration
Number**

8331789 (England and Wales)

QEGS Blackburn Academy Trust

Reference and Administrative Details

Auditors

Beever and Struthers
Chartered Accountants
Central Buildings
Richmond Terrace
Blackburn
Lancashire
BB1 7AP

Bankers

Lloyds TSB
Church Street
Blackburn
BB2 1JQ

Solicitors

Forbes Solicitors
73 Northgate
Blackburn
BB2 1AA

QEGS Blackburn Academy Trust

Trustees' Report for the Year Ended 31 August 2019

The trustees present their annual report together with the financial statements and auditor's report of QEGS Blackburn Academy Trust (the "Charitable Company") for the period from 1 September 2018 to 31 August 2019.

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.

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, except as noted, 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 Academy has purchased indemnity insurance to protect trustees and officers from claims arising in connection with Academy 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 Academy shall have up to 12 trustees appointed in accordance with the articles, 3 of which are to be appointed by Queen Elizabeth's Grammar School Blackburn Limited, along with a minimum of two parent trustees elected by parents of registered pupils/students at the Academy and the Head (ex-officio).

Policies and procedures adopted for the induction and training of trustees

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

QEGS Blackburn Academy Trust

Trustees' Report for the Year Ended 31 August 2019

Organisational structure

The Academy is governed by its Governing 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 3 levels: the Governing Body, the Head, and the Senior Leadership Team.

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

Education and Standards

Finance, Human Resources and Site

Risk

Policy Audit

Remuneration

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

The Senior Leadership Team comprises the:

Head

Deputy Head

Director of Business and Finance

Head of Sixth Form

Assistant Head

Joint Heads of Primary Phase

The Finance, Human Resources and Site Committee of the Governing Body, together with the 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 Governing Body for approval and regular management accounts are reviewed by the Governing Body, initially via its Finance, Human Resources and Site Committee.

Arrangements for setting pay and remuneration of key management personnel

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

Trade union facility time

QEGS Blackburn Academy Trust does not provide facility time for Trade union activities. The Joint Staff Consultative Committee is the Trust's main vehicle for consulting with staff on employment related issues.

QEGS Blackburn Academy Trust

Trustees' Report for the Year Ended 31 August 2019

Related parties and other connected charities and organisations

The Academy was formed out of the former Queen Elizabeth's Grammar School. Queen Elizabeth's Grammar School Blackburn Limited continues to exist and it manages the Queen Elizabeth's Nursery School. 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 the Academy going forward. One such organisation is the Old Blackburnian Association which is comprised of former pupils/students and whose aim is to support the School and its pupils/students.

Objectives and Activities

Objects and Aims

The Academy'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 a school offering a broad 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 statement:

To discover and develop the potential of pupils 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 implement, review and monitor a detailed school improvement plan to ensure rapid progress following the School's first Ofsted report.
- to continue to work with the Education and Skills Funding Agency (ESFA) to develop a strategy for the future funding of the Academy and its projected growth.

These were achieved by working with the ESFA, governing body, staff, parents and other associated parties.

As a direct result of the School implementing a detailed improvement plan and, outcomes for pupils and students increased for a second year in a row. The School received an Ofsted visit in September 2019 and is now judged as Good with Outstanding Personal Development and Outstanding Early Years Provision.

As a direct result of improved financial planning and clear strategy, the School is now in a position of projecting surplus budgets moving forward.

Public benefit

In setting objectives and planning activities, the governing body has paid due regard to the published guidance from the Charity Commission on the operation of the public benefit requirement under the Charities Act 2011.

QEGS Blackburn Academy Trust

Trustees' Report for the Year Ended 31 August 2019

Strategic Report

Achievements and Performance

Key performance indicators

The Academy has set strategic goals related to achievement, progress, engagement, destinations and its provision. These are set out in the School SEF. These goals are monitored closely by the governing body.

Applications

221 pupils stated QEGS as a preference for a Reception place. 604 pupils stated QEGS as a preference when applying for a Year 7 place, with 284 sitting the Fair Banding Assessments in November and December 2018 for admission to Year 7 in September 2019, in line with the funding agreement.

School Roll

Total school roll in the academic year starting 4th September 2018 was 1,120 with this rising to 1,140 as of 12th July 2019. The school roll is currently 1,204 as of 5th November 2019.

External Academic Results (A level)

At A level, the %A*/A is the highest it has been since 2015 and outcomes have increased in all measures in spite of the fact that in the national picture they are decreasing. It is difficult to compare results year on year due to the differences in student numbers and subject uptake however we have several significant increases. We saw a 2.2% increase in the percentage of students gaining all A*/A grades, a 5% increase in the percentage of students gaining all A*/B grades and there was a significant increase of 14.1%, in the percentage of students gaining at least one A*/A grade meaning that this measure is now 38.2%. 53% of students achieved all grades C and above in their A levels which is particularly pleasing as we do only offer a traditional set of robust A level subjects. All A level subjects saw 50% or more students gaining A*/C grades with 15 out of 19 subjects seeing more than 60% of students gaining A*/C grades. Some particular pleasing results are listed below.

- Art: 50% of students achieved A*/A grades with 100% achieving A*/B grades.
- Business: 78% of students achieved grades A*/C.
- Chemistry: 58% of students achieved A*/B grades with 67% achieving A*/C grades.
- Classical Civilisation: 75% of students achieved grades A*/C.
- Computer Science: 71% of students achieved grades A*/C.
- Design Technology: 100% of students achieved grades A*/B.
- Mathematics: 43% of students achieved A*/A grades with 52% achieving A*/B grades and 71% achieving A*/C grades.
- Philosophy: 100% of students achieved grades A*/C.
- Physics: 47% of students achieved A*/B grades with 73% achieving A*/C grades.
- Spanish: 67% of students achieved A*/B grades with 100% achieving A*/C grades.

The vast majority of our students have now gone on to gain places at university.

External Academic Results (GCSE)

The GCSE results were excellent with increases seen on the previous year's results despite this being the first year that all of our subjects followed the very demanding new GCSE courses in the vast majority of subjects. 87% of pupils passed both English and Mathematics at a grade 4 or above and, 59% of pupils passed both English and Mathematics at a grade 5 or above (discounting 4 pupils who did not speak English). Individually, the results for English and Mathematics were very impressive with 94% of pupils gaining a grade 4 or above in English and 87% gaining a grade 4 or above in Mathematics. In total, 30% of grades were 9-7, with a very impressive 61 grade 9s, 106 grade 8s and 155 grade 7s. Overall, 70% of grades were awarded grade 9-5 and 87% of grades were awarded grade 9-4. This has placed the school as one of the highest performing schools in the Blackburn and Darwen area for attainment. Other most notable achievements were:

QEGS Blackburn Academy Trust

Trustees' Report for the Year Ended 31 August 2019

- Grades 9-4 was over 85% in Art, Biology, Chemistry, English, Further Mathematics, Geography, Latin, Mathematics, Physics, Combined Science and Religious Studies with many of these subjects achieving over 90% in this measure.
- Grades 9-5 was over 70% or greater in Art, Biology, Chemistry, English, Further Mathematics, Geography, Latin, Mathematics, GCSE Physical Education, Physics, Combined Science and Religious Studies with many of these subjects achieving over 90% in this measure.
- Grades 9-7 was greater than 50% in Biology (72.4%), Chemistry (75.9%), Further Mathematics (57.1%), Latin (52.9%) and Physics (93.1%).

External Academic Results (Key Stage 2, Key Stage 1, Phonics, EYFS)

In Year 6, the SATs results were outstanding and showed significant improvement in each measure. The school is significantly exceeding national percentage figures in all Expected Standard measures.

	2016 (national)	2017 (national)	2018 (national)	2019 (provisional national)
%Expected (RWM)	30% (53%)	68% (61%)	59% (64%)	82% (65%)
%Reading Expected	75% (66%)	85% (72%)	78% (75%)	87% (73%)
%Writing Expected	33% (74%)	83% (76%)	76% (78%)	87% (79%)
%Maths Expected	95% (70%)	85% (75%)	85% (76%)	92% (79%)

Alongside this, the Science results were 92% Expected and GPS were 97% Expected and Above. The school has achieved positive progress figures across all KS2 measures.

In Year 2, it was extremely pleasing that improvements were clearly visible in the percentage of pupils who reached greater depth. In line with the wider ability range in this cohort, there was a small dip in the percentage achieving Expected and Above in Reading, Writing and Mathematics combined however, in the individual strands, the percentage of pupils achieving Expected and Above remains good and significantly above national figures for all pupils. In particular, improvements were seen in Mathematics with 85% of pupils achieving Expected Standard and 35% achieving Greater Depth.

Year 1 Phonics results continue to be very strong with 86% of the cohort meeting this measure.

EYFS results continue to be good and the overall trend shows an improving picture taking into account the individual starting points of pupils. EYFS results are consistently above national percentage figures in each measure.

The Head received a letter from the Director of the New Schools Network in September 2019 congratulating the school on the fantastic academic results for 2018/19. It states 'You, your staff and students should all be incredibly proud of what you have managed to achieve it just a few short years. Your school is further proof that free schools are spreading educational excellence and unlocking young people's potential, bringing new ideas and driving improvement into our education system. Your results are a testament to the vision of the school founders, and the dedication of trustees, leaders and staff who all work so hard to deliver excellence for your pupils.'

QEGS Blackburn Academy Trust

Trustees' Report for the Year Ended 31 August 2019

Ofsted

The School had its first Ofsted Inspection on 17th and 18th May 2017. The outcome of the Inspection was Requires Improvement, with Personal Development, Behaviour and Welfare, and EYFS judged as Good.

Governors and school leaders have acted quickly and decisively by improving internal monitoring structures and ensuring clear lines of accountability are present. A detailed and extensive school improvement action plan was implemented immediately, was reviewed and refined in September 2018 and implemented and monitored throughout 2018/19.

The report highlighted many positive areas and strengths including acknowledgment of the journey the School has and is undertaking since moving to Free School status. It states that:

‘Leaders have a clear vision for the school and have overcome significant challenges in moving to the formation of a free school.’

The report was helpful in reinforcing the School’s Development Plan.

Highlights of the report include:

“Pupils have positive attitudes to learning.”

“The curriculum and the wide range of extra-curricular activities provide a rich range of learning opportunities”

“Spiritual, moral, social and cultural education is a strength of the school”

“Pupils have a good understanding of different faiths and cultures. They have a clear understanding of right and wrong, equalities and discrimination. Pupils are taught well how to stay safe, both personally and online. As a result, pupils are well prepared for life in modern Britain.”

“Sporting facilities are of a high quality and present a superb environment in which to partake of sporting activities.”

“Pupils are well behaved in class and respectful of teachers and other pupils’ views.”

“Many pupils of all ages show resilience, self-confidence and good manners.”

“Pupils receive a wide range of opportunities to help them develop into confident, articulate and well-rounded future citizens.”

“Pupils have a strong knowledge of democracy, the rule of law and respect for individuals because they have been well taught.”

“The headteacher provides effective leadership. She is committed and passionate about improving outcomes for pupils.”

“Governors fully support the school’s ethos and know the school very well.”

The Sixth Form provision was commented upon as:

“Students engage well with their learning and have strong relationships with their teachers and peers. Students receive close, individualised support from teachers where appropriate.”

“Students receive many opportunities to develop personally, particularly through the complimentary studies programme.”

QEGS Blackburn Academy Trust

Trustees' Report for the Year Ended 31 August 2019

“There are regular opportunities for students to explore possible career paths and they are well prepared for their futures.”

“In almost all cases, students move on to their choice in higher education, training or employment.”

The School participated in the Ofsted Pilot Scheme for the New Framework in December 2018 with pleasing results that reflected the rapid progress the school has made in all areas.

The School has recently had its second inspection (24th and 25th September 2019). The School is now graded Good with Outstanding Personal Development and Outstanding Early Years Provision. The reports comments that ‘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 QEG’S 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. Pupils study a n exceptionally broad and ambitious curriculum. 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. Pupils benefit from a stunning range of opportunities to enhance their personal development. 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 it’s commitment to cricket. All pupils from Years 1to 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

QEGS Blackburn Academy Trust

Trustees' Report for the Year Ended 31 August 2019

they 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.'

Primary Highlights

Throughout the year, teachers design exciting experiences, events and visits for pupils. These experiences enrich the topics and classwork that pupils study within the Primary Phase and have a positive effect on their progress. Reception pupils enjoyed a visit to Thornton Hall Park where they were able to interact with lots of animals and had a visit from a mobile planetarium. Pupils in Year 1 visited the Z Arts museum to experience an immersive exhibition of Julia Donaldson texts. They also visited the ever popular Eureka Museum where science is brought to life. Year 2 pupils enjoyed a visit to the Chocolate House and also had a visit from the Fire Service to learn about safety in the home. Year 3 were immersed into the life of Ancient Egypt for a day with the help of an Egyptian workshop. They also enjoyed a visit to Brockholes Nature reserve. Year 4 had the opportunity to handle real Roman artefacts at the Roman Museum in Ribchester and they were delighted to visit Bowness-on-Windermere to enhance their English work. Year 5 dressed up in Tudor and Stewart costumes at Bramall Hall in Stockport, enjoying learning and comparing then and now particularly enjoying making pomanders. They also visited Martin Mere to support their Humanities topic. Year 6 visited Tatton Park which really brought the Victorians to life for them, as they saw first-hand the day in the life of an evacuee and tasted food cooked on an open fire. They also thoroughly enjoyed the Kingswood residential, where pupils experienced a variety of different activities testing their fitness and mental ability. In addition to the above visits, pupils in the Primary Phase also visit the theatre at the end of the Michaelmas term to watch a pantomime. KS2 visited the Bolton Octagon and KS1 and EYFS visit King Georges Hall.

Our Primary Phase pupils have also had even more opportunities to work with Senior Phase teachers to undertake more challenging experiences, these have included Year 5 pupils undertaking some exciting investigations within the Senior Science Laboratories. Year 3 and 4 have enjoyed having some French lessons delivered by our Senior Phase languages teachers and some selected Year 5 pupils have been fully involved in the Carnegie Club run by the Senior Phase Librarian, Mrs Dewhurst.

Pupils have taken part in a variety of engaging lunchtime and afterschool clubs including, swimming, chess, sewing, cooking, mindfulness, science, choir, art, construction, multi-sport, rounders, football, netball and cricket.

During the Trinity Term, the Girls Football Team enjoyed great success finishing 2nd in the local league. In netball, the team finished in 4th place qualifying for the Blackburn with Darwen finals. The cross country team competed in 3 competitions over the Lent Term, with both boys and girls performing excellently. The girls team finished 4th place and the boys were crowned Blackburn with Darwen champions and as a result two of our pupils were selected to represent Blackburn. 18 pupils from Year 4 competed in an indoor athletics competition against 12 other schools. They performed excellently finishing in an impressive 2nd place. Our Year 5 and 6 pupils who competed in the local Swimming Gala enjoying great success, coming away with many of the trophies. All pupils are becoming confident in the water and 95% of pupils leaving Year 6 were competent swimmers being able to swim 25 meters in more than one recognised stroke. This was increase on our percentage for the last academic year and significantly above the National figures of 66%.

QEGS Blackburn Academy Trust

Trustees' Report for the Year Ended 31 August 2019

To promote and develop our pupils' leadership and teamwork skills, our Primary pupils vote for their own School Council representatives. The Primary School Council work together to undertake initiatives that are prominent and help to organise charity fund raising activities for the pupils. Some of the fundraising examples that took place in the last academic year were Children in Need, Comic Relief and a Harvest collection for Blackburn Food Bank. To further enhance our pupils' experiences of other cultures we visit different religious venues. This year our pupils EYFS pupils visited the local church of St Silas' undertaking a tour of the different elements of the church. Year 6 visited a Buddhist Temple to gain an appreciation of the Buddhist faith and make comparisons between their own faiths.

Pupils throughout the year, took part in House competitions, swimming galas and individual EYFS/KS1 and KS2 Sports Days. Pupils took part in drama and music performances including Verse Speaking, Harvest festival, Christmas Carols, KS2 Christmas production, KS1 School Nativity, EYFS Nativity, Founders Day, Primary Phase Prize Giving and the KS2 End of Year Production.

Parents' Evenings, New Parents' Meetings, Parental Workshops, parental volunteer readers, Parent Helpers and Stay and Play sessions throughout the year all help to foster positive and long-lasting relationships with parents and carers and help to develop home-school relationships. Year 6 also invited parents to come and join in their World War Two Street Party as a culmination of their work in History, which was a huge success.

Senior and Sixth Form Highlights

Pupils and students have been able to participate in a wide range of events and visits. The staff at QEGS have led 254 school visits which ranged from local visits and competitions to residential visits both in this country and abroad. Over the last two years these residential visits have included visits to France, Germany, Belgium, Switzerland, Iceland, Uganda and Barbados. These visits are designed to both complement the academic curriculum and the pastoral development of the pupils and students at QEGS.

We have continued to form links with several organisations to help support mental health awareness in young people. Pupils and students from KS4 and KS5 have been working with the Youth Support Group and The Dame Kelly Holmes Institute in promoting good mental health and building resilience. Year 11 pupils and Sixth Form students took part in training to build Mindfulness, Effective Study and Revision Techniques and in order to reduce examination stress.

To promote activities that develop qualities such as leadership, democracy and teamwork, pupils and students have their own School Council, which are voted in by their peers, and Food Committee. Meetings are held at regular intervals and minutes produced and fed back to pupils/students in order for them to be able to see that their opinions are taken into account.

The school runs the Duke of Edinburgh Scheme at both Bronze and Gold levels. Uptake for these schemes is very strong with approximately fifty percent of Year 9, Year 10 and Year 11 enrolling for the Bronze award and 23 students enrolled on the Gold award. The School accepted an invitation to attend a presentation at Buckingham Palace in May 2019 which recognised our commitment to the Duke of Edinburgh Scheme.

The School gained the prestigious award of Artsmark Gold in 2019 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 now in the process of gathering evidence to support the even high Platinum award.

The School continues to hold the prestigious Quality Mark Distinction for Physical Education and Sport Award from afPE. This award recognises our commitment to school sport and the benefits it brings to pupils. We continue to run a competitive fixture list in a range of sports which includes regular Saturday fixtures. We achieve extremely well in the local leagues for football, netball and athletics alongside a good record of achievement in

QEGS Blackburn Academy Trust

Trustees' Report for the Year Ended 31 August 2019

national competitions. We have many successes at both county and national level in the popular sports as well as several minority sports. We won the Forty Club North West District Award for Senior Cricket in 2019 and are currently awaiting news to see if we are also the national winners. This award recognised QEGS sportsmanship, captaincy, behaviour on and off the field, teamwork, batting, bowling and fielding skills and has resulted in a prestigious invite to the home of cricket Lords in order to receive our prize at a black tie sporting event.

Pupils and students took part in a range of academic competitions throughout the year including:

- Chemistry Olympiad
- Chemistry Spelling Bee: QEGS came second in the North West regional event
- Design Technology: QEGS took part in the Rotary BAE Systems Technology Tournament. We were the winning school for the Advanced Challenge
- UK Mathematics Challenges at Junior, Intermediate and Senior standard alongside entering the Senior and Junior Team events
- The Ogden Trust Physics Olympiad: QEGS achieved first place in this competition
- Physics Femi Quiz Olympics: QEGS achieved first place in this competition
- Royal Society Biology Challenge
- Languages Olympiad
- Music Examinations

QEGS offers private music tuition in a range of instruments. Lessons are popular and pupil/student progress is good.

Music and Drama productions took place throughout the year with tea-time concerts and two fantastic drama productions, 'Breaking the Code' in the Michaelmas term and 'The Addams Family' musical in the Lent term.

QEGS Blackburn Academy Trust

Trustees' Report for the Year Ended 31 August 2019

Fund Raising

The school continues to support a range of charitable causes both at home and abroad, and raised in excess of £7,800 during the 2018/19 academic year (2017/18: in excess of £7,500). The charitable activities, the amounts raised and the destination of those amounts are listed, below.

Activity	Date	Charity	AMOUNT
Cathedral Collection	September 2018	Derian House	£79.33
Wear Pink	November 2018	Wear it Pink	£118.50
Primary Phase Children in Need	November 2018	Children in Need	£528.46
Non-uniform day Secondary Phase	November 2018	Children in Need	£1,355.14
QEGS Movember Staff Sumo Wrestling	November 2018	Uganda Project	£512.05
Sixth Form Christmas Jumper Day	December 2018	Save the Children	£46.38
Primary Phase Christmas Jumper Day	December 2018	Save the Children	£257.00
Cathedral Collection Carol Service	December 2018	Child Action North West	£284.17
Primary Phase Red Nose Day	March 2019	Comic Relief	£852.25
Secondary Phase Red Nose Day	March 2019	Comic Relief	£1396.79
Sports Award Evening	May 2019	Children With Cancer	£773.20
Cathedral Collection	June 2019	Youth Action	£139.23
Cancer Research	June 2019	Uganda Project	£315.70
Year 7 Event	July 2019	Water Aid	£838.33
Just Like Us	July 2019	NSPCC	£315.79
Total:			£7,812.32

QEGS Blackburn Academy Trust

Trustees' Report for the Year Ended 31 August 2019

Going concern

On the basis of its six-year plan prepared in 2016/17, the governing 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

The Academy's total incoming resources during the period were £7,581,385 (2018: £7,324,387).

The majority of the Academy's income derives from central government funding via the Education and Skills Funding Agency, in the form of current grants. Total funding received for the Academy's educational operations in the period was £6,306,271 (2018: £6,315,772) and further details are provided in Note 3 to the accounts.

Total outgoing resources for the period were £7,593,214 (2018: £7,002,390), the majority of which related to the direct provision of educational operations. The deficit of income over expenditure was £11,829 (2018: excess £321,997).

At the period end the Academy's total reserves were £15,064,546 (2018: £15,705,375), including no unrestricted funds and restricted funds of which restricted fixed asset funds are £16,807,101 (2018: £16,741,764). The balances on general restricted funds relate to funding received in the period which is due to be spent in the following year in accordance with the terms of funding and other unspent balances of restricted income. Further detail is provided in Note 15.

At 31 August 2019 all assets shown in the financial statements were used exclusively for providing education and associated support services to students of the Academy.

Reserves policy

The Trustees review reserve levels of the Academy 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 Academy's current level of free reserves is zero.

It is the trustees' aim to build a reserve to compensate for anticipated reductions in income for capital works, loss of transitional funding associated with the agreement with the ESFA, equalisation of sixth form funding and changes to the local and national funding formulas.

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 2019 the school held GAG reserves of zero. 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 2019 the level of unrestricted reserves held was zero, as all unrestricted income was used to fund the GAG deficit.

QEGS Blackburn Academy Trust

Trustees' Report for the Year Ended 31 August 2019

Investment policy

All investments are agreed by the Governing Body, which has regard to the Charity Commission guidance in relation to charity investment policy. The Academy does not currently hold any investments other than cash, which is held for its normal operations. The Governing 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 Academy will seek to maximise its return by investing surplus cash in time deposits with banks approved by the Governing Body.

Principal risks and uncertainties

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

- Pupil numbers. The income of the institution, both as an Academy and previously as an Independent School, is greatly dependent on the number of pupils on roll. The Academy is significantly oversubscribed at all stages (apart from Sixth Form) with recruitment of pupils being restricted only by the constraint of class size. The total number on roll increased from 923 in 2014/15 to 1,024 in 2015/16, to 1,035 in 2016/17, to 1,107 in 2017/18, 1,140 in 2018/19 and 1,204 in 2019/20 and 2020/21. The decision was taken by the governing body to increase PAN from September 2017. 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 and the expansion of pupil numbers in Years 10 and 11, a significant proportion of which will progress through to the Sixth Form.
- 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. Procedures are in place for maintaining and enhancing income from the external letting of the Academy's facilities.
- 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 Academy is focusing on maintaining and enhancing its high standards by implementing a clear School Improvement Plan.

QEGS Blackburn Academy Trust

Trustees' Report for the Year Ended 31 August 2019

Plans for future periods

The Academy will continue to uphold its reputation as an institution delivering the highest standards of education to the local and wider community.

The Governing Body will be reviewing its strategy including assumptions, efficiencies, pressures and deployment of resources in the context of changes of government or government policy.

The Academy will implement all necessary action plans, monitored by the Trustee Body, to ensure that further improvements are made to continue the School's journey of improvement and reflected in the next Ofsted report.

The Academy will look to expand the Trust, exploring all options with the appropriate input and advice from the RSC.

Funds held as Custodian Trustee on Behalf of Others

There are no funds held as Custodian Trustee on behalf of others.

Auditor

In so far as the trustees are aware:

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

Trustees' Report, incorporating a strategic report, approved by order of the members of the Governing Body, being the Governing body and Company Directors on 9 December 2019 and signed on the board's behalf by:

.....
Mr DA Peat
Chairman

QEGS Blackburn Academy Trust

Trustees' Report for the Year Ended 31 August 2019

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.

The governing body has delegated the day-to-day responsibility to the Head 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. She is also responsible for reporting to the governing 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 governing body has formally met five times during the year. Attendance during the year at meetings of the governing body was as follows:

<u>Trustee</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
Mr DA Peat (Chair)	4	5
Dr KA Whyte (Vice Chair)	4	5
Mrs CY Gammon (Head) (Ex Officio)	5	5
Mrs L Baron (Parent governor)	2	2
Mr S Brown (Parent governor)	0	3
Dr Z Bux (Parent governor)	2	3
Mr D J Clark	4	5
Mrs A Dean	4	5
Dr S Gunn	3	3
Mr IDH Hamilton	4	5
Rvd P Howell Jones	3	5
Mr I Liddle	1	5
Mr NRD McMillan	5	5
Mr P Robinson (parent governor)	5	5
Prof I Singh	0	5
Mr G Turner	4	5

The Finance, HR and Site Committee is a sub-committee of the main governing body. Its purpose is to monitor financial performance and related activities, including 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

QEGS Blackburn Academy Trust

Trustees' Report for the Year Ended 31 August 2019

overnance Statement

Attendance at meetings in the year was as follows:

<u>Governor</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
Mr NRD McMillan (Chair)	5	5
Mrs CY Gammon (Head) (Ex Officio)	5	5
Mr IDH Hamilton	5	5
Mr I Liddle	2	5
Mr DA Peat	3	5

The Policy Audit Committee is also a sub-committee of the main governing body. 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 and governor skills. Attendance at meetings in the year was as follows:

<u>Governor</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
Mr G Turner (Chair)	1	1
Mrs CY Gammon (Head) (Ex Officio)	1	1
Mrs A Dean	1	1
Mr Z Bux	1	1

The governing body has further sub-committees: the Education and Standards Committee, the Risk Committee and the Remuneration Committee. In addition a governor sits on the Academy's Joint Staff Consultative Committee. Attendance at the Education and Standards Committee meetings in the year was as follows:

<u>Governor</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
Dr K Whyte (Chair)	4	4
Mrs CY Gammon (Head) (Ex Officio)	4	4
Mr DJ Clark	4	4
Revd P Howell-Jones	1	4
Mr D Peat	2	4
Prof I Singh	2	4

Attendance at the Remuneration Committee meetings in the year was as follows:

<u>Governor</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
Mr DA Peat (Chair)	2	2
Mrs CY Gammon (Head) (Ex Officio)	2	2
Mr NRD McMillan	2	2
Dr K Whyte	2	2

Attendance at the Risk Committee meetings in the year was as follows:

<u>Governor</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
Mr S Brown (Chair)	1	1
Mrs CY Gammon (Head) (Ex Officio)	1	1
Mr DJ Clark	1	1
Dr K Whyte	1	1
Mr DA Peat	1	1

QEGS Blackburn Academy Trust

Governance Statement

Review of Value for Money

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

The Accounting Officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the governing body where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the academy 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 transferring of administrative work from teaching staff to support staff on lower pay scales, a specific example during the year involved increasing the number of cover supervisors
- a restructuring of teaching staff and timetable allocations
- 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 successful bid for capital grants to complete the replacement of roofs on several buildings with state-of-the art insulation, resulting in reduced energy consumption through less heat loss.

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 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The governing body has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The governing body is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governing body.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the governing 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 governing body has considered the need for a specific internal audit function and has decided to appoint an external firm of accountants as internal auditors.

QEGS Blackburn Academy Trust

Governance Statement

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:

- Bank
- Petty cash
- School fund income
- Local Authority, Government Grants and other income
- Purchases
- Payroll

Review of Effectiveness

As Accounting Officer the 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 governing body
- the work of the external auditor
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework

The Accounting Officer has been advised of the implications of the result of the review of the systems of internal control by the audit 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 members of the governing body on 09 December 2019 and signed on its behalf by:

D A Peat

Chairman

C Y Gammon

Accounting Officer

QEGS Blackburn Academy Trust

Statement on Regularity, Propriety and Compliance

As Accounting Officer of QEGS Blackburn Academy Trust I have considered my responsibility to notify the Academy Trust Governing Body and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

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

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

.....

Mrs C Y Gammon
Accounting Officer
Date: 9 December 2019

QEGS Blackburn Academy Trust

Statement of Trustees' Responsibilities

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

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

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

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

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

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

Approved by order of the members of the Board on 9 December 2019 and signed on its behalf by:

.....
Mr D A Peat
Governor and trustee

QEGS Blackburn Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of QEGS Blackburn Academy Trust

Opinion

We have audited the financial statements of QEGS Blackburn Academy Trust (the 'Academy') for the year ended 31 August 2019, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2018 to 2019, issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

QEGS Blackburn Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of QEGS Blackburn Academy Trust (continued)

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 21, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

QEGS Blackburn Academy Trust

**Independent Auditor's Report on the Financial Statements to the Members of QEGS
Blackburn Academy Trust (continued)**

Use of our report

This report is made solely to the academy trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy trust's members those matters we are required to state to them in an 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 academy trust and the academy trust's members as a body for our audit work, for this report, or for the opinions we have formed.

.....

Mark Bradley BA FCA (Senior Statutory Auditor)
For and on behalf of Beaver and Struthers, Statutory Auditor

Central Buildings
Richmond Terrace
Blackburn
Lancashire
BB1 7AP

Date:

QEGS Blackburn Academy Trust

Independent Reporting Accountant's Report on Regularity to QEGS Blackburn Academy Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 24 October 2016 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by QEGS Blackburn Academy Trust during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to QEGS Blackburn Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to QEGS Blackburn Academy Trust and the 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 the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of the Governing Body's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of the Governing Body's funding agreement with the Secretary of State for Education dated and the Academies Financial Handbook extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Review that the activities are in keeping with the Academy Trust's framework and charitable objectives; and
- Testing undertaken on a sample basis to review whether the Academy Trust's expenditure is in accordance with the Funding Agreement; and
- Other testing in accordance with the guidance issued in the Academies Accounts Direction 2018 to 2019.

QEGS Blackburn Academy Trust

**Independent Reporting Accountant's Report on Regularity to QEGS Blackburn
Academy Trust and the Education and Skills Funding Agency (continued)**

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 year from 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them

.....
Mark Bradley BA FCA
For and on behalf of Beaver and Struthers, Chartered Accountants

Central Buildings
Richmond Terrace
Blackburn
Lancashire
BB1 7AP

Date:

QEGS Blackburn Academy Trust

Statement of Financial Activities for the Year Ended 31 August 2019 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2019 £	Total 2018 £
Income and endowments from:						
Donations and capital grants	2	240,204	555,291	339,992	1,135,487	955,290
<i>Charitable activities:</i>						
Funding for the Academy trust's educational operations	3	603,844	5,702,427	-	6,306,271	6,315,772
Other trading activities	4	139,462	-	-	139,462	53,087
Investments	5	165	-	-	165	238
Total		983,675	6,257,718	339,992	7,581,385	7,324,387
Expenditure on:						
<i>Charitable activities:</i>						
Academy trust educational operations	6,7	(606,088)	(6,712,471)	(274,655)	(7,593,214)	(7,002,390)
Net income/(expenditure) before transfers		377,587	(454,753)	65,337	(11,829)	321,997
Gross transfer between funds	15	(377,587)	377,587	-	-	-
Net income/(expenditure)		-	(77,166)	65,337	(11,829)	321,997
Other recognised gains and losses						
Actuarial (losses)/gains on defined benefit pension schemes	24	-	(629,000)	-	(629,000)	588,000
Net movement in funds	15	-	(706,166)	65,337	(640,829)	909,997
Reconciliation of funds						
Total funds/(deficit) brought forward at 1 September 2018	15,16	-	(1,036,389)	16,741,764	15,705,375	14,795,378
Total funds/(deficit) carried forward at 31 August 2019	15,16	-	(1,742,555)	16,807,101	15,064,546	15,705,375

All of the academy trust's activities derive from continuing activities during the current and prior financial year.

The comparative statement of Financial Activities can be found in note 26 to the financial statements

QEGS Blackburn Academy Trust

(Registration number: 8331789 (England and Wales))

Balance Sheet as at 31 August 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	11	16,695,188	16,269,292
Current assets			
Debtors	12	553,576	530,702
Cash at bank and in hand		256,005	213,076
		<u>809,581</u>	<u>743,778</u>
Creditors: Amounts falling due within one year	13	(645,509)	(389,695)
Net current assets		<u>164,072</u>	<u>354,083</u>
Total assets less current liabilities		<u>16,859,260</u>	<u>16,623,375</u>
Creditors: Amounts falling due greater than one year	14	(25,714)	-
Net assets excluding pension liability		16,833,546	16,623,375
Pension scheme liability	24	(1,769,000)	(918,000)
Net assets including pension liability		<u>15,064,546</u>	<u>15,705,375</u>
Funds of the Academy:			
Restricted funds			
Restricted general fund	15	26,445	(118,389)
Restricted fixed asset fund	15	16,807,101	16,741,764
Restricted pension fund	15	(1,769,000)	(918,000)
		<u>15,064,546</u>	<u>15,705,375</u>
Unrestricted funds			
Unrestricted general fund	15	-	-
Total funds		<u>15,064,546</u>	<u>15,705,375</u>

The financial statements on pages 27 to 50 were approved by the Trustees, and authorised for issue on and signed on their behalf by:

.....
Mr D A Peat
Governor and trustee

QEGS Blackburn Academy Trust

Statement of Cash Flows for the Year Ended 31 August 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided/(used) in operating activities	19	231,962	(398,214)
Cash flows from financing activities	20	165	238
Cash flows used in investing activities	21	(189,198)	(58,413)
Increase/(reduction) in cash and cash equivalents in the year		42,929	(456,389)
Cash and cash equivalents at 1 September 2018		213,076	669,465
Cash and cash equivalents at 31 August 2019	22	256,005	213,076

All of the cash flows are derived from continuing operations in the current and prior financial period.

QEGS Blackburn Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

1 Accounting policies

Statement of 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.

Basis of preparation

The financial statements 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

QEGS Blackburn Academy Trust meets the definition of a public benefit entity under FRS 102.

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 and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

The deficit on the Local Government Pension Scheme of £1,769,000 (2018: £918,000) will be financed through ongoing contributions at the rates agreed with the Scheme Actuary and these are made from the General Annual Grant (GAG) and are included in the financial forecasts.

Income

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

Grants

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the 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.

QEGS Blackburn Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

1 Accounting policies (continued)

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 catering income, transport income and 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.

Expenditure

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

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.

QEGS Blackburn Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

Tangible fixed assets

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful lives, per the table below.

Asset class	Depreciation method and rate
Long leasehold land	Over life of the lease (125 years)
Long leasehold buildings	Over life of the lease (125 years)
Improvements to long leasehold buildings	5% straight line
ICT Equipment	33% straight line
Fixtures, Fittings and Equipment	20% straight line
Motor Vehicles	25% straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

Liabilities

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

QEGS Blackburn Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

Leased assets

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

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.

Pension 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.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in the notes to the financial statements, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

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 as detailed note 12. Prepayments are not financial instruments.

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

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 13. 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 instrument.

QEGS Blackburn Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education and Skills Funding Agency/Department for Education/sponsor/other 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 Education and Skills Funding Agency/Department for Education.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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.

QEGS Blackburn Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total 2019 £	Total 2018 £
Capital grants	-	-	339,992	339,992	609,140
Other donations	240,204	555,291	-	795,495	346,150
	<u>240,204</u>	<u>555,291</u>	<u>339,992</u>	<u>1,135,487</u>	<u>955,290</u>

3 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
DfE/ESFA revenue grants				
General annual grant (GAG)	-	5,004,294	5,004,294	5,079,795
Other Dfe/ESFA grants	-	496,156	496,156	409,041
	-	<u>5,500,450</u>	<u>5,500,450</u>	<u>5,488,836</u>
Other government grants				
Local Authority Grants	-	66,140	66,140	58,194
	-	<u>66,140</u>	<u>66,140</u>	<u>58,194</u>
Non-government grants and other income				
Catering Income	362,224	-	362,224	310,969
Transport Income	133,057	-	133,057	163,471
Trips Income	-	135,837	135,837	223,710
Q Plus Income	20,990	-	20,990	14,278
Music Tuition	32,037	-	32,037	16,711
Other Income	55,536	-	55,536	39,603
	<u>603,844</u>	<u>135,837</u>	<u>739,681</u>	<u>768,742</u>
Total grants	<u>603,844</u>	<u>5,702,427</u>	<u>6,306,271</u>	<u>6,315,772</u>

4 Other trading activities

	Unrestricted funds £	Total 2019 £	Total 2018 £
Hire of facilities	139,462	139,462	53,087

QEGS Blackburn Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

5 Investment income

	Unrestricted funds £	Total 2019 £	Total 2018 £
Short term deposits	165	165	238

6 Expenditure

	Non Pay Expenditure			Total 2019 £	Total 2018 £
	Staff costs £	Premises £	Other costs £		
Academy's educational operations:					
Direct costs	4,081,562	-	1,018,652	5,100,214	4,687,983
Allocated support costs	1,373,513	625,844	493,643	2,493,000	2,314,407
	5,455,075	625,844	1,512,295	7,593,214	7,002,390

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Operating leases	11,007	11,007
Depreciation	260,913	230,715
Fees payable to the auditor for:		
- Audit	11,880	11,025
- Other services	2,323	4,010

QEGS Blackburn Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

7 Charitable activities

			Total 2019 £	Total 2018 £
Direct costs - educational operations			5,100,214	4,687,983
Support costs - educational operations			2,493,000	2,314,407
			7,593,214	7,002,390

	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Total 2018 £
Direct costs				
Teaching and educational support staff costs	-	4,081,562	4,081,562	3,679,485
Transport costs	262,269	-	262,269	240,429
Catering costs	231,941	-	231,941	206,907
Trips expenditure	-	162,830	162,830	192,981
Educational costs	-	321,095	321,095	296,064
IT costs	-	22,163	22,163	52,386
Staff development and recruitment	-	18,354	18,354	19,731
	<u>494,210</u>	<u>4,606,004</u>	<u>5,100,214</u>	<u>4,687,983</u>
Support costs				
Support staff costs	86,387	1,287,126	1,373,513	1,302,752
Depreciation	-	260,913	260,913	230,715
Premises costs	-	625,844	625,844	459,689
Other support costs	24,765	207,239	232,004	320,026
Governance costs	726	-	726	1,225
	<u>111,878</u>	<u>2,381,122</u>	<u>2,493,000</u>	<u>2,314,407</u>
Total direct and support costs	<u>606,088</u>	<u>6,987,126</u>	<u>7,593,214</u>	<u>7,002,390</u>

QEGS Blackburn Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

8 Staff

Staff costs

	2019 £	2018 £
Staff costs during the year were:		
Wages and salaries	4,087,403	3,882,586
Social security costs	373,171	362,816
Operating costs of defined benefit pension schemes	897,658	640,147
	5,358,232	4,885,549
Supply staff costs	96,843	75,970
Staff restructuring costs	-	20,718
	5,455,075	4,982,237
	2019 £	2018 £
Staff restructuring costs comprise:		
Redundancy payments	-	20,718

Staff numbers

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

	2019 No	2018 No
Charitable Activities		
Teachers	80	81
Administration and support	83	73
Management	10	9
	183	163

Higher paid staff

The number of employees whose annualised emoluments exceeded £60,000 was:

	2019 No	2018 No
£60,001 - £70,000	1	2
£90,001 - £100,000	-	1
£100,001 - £110,000	1	-
	1	-

QEGS Blackburn Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

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 employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £629,163 (2018: £650,359).

9 Related party transactions - trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Head and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Head and staff members under their contracts of employment, and not in respect of their role as trustees.

The Head has been paid remuneration or has received other benefits from an employment with the academy trust. The Head only receives remuneration in respect of services they provide undertaking the role of head under their contract of employment, and not in respect of their role as trustee. The value of the trustees' remuneration and other benefits was as follows:

C Y Gammon (Head);
Remuneration £100,001 - £105,000
Employer's pension contributions £15,001 - £20,000

During the year ended 31 August 2019, £265 of travel and subsistence expenses were reimbursed or paid directly to two trustees (2018: £1,197).

Other related party transactions involving the trustees are set out in note 25.

10 Trustees' and officers' insurance

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

QEGS Blackburn Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

11. Tangible fixed assets

	Long Leasehold Land and Buildings	ICT Equipment	Fixtures, Fittings and Equipment	Motor Vehicles	Total
	£	£	£	£	£
Cost					
At 1 September 2018	16,876,740	141,097	81,477	8,751	17,108,065
Additions	628,360	58,449	-	-	686,809
At 31 August 2019	<u>17,505,1000</u>	<u>199,546</u>	<u>81,477</u>	<u>8,751</u>	17,794,874
Depreciation					
At 1 September 2018	644,872	141,097	44,053	8,751	838,773
Charged in year	244,618	-	16,295	-	260,913
At 31 August 2019	<u>889,490</u>	<u>141,097</u>	<u>60,348</u>	<u>8,751</u>	1,099,686
Net book values					
At 31 August 2018	16,231,868	-	37,424	-	16,269,292
At 31 August 2019	<u>16,615,610</u>	<u>58,449</u>	<u>21,129</u>	<u>-</u>	<u>16,695,188</u>

12 Debtors

	2019 £	2018 £
Trade debtors	16,095	13,590
VAT recoverable	155,771	88,563
Other debtors	42,715	62,532
Queen Elizabeth's Grammar School Blackburn Limited	30,000	-
Prepayments and accrued income	308,995	366,017
	<u>553,576</u>	<u>530,702</u>

13 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	449,887	138,257
Other taxation and social security	84,710	84,837
ESFA creditor: abatement of GAG	-	30,758
Queen Elizabeth's Grammar School Blackburn Limited	-	10,141
Other creditors	73,184	108,508
Capital improvement funding loan	4,286	-
Accruals and deferred income	33,442	17,194
	<u>645,509</u>	<u>389,695</u>

14 Creditors: amounts falling due greater than one year

	2019 £	2018 £
Capital improvement funding loan	<u>25,714</u>	-

QEGS Blackburn Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

15 Funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	(219,602)	5,004,294	(5,346,199)	377,587	(183,920)
Pupil premium	3,222	296,496	(283,660)	-	16,058
Other grants	60,088	819,445	(696,136)	-	183,397
Trips	37,903	137,483	(164,476)	-	10,910
Pension reserve	(918,000)	-	(222,000)	(629,000)	(1,769,000)
	<u>(1,036,389)</u>	<u>6,257,718</u>	<u>(6,712,471)</u>	<u>(251,413)</u>	<u>(1,742,555)</u>
Restricted fixed asset funds					
Transfer from Queen Elizabeth's Grammar School Blackburn Limited	14,480,816	-	-	-	14,480,816
DfE/EFA capital grants	2,209,364	339,992	(274,655)	-	2,274,701
Capital donations	28,347	-	-	-	28,347
Capital expenditure from GAG	23,237	-	-	-	23,237
	<u>16,741,764</u>	<u>339,992</u>	<u>(274,655)</u>	<u>-</u>	<u>16,807,101</u>
Total restricted funds	<u>15,705,375</u>	<u>6,597,710</u>	<u>(6,987,126)</u>	<u>(251,413)</u>	<u>15,064,546</u>
Unrestricted funds	-	983,675	(606,088)	(377,587)	-
Total funds	<u>15,705,375</u>	<u>7,581,385</u>	<u>(7,593,214)</u>	<u>(629,000)</u>	<u>15,064,546</u>

QEGS Blackburn Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

15 Funds (continued)

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	(248,010)	5,079,795	(5,175,942)	124,555	(219,602)
Pupil premium	24,203	269,005	(289,986)	-	3,222
Other grants	37,017	252,983	(229,337)	(575)	60,088
Trips	16,138	223,710	(201,945)	-	37,903
Pension reserve	(1,382,000)	-	(124,000)	588,000	(918,000)
	<u>(1,552,652)</u>	<u>5,825,493</u>	<u>(6,021,210)</u>	<u>711,980</u>	<u>(1,036,389)</u>
Restricted fixed asset funds					
Transfer from Queen Elizabeth's Grammar School Blackburn Limited	14,634,203	-	(153,387)	-	14,480,816
DfE/EFA capital grants	1,627,734	609,140	(27,510)	-	2,209,364
Capital donations	23,988	20,000	(15,641)	-	28,347
Capital expenditure from GAG	62,105	-	(34,177)	(4,691)	23,237
	<u>16,348,030</u>	<u>629,140</u>	<u>(230,715)</u>	<u>(4,691)</u>	<u>16,741,764</u>
Total restricted funds	<u>14,795,378</u>	<u>6,454,633</u>	<u>(6,251,925)</u>	<u>707,289</u>	<u>15,705,375</u>
Unrestricted funds	-	869,754	(750,465)	(119,289)	-
Total funds	<u>14,795,378</u>	<u>7,324,387</u>	<u>(7,002,390)</u>	<u>588,000</u>	<u>15,705,375</u>

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

General Annual Grant must be used for the normal running expenses of the school.

Pupil premium funding is spent on enhancing the education of eligible pupils in accordance with the conditions.

QEGS Blackburn Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

15 Funds (continued)

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

The trust is carrying a net surplus of £26,455 on restricted general funds (excluding pension reserve). This year the pupil numbers in all age groups were above target and therefore there was no abatement order provisions were required. The trustees have prepared a 3 year business plan which shows the trust maintaining a surplus in subsequent years.

The Trustees have reviewed the financial affairs of the Trust and are planning to take the following steps to achieve the income generation and cost savings needed to improve the financial position:

- Actively marketing the school to increase pupil numbers to those previously budgeted
- Seeking to improve retention on pupils moving into the sixth form
- Implementing a detailed review of costs and resource requirements.

The surplus on the unrestricted income was derived from the donations from Queen Elizabeth's Grammar School Blackburn Limited, including its Nursery School operation. These donations were used to finance the deficit on GAG reserves and the surplus on the unrestricted funds has been transferred to the GAG reserves.

16 Analysis of net assets between funds 2019

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	16,695,188	16,695,188
Current assets	-	427,242	126,334	553,576
Cash at bank and in hand	-	240,426	15,579	256,005
Current liabilities	-	(641,223)	(30,000)	(671,223)
Pension scheme liability	-	(1,769,000)	-	(1,769,000)
Total net assets	-	(1,742,555)	16,807,101	15,064,546

Analysis of net assets between funds 2018

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	16,269,292	16,269,292
Current assets	-	276,746	253,956	530,702
Cash at bank and in hand	-	213,076	-	213,076
Current liabilities	-	(608,211)	218,516	(389,695)
Pension scheme liability	-	(918,000)	-	(918,000)
Total net assets	-	(1,036,389)	16,741,764	15,705,375

QEGS Blackburn Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

17 Capital commitments

	2019	2018
	£	£
Contracted for, but not provided for in the financial statements	<u>176,520</u>	<u>386,888</u>

18 Financial commitments

Operating leases

At 31 August 2019 the academy trust had annual commitments under non-cancellable operating leases as follows:

	2019	2018
	£	£
Other		
Expiring in over 5 years	<u>32,929</u>	<u>24,715</u>
	32,929	24,715

19 Reconciliation of net income to net cash inflow/(outflow) from operating activities

	2019	2018
	£	£
Net (expenditure)/income	(11,829)	321,997
Depreciation (note 11)	260,913	230,715
Capital grants from DfE (note 2)	(339,992)	(609,140)
Other capital income (note 2)	-	(20,000)
Interest receivable (note 5)	(165)	(238)
Defined benefit pension scheme cost less contributions payable	74,000	89,000
Defined benefit pension scheme finance cost	22,000	31,000
Defined benefit pension scheme cost administrative expenses	5,000	4,000
Defined benefit pension scheme past service cost	121,000	-
Increase in debtors	(150,495)	(153,012)
Increase/(decrease) in creditors	<u>251,530</u>	<u>(292,536)</u>
Net cash provided by/(used in) Operating Activities	<u>231,962</u>	<u>(398,214)</u>

20 Cash flows from financing activities

	2019	2018
	£	£
Interest received	<u>165</u>	<u>238</u>
Net cash inflow provided by financing activities	<u>165</u>	<u>238</u>

21 Cash flows from investing activities

	2019	2018
	£	£
Purchase of tangible fixed assets	(686,809)	(827,854)
Capital grants from DfE/ESFA	467,611	749,441
Capital loan from DfE/ESFA	30,000	
Donations received in the year	-	20,000
Net cash used in investing activities	<u>(189,198)</u>	<u>(58,413)</u>

QEGS Blackburn Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

22 Analysis of cash and cash equivalents

	At 31 August 2019 £	At 31 August 2018 £
Cash at bank and in hand	256,005	213,076
Total cash and cash equivalents	256,005	213,076

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

24 Pensions 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 2012 and of the LGPS 31 March 2016.

Contributions amounting to £71,376 (2018: £71,893) were payable to the schemes at 31 August 2019 and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The teachers' pension budgeting and valuation account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

QEGS Blackburn Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

24 Pension and similar obligations (continued)

Valuation of teachers' pension scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

A copy of the latest valuation report can be found by following this link to the Teachers' Pension Scheme website

Scheme Changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £203,035 (2018: £250,078), of which employer's contributions totalled £147,897 (2018: £199,655) and employees' contributions totalled £55,138 (2018: £50,243). The agreed contribution rates for future years are per cent for employers and per cent for employees.

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

Following completion of the 31 March 2016 actuarial valuation, a programme of deficit recovery payments over a 3-year period from April 2017 were agreed. The Local Government Pension Scheme has not confirmed the payment for the forthcoming year prior to the sign-off of these accounts.

As described in note the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion to an academy trust and new employees who were eligible to, and did, join the scheme in the period. The obligation in respect of employees who transferred on conversion represents the cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

QEGS Blackburn Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

24 Pension and similar obligations (continued)

Principal actuarial assumptions

	At 31 August 2019	At 31 August 2018
Rate of increase in salaries	3.60%	3.60%
Rate of increase for pensions in payment/inflation	2.20%	2.20%
Discount rate for scheme liabilities	1.80%	2.80%
Inflation assumption (CPI)	2.10%	2.10%

Sensitivity Analysis	Central	Sensitivity 1	Sensitivity 2	Sensitivity 3	Sensitivity 4
		+0.1% p.a. discount rate	+0.1% p.a. inflation	+0.1% p.a. pay growth	1 year increase in life expectancy
	£000	£000	£000	£000	£000
Liabilities	7,149	7,028	7,273	7,160	7,287
Assets	(5,380)	(5,380)	(5,380)	(5,380)	(5,380)
Deficit	1,769	1,648	1,893	1,780	1,907
Projected service cost for next year	438	427	449	438	446
Projected interest cost for next year	30	29	32	30	32

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

	At 31 August 2019	At 31 August 2018
<i>Retiring today</i>		
Males	22.8	22.7
Females	25.5	25.4
<i>Retiring in 20 years</i>		
Males	25.1	25
Females	28.2	28

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

	Fair value at 31 August 2019 £000	Fair value at 31 August 2018 £000
Equities	2,572	2,025
Government Bonds	-	157
Other Bonds	86	28
Property	473	424
Cash/liquidity	97	42
Other	2,152	1,937
Total market value of assets	5,380	4,613

The actual return on scheme assets was £608,000 (2018: £258,000).

QEGS Blackburn Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

24 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2019	2018
	£	£
Current service cost (net of employer contributions)	74,000	89,000
Net interest cost (return)	22,000	31,000
Administrative expenses	5,000	4,000
Past service cost	121,000	-
Total operating charge	222,000	124,000

The actuarial loss of £629,000 for the current year is recognised in the statement of financial activities (2018: gain £588,000). The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 102 is a £34,000 gain (2018: £784,000 gain).

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

	2019	2018
	£000	£000
At 1 September 2018	5,531	5,613
Current service cost	307	289
Interest cost	153	134
Employee contributions	66	50
Past service cost	121	-
Losses/(Gains) on assumptions	1,105	(434)
Benefits/transfers paid	(134)	(121)
Curtailments /settlements	-	-
At 31 August 2019	7,149	5,531

Changes in the fair value of academy's share of scheme assets:

	2019	2018
	£000	£000
At 1 September 2018	4,613	4,231
Expected return on assets	131	103
Actuarial gain	476	154
Administrative expenses	(5)	(4)
Employer contributions	233	200
Employee contributions	66	50
(Benefits)/transfers paid	(134)	(121)
At 31 August 2019	5,380	4,613

QEGS Blackburn Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

25 Related party transactions

Owing to the nature of the Academy Trust's operations and the composition of the governing body being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has 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.

Certain Trustees of the charity during the year were also Trustees of the Queen Elizabeth's Grammar School Blackburn Limited. During the year the charity received donations from Queen Elizabeth's Grammar School Blackburn Limited amounting to £555,291, and a donation on its Nursery operations of £200,000. At 31 August 2019 Queen Elizabeth's Grammar School Blackburn Limited was owed £30,000 from the charity.

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

QEGS Blackburn Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

26 Prior year Statement of Financial Activities

Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2018 £
Income and endowments from:				
Donations and capital grants	311,000	15,150	629,140	955,290
<i>Charitable activities:</i>				
Funding for the Academy trust's educational operations	505,429	5,810,343	-	6,315,772
Other trading activities	53,087	-	-	53,087
Investments	238	-	-	238
Total	869,754	5,825,493	629,140	7,324,387
Expenditure on:				
Raising funds	-	-	-	-
<i>Charitable activities:</i>				
Academy trust educational operations	(750,465)	(6,021,210)	(230,715)	(7,002,390)
Net income/(expenditure) for before transfers				
	119,289	(195,717)	398,425	321,997
Gross transfer between funds	(119,289)	123,980	(4,691)	-
Net (expenditure)/income	-	(71,737)	393,734	321,997
Other recognised gains and losses				
Actuarial gains on defined benefit pension schemes	-	588,000	-	588,000
Net movement in funds	-	516,263	393,734	909,997
Reconciliation of funds				
Total (deficit)/funds brought forward at 1 September 2017	-	(1,552,652)	16,348,030	14,795,378
Total (deficit) /funds carried forward at 31 August 2018	-	(1,036,389)	16,741,764	15,705,375