

Company Limited by Guarantee
Registration number: 06221748 (England and Wales)

QUAERERE ACADEMY TRUST
"Q3 ACADEMY"
(A Company Limited by Guarantee)

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31ST AUGUST 2015

QUAERERE ACADEMY TRUST

CONTENTS

	Page
Reference and administration information	3
Report of the Trustees	5
Governance Statement	17
Statement on Regularity, Propriety and Compliance	21
Statement of Governors Responsibilities	22
Independent auditor's report on the financial statements	23
Independent Reporting Accountants Assurance report on Regularity	25
Consolidated Statement of financial activities incorporating Income and Expenditure Account	27
Consolidated Balance Sheet	28
Parent Balance Sheet	29
Cash flow statement	30
Principal accounting policies	31
Notes to the financial statements	35
The following pages do not form part of the statutory financial statements	
Detailed income and expenditure account	53

QUAERERE ACADEMY TRUST

Year ended 31 August 2015

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS TRUSTEES AND ADVISORS

Members	Mr E Payne (OBE) Mrs G Payne Mr R Quayle Mr M Mitchell (from 11 th September 2014) Mr S Ramshaw (from 18 th September 2014)
Trustees	Mr E Payne* OBE Mr R B M Quayle* (Chairman) Mr D W Pope (Responsible Officer) Dr C J S Badyal (Principal and Accounting Officer) Ms O Amartei Rev M C Rutter Mrs N Martin Ms L Fulford (resigned 16 th May 2015) Mr S Ramshaw (appointed 18 th September 2014) Mrs L Deeley Mr W Foster* (appointed 18 th May 2015) Mr P Linton (appointed 15 th July 2015)

*= members of the Audit, Finance and General Purposes Committee.

Company Secretary	Mr G L Hargreaves
Executive Group	
Principal	Dr C Badyal
Vice Principals	Mr F Choudhury (resigned 31 st August 2015) Mr Peter Lee (appointed 1 st September 2015)
Director of Finance and Administration	Mr G Hargreaves
Registered Office	Wilderness Lane, Great Barr, Birmingham, B43 7SD Tel: 0121 358 6186
Company Registration Number	06221748
Auditors	Crowe Clark Whitehill LLP Black Country House Rounds Green Road Oldbury West Midlands, B69 2DG
Bankers	Cooperative Bank PLC P.O Box 101 1 Balloon Street Manchester, M60 4EP

QUAERERE ACADEMY TRUST
Year ended 31 August 2015

Solicitors

Anthony Collins Solicitors LLP
134 Edmund Street
Birmingham
B3 2ES

QUAERERE ACADEMY TRUST

Year ended 31 August 2015

REPORT OF THE TRUSTEES

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31st August 2015.

The financial statements have been prepared in accordance with the accounting policies on pages 31 to 34 of the attached financial statements, and comply with the charitable company's memorandum and articles of association, the Companies Act 2006, and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" as issued in March 2005 ('SORP 2005') and the Academies Accounts Direction.

The trust operates an academy for pupils aged 11 to 18 serving a catchment area in Great Barr, Sandwell. It has a pupil capacity of **1150** and had a roll of **1100** in the school census on **21st January 2015**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

Quaerere Academy Trust (Q3 Academy) is a company limited by guarantee, incorporated on April 23rd 2007, with no share capital (registration no. 06221748). With effect from August 1st 2011 the charity became an exempt charity with the DFE as the principal regulator. The charitable company's memorandum and articles of association are the prime governing documents of Q3 Academy. Governors of the charitable company are either nominated by Mr E Payne OBE, the main sponsor of Q3 Academy and vice chair of governors, or, in the case of the appointment of a staff and parent governor, are elected by ballot of their respective constituencies. The articles of association require members of the charitable company to appoint not less than 3 governors to be responsible for the statutory and constitutional affairs of the charitable company and the management of Q3 Academy.

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.

Governors

The Governors are directors of the charitable company for the purposes of the Companies Act 2006 and trustees for the purposes of the charity legislation.

The term of office for any governor shall be 4 years, save that this time limit shall not apply to the Principal. Subject to remaining eligible to be a particular type of governor, any governor may be reappointed or re-elected.

The governors, who were in office at 31st August 2015 and served throughout the year, except where shown, are listed in page 3.

QUAERERE ACADEMY TRUST

Year ended 31 August 2015

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

During the year under review the governing body held three meetings. The training and induction provided for new governors will depend on their existing experience. Where necessary induction will provide training on charity and educational legal and financial matters. All new governors will be given a tour of the Academy and the chance to meet staff and students. All governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents, including relevant external literature that they will need to undertake their role as governors. Induction tends to be done informally and is tailored specifically to the needs of the individual. An on-going programme of updates to governors is provided as required at the meetings along with training to keep governors abreast of educational developments.

Governors Indemnities

In accordance with normal commercial practices the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, omission or errors occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim.

Organisational Structure

Q3 Academy has established a unified management structure to enable its efficient running. The structure consists of 3 levels: the Governors, the Executive and the Senior Leadership Group. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by use of budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments.

The executive is made up of the Principal, a Vice Principal and the Director of Finance and Administration. These managers control the Academy at an executive level, implementing the policies laid down by the governors and reporting back to them. As a group, the senior managers are responsible for the authorisation of spending within agreed budgets and the appointment of staff, although appointment boards for posts in the management team always require a governor.

The senior leadership group consisted of the 3 members of the executive team, a Vice Principal on secondment from another school, 2 Assistant Vice Principals and the Director of Inclusion, Attendance and Behaviour. These managers were responsible for the day to day operation of Q3 Academy, in particular organising the teaching staff, facilities and students.

Connected Organisations

Mr and Mrs Eric Payne, through the Charitable Foundation the Grace Charitable Trust, are the sponsors of Q3 Academy.

QUAERERE ACADEMY TRUST

Year ended 31 August 2015

OBJECTIVES AND ACTIVITIES

Objects, Aims and Objectives

The principle object and activity of the charitable company is 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 and developing an academy offering a broad curriculum with a strong emphasis on, but in no way limited to Design and Enterprise and providing an education building upon a Christian ethos. In setting our objectives and planning our activities the Governors have given careful consideration to the Charity Commission general guidance on public benefit.

In accordance with the articles of association the charitable company has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the Academy, the catchment area from which the students are drawn and that the curriculum should comply with the substance of the national curriculum with an emphasis on design and enterprise and their practical applications.

The main objectives of Q3 Academy during the period ended 31st August 2015 are summarised below.

- To ensure that every child enjoys the same high quality of education in terms of resourcing, tuition and care.
- To raise the standard of Teaching and Learning within the Academy to be consistently good or outstanding.
- To raise the standard of educational achievement of all students to ensure good or outstanding progress.
- To improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review.
- To develop the use of the building and to widen community engagement.
- To comply with all appropriate statutory and curriculum requirements.
- To provide value for money for the funds expended.
- To develop and maintain close links with industry and commerce.
- To strive to place every student leaving the Academy in further education, higher education, training or employment.
- To conduct the Academy's business in accordance with the highest standards of integrity, probity and openness with particular emphasis on the Christian ethos.

Strategies and Activities

Q3 Academy's main strategy is encompassed in its mission statement which is "To seek what is good, to seek what is right and to seek what is true". To this end the activities that will be provided include:

- Learning tailored to the individual through a curriculum that offers personalised learning and individual learning pathways that facilitate the attainment of appropriate academic and vocational qualifications.
- An extended learning programme offering a full and exciting life beyond the compulsory hours of study. This includes sporting activity as well as other

QUAERERE ACADEMY TRUST

Year ended 31 August 2015

OBJECTIVES AND ACTIVITIES (continued)

- opportunities such as the Duke of Edinburgh award scheme, Army Cadet Force, trips to museums, the theatre and other places of interest.
- The innovative head-start programme which addresses moral, social, and cultural issues and reflection upon the meaning of our lives.
 - Secondments and placing of students with industrial and commercial partners.
 - A careers advisory service to assist students to obtain employment or move on to higher education thus ensuring zero "NEET's"
 - A bespoke 6th form course, "ASPIRE", copyrighted by the Academy that will facilitate a clear pathway for students to progress to further and higher education or into the world of work.
 - The introduction of a passport at year 7 and 12 which will ensure access to wider extra-curricular activities.
 - The introduction of an Academy ACF unit which aims to develop student's wider life skills.
 - Training opportunities for all staff, especially teaching staff.
 - The unique kick-start programme for years 7 and 8 students providing a fun and interactive start to their week.

Equal Opportunities Policy

Q3 Academy is committed to achieving the highest standards of employment and student admission practice. Equality of opportunity for all sections of the workforce and student body is an integral part of this commitment. The Academy will not tolerate less favourable treatment on ground of sex, race, colour, nationality, ethnic or national origin, part-time and fixed term contract status, disability, marital status, sexual orientation, responsibility for dependants, age (below the national retirement age), trade union or political activities, religious beliefs, spent offences or any other reason which cannot be shown to be justified.

Disability Statement

Q3 Academy seeks to achieve the objectives set down in the Disability Discrimination Act 1995 as amended by the Special Education Needs and Disability Acts 2001 and 2005.

- a) As part of its accommodation strategy the new Academy has been designed with full disability compliance in mind.
- b) The Academy provides access to specialist equipment to students and a range of assistive technology is available within the building.
- c) The admissions policy for all students is described in the Academy funding agreement. Appeals against the decision not to offer a place are dealt with by an independent appeals panel.
- d) The Academy has made a significant investment in the appointment of specialist teachers to support students with learning difficulties and/or disabilities. There are a number of student support assistants who can provide a variety of learning support. There is a continuing programme of staff development to ensure the provision of a high level of appropriate support for students who have learning difficulties and/or disabilities.

QUAERERE ACADEMY TRUST

Year ended 31 August 2015

OBJECTIVES AND ACTIVITIES (continued)

- e) Specialist programmes are described in Academy prospectuses and achievements and destinations are recorded and published in the standard Academy format.
- f) Counselling and welfare services are available to the students through the company structure and the Inclusion department.

PUBLIC BENEFIT, SUSTAINABILITY, SOCIAL AND COMMUNITY ISSUES

Public benefit

The Governors have complied with the duty in section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Charities Commission in defining the strategic direction of the Academy. The Academy does not select students for admission. Admission to Q3 Academy is currently prioritised using the following criteria.

1. Looked after children
2. Children with siblings already in the Academy
3. Proximity to the Academy.

Sustainability

Q3 Academy is committed to sustainable development throughout all aspects of its operations. The Academy will continue to strive to meet or exceed the *Sustainable Development in Government* targets.

Payment Performance

The Late Payment of Commercial Debts (interest) Act 1998 which came into force on 1 November 1998 requires academies in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods and services or the date on which the invoice was received. The target set by the Treasury for payment to suppliers within 30 days is 95%. During the accounting period 1 September 2014 to 31 August 2015, the Academy paid 91.4% of its invoices within 30 days. The Academy incurred no interest charges in respect of late payment for this period.

QUAERERE ACADEMY TRUST

Year ended 31 August 2015

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

In March 2013 Q3 Academy was inspected by a team from OFSTED, which graded the Academy as Good with Outstanding features. The Governors and the Executive have since developed an action plan to drive standards up still further with the aim of making Q3 an Outstanding Academy.

The Academy continues to achieve the forecast numbers of students in years 7 to 11. A target of 180 students to be admitted each year is in place. Applications for last year were again oversubscribed and recruitment of students for the year has seen an intake of 184.

The Academy is still developing the sixth form and as a result the maximum capacity has not yet been achieved. The Academy recruited a total of 214 students into the 6th form at the start of the year as compared with 191 in the previous year however, in the current year recruitment into the 6th form stands lower at 164 students against a target of 210. This is largely due to the more stringent application of entry criteria.

Q3 Academy continued to set challenging and stretching targets for its seventh year of operation. The target for GCSE attainment of 5A* to C including Maths and English for the academic year 2014/15 was 64% based on Fischer D estimates, and the Academy delivered 61% again placing Q3 Academy in the top three performing secondary school in the Sandwell Metropolitan Borough.

Q3 Academy also achieved a 100% success rate for all students taking A level examinations in 2015.

To ensure that standards are continually raised Q3 Academy operates a programme of observation of lessons, visits by inspectors, undertakes a comparison of results from entry to Key Stage 3 to GCSE and from GCSE to A level to assess the added value. The Academy also participates in national programmes looking at added value through the key stages. A rigorous programme of appraisal for all staff ensures high quality provision at all levels.

The Academy works tirelessly to ensure student attendance is as high as possible. Research has shown that a student's progress in education is directly linked to the amount of time they spend in lessons. This year the Academy achieved an attendance of 96.1% (2013/14: 95.9%).

The Academy continues to seek opportunities to develop the buildings and the grounds going forward to meet both its present and future needs. As the numbers increase, space within the building is already at a premium and a number of opportunities have been explored in order to increase the available capacity for teaching space. This year the governors have earmarked £600k of the brought forward balance to be used to build an additional facility on the existing site. We are currently awaiting planning approval for the proposed building.

The Academy continues to develop a number of initiatives aimed at placing it at the heart of the local community. Many charities have been supported during the year, including Macmillan Cancer Research and Children in Need raising in excess of £8,821 during the year. Community use of the building has continued to develop steadily and the regular community lunch has continued to grow with a waiting list

QUAERERE ACADEMY TRUST

Year ended 31 August 2015

ACHIEVEMENTS AND PERFORMANCE (continued)

of local residents seeking to attend.

Commercial and community use of the building has continued to grow since starting in September 2012 through a trading company that operates these services on behalf of the Trust. Income from these activities has grown from £44k to £64k over the last 12 months.

Key Performance Indicators

Q3 Academy is committed to observing the importance of performance indicators, to ensure that it continues to strive for both educational and financial excellence.

The Key performance indicators that the Academy observes and measures itself against include the following:

- OFSTED Reports
- Student Achievement
- Student Attainment
- Student Attendance
- Financial performance against budget overall and departmentally
- Staff Costs as a percentage of Funding
- Reports from the Responsible Officer
- Benchmarking against similar institutions

The Academy is also monitored through the completion of and submission to the EFA:

- The Annual Abbreviated Accounts Record
- The submission of the Annual Budget Forecast return
- The Financial Plan for the period 2014 to 2017

Going Concern

After making appropriate enquiries, the Governing Body considers 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 financial statements.

FINANCIAL REVIEW

Financial report for the period

The majority of the Academy's income is derived from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31st August 2015 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy also receives grants for fixed assets from the DfE. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), the capital grant is shown in the Statement of Financial Activities, as restricted income in the fixed asset fund. Except for assets under construction which will not depreciate until completed, the restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

QUAERERE ACADEMY TRUST

Year ended 31 August 2015

FINANCIAL REVIEW (continued)

During the year ended 31st August 2015 total expenditure of £6,900k (2014: £7,303k) was incurred including £42k relating to the pension scheme deficit. Excluding the depreciation charge, which is covered by the Restricted Fixed Asset Reserves, this expenditure was more than covered by recurrent grant funding from the DfE together with other incoming resources. The excess of income over expenditure for the year (excluding restricted fixed asset funds) was £159k.

During the year ended 31st August 2015, total capital expenditure amounted to £147k (2014: £87k).

At 31st August 2015 the net book value of fixed assets was £27,540k (2014: £28,461k) and movements in tangible fixed assets are shown in note 12 to the financial statements. The assets have been used exclusively for developing the resources to provide education and the associated support services to students in the Academy and fully underpin the objectives of Q3 Academy.

At 31st August 2015 the pension's deficit on the Local Government Pension Scheme amounted to £406k (2014: £222k). The key reasons for this change are:

- A higher assumed rate of future salary increases
- A higher assumed rate of future inflation
- A higher assumed rate of future pension increases
- Replacement of the expected return and interest costs with a single net interest cost
- The difference between employer contributions paid and the service cost over the year
- Asset returns over the year being different to the assumptions

Reserves Policy

The governors review the reserves level of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The level of reserves will be kept under review by the governors.

The governors have determined that the appropriate level of free reserves should be equivalent to 4 weeks of expenditure, approximately £450k. The reason for this is to provide sufficient working capital to enable the Academy to manage its cash flow efficiently. Thus the aim is to cover delays between spending and receipt of grants, to manage annual variations in student numbers and to provide a cushion to deal with unexpected emergencies.

In addition the Academy will seek to build up free reserves in order to contribute to develop the Academy's longer term goals and ambitions by building up seed funding for future capital projects and educational initiatives for the benefit of students of Q3 Academy.

In addition Q3 will seek to develop its wider aspirations to expand its operations to other sites.

QUAERERE ACADEMY TRUST

Year ended 31 August 2015

Reserves Policy (continued)

The Academy's current level of free reserves (total funds less the amounts held in Fixed Assets and restricted funds) is £613k.

Financial Position

The Academy held fund balances at 31st August 2015 of £28,413k (2014: £29,441k) comprising £27,800k of restricted funds (2014: £28,909k) and £613k of unrestricted general funds (2014: £532k) and a pension reserve deficit of £406k (2014: £222k).

Investment Policy

The Academy currently has no material investments.

Principal Risks and Uncertainties

The Academy has undertaken further work during the year to develop and embed the system of internal controls, including financial, operational and risk management which is designed to protect the Academy's assets and reputation.

Based on its mission, the Risk Management Group undertakes a comprehensive review of the risks to which the Academy is exposed. They identify systems and procedures, including specific preventable actions, which should mitigate any potential impact on the Academy. The internal controls are then implemented and the subsequent year's appraisal will review their effectiveness and progress against risk mitigation actions. In addition to the annual review, the Risk Management Group will also consider any risks which may arise as a result of a new area of work being undertaken by the Academy.

A risk register is maintained at the Academy level, which is reviewed by the Finance and General purposes committee at each meeting and annually by the full governors. It is reviewed more frequently as and when necessary. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the Academy and the actions being taken to reduce and mitigate the risks.

Outlined below is a description of the principal risk factors that may affect the Academy. Not all of the factors are within the Academy's control. Other factors besides those listed below may also adversely affect the Academy.

1. Government Funding

Q3 Academy has considerable reliance on continued government funding through the EFA. In 2014/15 97.3% of the Academy's funding was ultimately public funded and this level of requirement is not expected to reduce in the foreseeable future. The Academy is aware that there is no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

This risk is mitigated in a number of ways:

- Funding is derived through a number of direct and indirect contractual arrangements.
- By ensuring the Academy is rigorous in delivering high quality education for its students thereby retaining its reputation as Academy of choice for students in the area.

QUAERERE ACADEMY TRUST

Year ended 31 August 2015

Principal Risks and Uncertainties (continued)

- Considerable focus and investment is placed on maintaining and managing key relationships with the EFA.
- Through tight control of budgets and regular short, medium and long term forecasting to identify trends and to manage funding issues well before they arise.

2. Maintain adequate funding of Pension Liabilities

The financial statements report the share of the Pension Scheme Deficit on the Academy's balance sheet in line with the requirements of FRS 17.

3. Attainment and Achievement of Students

Q3 Academy is fully focused on the quality of education it delivers to its students. Historically the key measures of this are both the OFSTED report and the percentage of students achieving 5 A* - C grades at GCSE including Maths and English. However, recent changes by central government has switched the focus to a measure called "Progress 8". This is a more value added measure and has necessitated a detailed review of the curriculum provision at the Academy to ensure we continue to deliver the best educational outcomes for our students. The Academy recognises the importance of delivering results and the impact on its future if it does not.

This risk is mitigated in a number of ways

- Regular and detailed use of data to identify "at risk" students
- Developing a system of student mentoring.
- A programme of regular revision sessions and additional out of hour's provision, including targeted revision residentials.

4. Expansion Risk

Q3 Academy is seeking to expand its operations in the future to cover additional sites and additional provision and it is conscious that it will need to maintain a strong focus on the original provision and site in order to maintain and develop educational standards. With the approval of Q3 Langley now given this risk has come further into focus.

This risk is mitigated in a number of ways

- Development of a well-defined expansion plan with clear objectives and responsibilities.
- Ensuring appropriate management and delivery resources are in place when required.

5. Succession Planning

Q3 Academy recognises the need for continuity and consistency in its management in order to deliver the quality of education to the students. Senior staff will need to be replaced from time to time and it is important to ensure that such activity is structured and managed. The Academy recognised the impact of not having a clear succession plan for key staff.

This risk is mitigated in a number of ways

- Governors are developing a clear succession plan for senior staff.

QUAERERE ACADEMY TRUST

Year ended 31 August 2015

Principal Risks and Uncertainties (continued)

- Employment contracts to be written to reflect the need for appropriate handover wherever possible.
- Maintaining strong links with Universities in securing a regular flow of I.T.T. students who, if good enough, provide a ready flow of new entrants to teaching.

6. Strength of Governance

The governors recognise their duties and responsibilities and the need to ensure appropriate challenge is applied to the management of the Academy. In order to do this the governing body continue to review their composition to ensure that individuals with the right experience are attracted to the board and training sessions are held to enhance the knowledge and ability of those who sit on the governing body. In particular the governing body have attended a day training session and a governors' workshop during the last 12 months and have assessed their performance against expectations using an appropriate check list

PLANS FOR FUTURE PERIODS

Q3 Academy will continue to drive its development plan to become an Outstanding school, through a relentless focus on standards of achievement, leadership, behaviour and teaching.

Q3 Academy will continue to drive improvements both in the quality of teaching and learning and in the performance of its students at all levels. It will continue to focus pupil premium funding on improving the educational outcomes for free school meals and looked after children and it will continue its efforts to ensure its students are successful in obtaining employment, further training or a place in higher education, thus eliminating "NEET's".

Q3 Academy continues to be right at the heart of the community providing a happy safe and democratic environment where staff and students are treated with dignity and respect. It is committed to providing a personalised curriculum creating the flexibility to match all students' abilities and learning speeds.

All staff are committed to developing the 'whole child', nurturing self-esteem, with a focus on individual success and achievement. This is such an important factor in developing a love of learning that carries through into later life. The governors have further enhanced this with the articulation of a clear vision statement to "educate the whole child underpinned by traditional Christian values."

Q3 Academy will continue to offer an inclusive and attractive curriculum with potential to fire the imagination and energy of every student. In designing the curriculum, time has also been allocated to support personal, physical, spiritual and emotional development. Students are able to make their own decisions about curriculum pathways and new technologies continue to make 'anywhere, anytime' learning a reality for Q3 students. These areas are proven to be essential foundations for successful learning and were cited as "Outstanding" during the last OFSTED inspection.

QUAERERE ACADEMY TRUST

Year ended 31 August 2015

PLANS FOR FUTURE PERIODS (continued)

In pursuing these ambitions, the Academy has introduced a variety of initiatives including a room for reflection, a big brother style diary room and a teaching observation room.

Q3 Academy will continue to explore new opportunities as they arise to enhance the educational offering it makes. Q3 Academy has made an application to become a Multi Academy Trust following its successful bid to be the new educational provider for a brand new academy in Langley in Sandwell. Plans are now well advanced for the delivery of that new facility in September 2016.

In addition the Academy has launched its own Cadet Unit which opened in September 2013.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The academy trust acts as an agent in distributing bursary funds and grants from the EFA and other government bodies. Payments received and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. In some instances the trust can use a % of the allocation towards its own administration costs and this is recognised in the statement of financial activities.

PROVISION OF INFORMATION TO AUDITOR


Each person who is a Governor at the time when this Governors' report is approved has confirmed that:

- so far as that Governor is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- that the Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any information needed by the charitable company's auditor in connection with preparing its report and to establish that the charitable company's auditor is aware of that information.

Auditors

The appointment of the current auditors, Crowe Clark Whitehill LLP, will be continued in accordance with section 487(2) of the Companies Act 2006.

The report of the governors, incorporating the Strategic Report, was approved by the governors on 9th December 2015 and signed for and on their behalf by



Mr R B M Quayle
Chair of Governors

QUAERERE ACADEMY TRUST

Year ended 31 August 2015

GOVERNANCE STATEMENT

Scope of Responsibility

As governors, we acknowledge we have overall responsibility for ensuring that Quaerere 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 Principal, 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 Quaerere Academy Trust and the Secretary of State for Education. They are 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 governors' Report and in the Statement of Governors' responsibilities.

The governing body has formally met 3 times during the year in full session. Attendance during the year at meetings of the governing body was as follows:

Governor	Meetings attended	Out of a possible
Mr E Payne OBE	3	3
Mr R B M Quayle	3	3
Mr D W Pope	3	3
Dr C J S Badyal	3	3
Mrs O Amartey	3	3
Mr W Foster	1	2
Rev M C Rutter	2	3
Ms N Martin	1	3
Ms L Fulford	2	2
Mrs L Deeley	3	3
Mr S Ramshaw	1	1

The Trustees are mindful of the requirement to regularly evaluate their impact and effectiveness. As part of his remit, the Responsible Officer, who is a member of the governing body, considers the role of the Trustees and advises when and where he believes change or development would be helpful. In addition the Trustees hold an extended meeting in December, when they give consideration to the wider impact of their role within the Academy.

Over the past 12 months, the governors decided to continue to develop their self-evaluation through the following methods:

- An annual training event, the first of which was held on October 15th 2014. Subsequently it is planned that a short training matter will be placed on the agenda at each governors meeting in the year.
- Through the use of a self-evaluation tool kit provided by the Solicitors, the governing body has undertaken a detailed review of its processes and actions

QUAERERE ACADEMY TRUST

Year ended 31 August 2015

GOVERNANCE STATEMENT (continued)

arising from which will be addressed in the coming 12 months. This will be reviewed annually.

- An annual workshop. The first of these took place on July 21st and was an opportunity for governors to spend time in reviewing and agreeing specific strategic matters that warrant greater discussion than may be available at normal business meetings.

The Finance and General Purposes Committee is a sub-committee of the main governing body. As such the purpose of the Finance and General Purposes Committee is to assist in the decision making process of the Trustees and Governors, by enabling more detailed consideration to be given to the Academy's finances and resources and to make appropriate recommendations to the Trustees/Governing Body on a regular basis.

In particular the committee is responsible for considering the following

- The effectiveness of the regular management accounts and reporting of the academy
- The actual results against budget results and any mitigating actions to be recommended to the board.
- The initial review and recommendation for approval of the annual budget to the main board of governors.
- The review of the periodic forecast
- The review of the annual accounts and trustees report along with the annual audit and recommendation to the main governing body for approval.
- The review of the effectiveness of financial controls and their amendment, addition to or improvement
- The review of the management of risk
- Authorising capital expenditure up to £5000
- The detailed review of capital expenditure proposals over £5000 for onward recommendation to the board.
- Agreeing accounting policies and their implementation
- Agreeing financial reporting standards and their implementation.
- Reviewing reports of the Responsible Officer on the effectiveness of the financial procedures and controls.
- To recommend to the full Governing Body the appointment or reappointment of the auditors of the Trust.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Mr E Payne OBE (chair)	4	4
Mr R B M Quayle	4	4
Dr C J S Badyal	4	4

Review of Value for Money

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

QUAERERE ACADEMY TRUST

Year ended 31 August 2015

GOVERNANCE STATEMENT (continued)

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 board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the trust has delivered improved value for money during the year by:

- Through the use of appropriate benchmarking data the academy has undertaken a detailed review of its power usage and in particular the efficiency of its operating systems. As a result a substantial on-going saving of around 15% to 20% has been achieved. Further reviews are being undertaken.
- The online purchase request system developed by the Academy in conjunction with its system provider has been upgraded, enabling greater scrutiny of the procurement process and more flexible on line management reporting. This helps to ensure goods are tracked appropriately from request through order to delivery.
- A new pupil data system has been purchased and installed which has had an immediate impact upon the quality, quantity and flexibility of student academic data available to the academy. This has enabled greater in-depth understanding of data to be available to all staff and has reduced significantly the person hours that have been used previously in compiling this data manually.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Quaerere Academy Trust for the year ended 31 August 2015 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 on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ending 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is reviewed in detail once a year by the governing body.

The Risk and Control Framework

The Quaerere 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:

QUAERERE ACADEMY TRUST

Year ended 31 August 2015

GOVERNANCE STATEMENT (continued)

- comprehensive budgeting and monitoring systems with an annual budget and monthly financial reports which are reviewed and agreed by principal accounting officer and the governing body;
- regular reviews by the Finance and General Purposes 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 not to appoint an internal auditor. However, the governors have appointed Mr D W Pope, a Governor, as Responsible Officer ('RO'). The RO's role includes:

- giving advice on financial matters
- performing an agreed range of audit checks on the academy trust's financial and other key systems and internal controls
- reviewing the Safeguarding aspects of the Academy including the Central Safeguarding Register.

A minimum of 4 times in each academic year the RO reports to the governing body on the operation of the systems of control and on the discharge of the governing body's financial responsibilities. During the year ended 31st August 2015 the RO made recommendations regarding the management of fixed assets and the safeguarding register all of which were implemented.

Review of Effectiveness

As accounting officer, the Principal 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 Responsible Officer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the governing body on 9th December 2015 and signed on its behalf by:


Mr R B M Quayle
Chair of Governors


Dr C J S Badyal
Accounting officer

QUAERERE ACADEMY TRUST

Year ended 31 August 2015

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.

Dr C J S Badyal
Accounting Officer

QUAERERE ACADEMY TRUST

Year ended 31 August 2015

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The governors (who act as trustees for charitable activities of Quaerere Academy Trust Limited and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the governors' report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the governors to prepare financial statements for each financial year. Under company law the governors 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 governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- 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 governors 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. The governors 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 governors 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 EFA/DfE have been applied for the purposes intended.

The governors 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 governing body on 9th December 2015 and signed on its behalf by:



Mr R B M Quayle
Chair of Governors

QUAERERE ACADEMY TRUST

Year ended 31 August 2015

Independent Auditor's Report to the Members of Quaerere Academy Trust

We have audited the financial statements of Quaerere Academy Trust for the year ended 31 August 2015 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes numbered 1 to 28.

The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies' Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

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

Respective responsibilities of governors and auditor

As explained more fully in the Statement of Governors' Responsibilities, the governors (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Governors report, incorporating the Strategic Report, to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2015 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, including the Academies' Accounts Direction 2014 to 2015 issued by the Education Funding Agency; and

QUAERERE ACADEMY TRUST

Year ended 31 August 2015

- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Governors report, incorporating the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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 governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Helen Drew

Senior Statutory Auditor

For and on behalf of

Crowe Clark Whitehill LLP

Statutory Auditor

Black Country House

Rounds Green Road

Oldbury

West Midlands

B69 2DG

9th December 2015

QUAERERE ACADEMY TRUST

Year ended 31 August 2015

Independent Reporting Accountant's Assurance Report on Regularity to Quaerere Academy Trust and the Education Funding Agency

In accordance with the terms of our engagement letter dated 18 October 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies: Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether, the expenditure disbursed and income received by the Quaerere Academy Trust during the period 1 September 2014 to 31 August 2015 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 the governing body and the EFA in accordance with the terms of our engagement. Our work has been undertaken so that we might state to the Quaerere Academy Trust and the EFA 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 the governing body and the EFA, for our review work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Quaerere Academy Trust's funding agreement with the Secretary of State of Education dated 21 June 2007 and the Academies Financial Handbook, extant from 1 September 2012, 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 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA. 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 a review of the design and implementation of the Academy's internal controls and review processes on regularity, supported by detailed tests on samples of costs incurred by the academy and specific transactions identified from our review.

QUAERERE ACADEMY TRUST

Year ended 31 August 2015

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Crowe Clark Whitehill LLP

Statutory Auditor

Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG
9th December 2015

QUAERERE ACADEMY TRUST

Year ended 31 August 2015

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(Incorporating Income and Expenditure Account and Statement of Recognised Gains and Losses)

For the year ended 31st August 2015

	Notes	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2015 £000	Total 2014 £000
Incoming resources						
<i>Incoming resources from generated funds</i>						
• Voluntary Income	2	6	-	-	6	-
• Activities for generating funds	3	46	-	-	46	33
• Trading subsidiary income	23	65	-	-	65	44
• Investment Income	4	7	-	-	7	20
<i>Incoming resources from charitable activities</i>						
• Funding for the Academy's educational operations	5	90	5,777	23	5,890	6,247
Total incoming resources		<u>214</u>	<u>5,777</u>	<u>23</u>	<u>6,014</u>	<u>6,344</u>
Resources expended						
<i>Cost of generating funds</i>						
• Costs of generating voluntary income.		6	-	-	6	1
• Trading Subsidiary Costs	23	51	-	-	51	37
<i>Charitable activities</i>						
• Academy's educational operations	6	76	5,680	1,068	6,824	7,247
<i>Governance costs</i>	8	-	19	-	19	18
Total resources expended	6	<u>133</u>	<u>5,699</u>	<u>1,068</u>	<u>6,900</u>	<u>7,303</u>
Net incoming resources before transfers		81	78	(1,045)	(886)	(959)
Gross transfers between funds		-	(124)	124	-	-
Net incoming resources before other recognised gains and losses.		81	(46)	(921)	(886)	(959)
Actuarial (losses)/gains on defined benefit pensions schemes.		-	(142)	-	(142)	114
Net Movement in Funds		<u>81</u>	<u>(188)</u>	<u>(921)</u>	<u>(1,028)</u>	<u>(845)</u>
Total funds brought forward at 31 August 2014		<u>532</u>	<u>448</u>	<u>28,461</u>	<u>29,441</u>	<u>30,286</u>
Funds carried forward at 31st August 2015		<u>613</u>	<u>260</u>	<u>27,540</u>	<u>28,413</u>	<u>29,441</u>

All of the Academy's activities derived from continuing operations during the above financial period.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 35 to 52 form part of these financial statements.


QUAERERE ACADEMY TRUST

Company Number: 06221748

CONSOLIDATED BALANCE SHEET at 31st August 2015

	Notes	2015 £000	2014 £000
Fixed Assets			
Tangible Assets	12	27,540	28,461
Current Assets			
Stock	13	5	4
Debtors	14	311	261
Cash at Bank and in Hand		<u>1,492</u>	<u>1,524</u>
		<u>1,808</u>	<u>1,789</u>
Creditors: amounts falling due within one year	15	<u>529</u>	<u>587</u>
Net Current Assets		<u>1,279</u>	<u>1,202</u>
Net Assets excluding pension liability		28,819	29,663
Pension liability	21	<u>(406)</u>	<u>(222)</u>
Net Assets including pension liability		<u>28,413</u>	<u>29,441</u>
Funds			
<i>Income Funds</i>			
Restricted funds			
Restricted fixed asset funds	16	27,540	28,461
Restricted general funds	16	666	670
Pension Reserve	21	<u>(406)</u>	<u>(222)</u>
Total restricted funds		<u>27,800</u>	<u>28,909</u>
Unrestricted Funds			
General Fund		<u>613</u>	<u>532</u>
Total unrestricted funds		<u>613</u>	<u>532</u>
Total Funds		<u>28,413</u>	<u>29,441</u>

The financial statements were approved and authorised for issue by the Governors on 9th December 2015 and signed on their behalf by


Mr R B M Quayle
Chair of Governors.

The notes on pages 35 to 52 form part of these financial statements

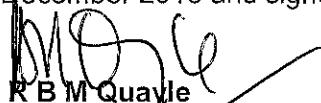
QUAERERE ACADEMY TRUST

Company Number: 06221748

PARENT BALANCE SHEET at 31st August 2015

	Notes	2015 £000	2014 £000	2014 £000
Fixed Assets				
Tangible Assets	12		27,540	28,461
Current Assets				
Stock	13	5		4
Debtors	14	349		289
Cash at Bank and in Hand		<u>1,451</u>		<u>1,495</u>
		1,805		1,788
Creditors: amounts falling due within one year	15	<u>526</u>		<u>586</u>
Net Current Assets			<u>1,279</u>	<u>1,202</u>
Net Assets excluding pension liability			28,819	29,663
Pension liability	21		<u>(406)</u>	<u>(222)</u>
Net Assets including pension liability			<u>28,413</u>	<u>29,441</u>
Funds				
<i>Income Funds</i>				
Restricted funds				
Restricted fixed asset funds	16		27,540	28,461
Restricted general funds	16		666	670
Pension Reserve	21		<u>(406)</u>	<u>(222)</u>
Total restricted funds			<u>27,800</u>	<u>28,909</u>
Unrestricted Funds				
General Fund			<u>613</u>	<u>532</u>
Total unrestricted funds			<u>613</u>	<u>532</u>
Total Funds			<u>28,413</u>	<u>29,441</u>

The financial statements were approved and authorised for issue by the Governors on 9th December 2015 and signed on their behalf by


Mr R B M Quayle
Chair of Governors.

The notes on pages 35 to 52 form part of these financial statements.

QUAERERE ACADEMY TRUST

CONSOLIDATED CASH FLOW STATEMENT For the year ended 31st August 2015

		2015 £000	2014 £000
Operating Activities			
Receipts			
Recurrent grants received from the DfE			
General Annual Grant		5,367	5,800
Other receipts from the DfE		410	366
Private sponsorship		80	92
Other receipts		101	70
		<u>5,959</u>	<u>6,328</u>
Payments			
Staff Costs		(4,294)	(4,541)
Other cash payments		<u>(1,549)</u>	<u>(1,378)</u>
		<u>(5,843)</u>	<u>(5,919)</u>
Net cash inflow from operating activities	27	<u>116</u>	<u>409</u>
Returns on investments and servicing of finance			
Interest received		7	20
Interest paid		<u>(1)</u>	<u>(1)</u>
		<u>6</u>	<u>19</u>
Capital (expenditure)/income			
Capital grants from the DfE		23	23
Capital funding received from sponsors		-	-
Proceeds from disposal of assets		-	-
Purchase of tangible fixed assets		<u>(177)</u>	<u>(50)</u>
		<u>(154)</u>	<u>(27)</u>
(Decrease)/Increase in cash		<u>(32)</u>	<u>401</u>
Reconciliation of net cash flow to movement in net funds			
(decrease)/Increase in cash		<u>(32)</u>	<u>401</u>
Change in net funds		<u>(32)</u>	<u>401</u>
Net funds at 31 st August 2014		<u>1,524</u>	<u>1,123</u>
Net funds at 31 st August 2015		<u>1,492</u>	<u>1,524</u>
Analysis of changes in net funds			
	At 31 st August 2014 £000	Cash Flows £000	At 31 st August 2015 £000
Cash at bank and in hand	<u>1,524</u>	<u>(32)</u>	<u>1,492</u>

QUAERERE ACADEMY TRUST

Year ended 31 August 2015

PRINCIPAL ACCOUNTING POLICIES

Format of financial statements

The statutory format for the financial statements as required by the Companies Act 2006 has been adapted to provide more appropriate information that complies with the Statement of Recommended Practice 'Accounting and Reporting by Charities' issued in March 2005 (Charities SORP 2005) and reflects the activities of the Academy.

Basis of Accounting

The financial statements are prepared under the historic cost convention and in accordance with the Companies Act 2006 and applicable UK accounting standards (United Kingdom Generally Accepted Accounting Practice) and the Charities SORP 2005 as well as the EFA Accounts Direction 2015.

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the Academy and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the Academy alone as permitted by section 408 of the Companies Act 2006 and paragraph 397 of the Charities SORP 2005.

The principal accounting policies of the charitable company are:

Going Concern

The governors 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 governors make this assessment in respect of a period of one year from the date of approval of the financial statements.

Incoming Resources

Grants receivable 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.

Sponsorship income provided to the Academy which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable.

Donations are included in the statement of financial activities on a cash received basis or on an accruals basis where they are assured with reasonable certainty and are receivable at the balance sheet date.

The value of donated services and gifts in kind provided to the Academy is recognised in the statement of financial activities as incoming resources and resources expended at their estimated value to the Academy in the period in which they are receivable and where the benefit is both quantifiable and measurable.

QUAERERE ACADEMY TRUST

Year ended 31 August 2015

PRINCIPAL ACCOUNTING POLICIES

Interest receivable is included within the statement of financial activities on a receivable basis.

Resources Expended

Resources expended are recognised in the period in which they are incurred. They are classified under headings that aggregate all costs relating to that activity.

In accordance with the Charities SORP 2005, expenditure is analysed between the costs of generating funds, the Academy's charitable activities and governance. Items of expenditure which require more than one cost category are apportioned on a reasonable, justifiable and consistent basis for the cost category concerned. Central staff costs are allocated on the basis of time spent on each activity and depreciation charges on the basis of the proportion of assets' use which is utilised by each activity.

Governance costs include the costs attributable to the Academy's compliance with constitutional and statutory requirements, including audit, strategic management and governors meetings and reimbursed expenses. Such costs include both direct and allocated support costs.

Fund Accounting

General funds represent those resources which may be used towards meeting any of the objects of the Academy at the discretion of the governors.

Restricted funds comprise grants from the DfE and other donors which are to be used for specific purposes.

Basis of Consolidation

The consolidated accounts incorporate the accounts of the company and undertakings under its control. These are adjusted, where appropriate, to conform to group accounting policies.

Tangible Fixed Assets

Tangible fixed assets acquired since the Academy was established are included in the accounts at cost.

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 the expected useful economic life. The related grants are credited to a restricted fixed asset fund (in the statement of financial activities and carried forward in the balance sheet). The depreciation on such assets is charged in the statement of financial activities over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Assets costing more than £1,000 and with an expected useful life exceeding one year are capitalised. All other assets are written off.

QUAERERE ACADEMY TRUST

Year ended 31 August 2015

Depreciation

Depreciation is provided on a straight line basis on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful economic lives.

The principle annual depreciation rates used for other assets are

Long Leasehold Property	2%
Plant and machinery	10%
Furniture and Equipment	5% - 10%
Computer Equipment and software	25%

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

Stock

Unused catering stores and school uniforms are valued at the lower of cost or net realisable value.

Leased assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight line basis over the lease term.

Taxation

Quaerere Academy Trust meets the definition of a charitable company for UK Corporation Tax purposes. Accordingly the Academy is potentially exempt from taxation in respect of income or capital gains to the extent that such income or gains are applied exclusively to charitable purposes.

Pensions

The Charitable Company participates in two pension schemes providing benefits based on final pensionable pay. More details of the schemes are given in note 20.

Teachers' Pension Scheme

Teaching staff employed under a contract of service are eligible to contribute to the Teachers' Pension Scheme (TPS). As the Charitable Company is unable to identify its share of the underlying (notional) assets and liabilities of the scheme, it has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The pension costs for the scheme represent the contributions payable by the Charitable Company in the year.

Local Government Pension Scheme

Non-teaching members of staff are offered membership of the Local Government Pension Scheme (LGPS). The LGPS is a defined benefit scheme and is able to identify the Charitable Company's share of assets and liabilities and the requirements of FRS 17, Retirement Benefits, have been followed.

Recognition of liabilities

Liabilities are recognised when either a constructive or legal obligation exists.

QUAERERE ACADEMY TRUST

Year ended 31 August 2015

Agency arrangements

The academy trust acts as an agent in distributing bursary funds and grants from the EFA and other government bodies. Payments received and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. In some instances the trust can use a % of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 28.

QUAERERE ACADEMY TRUST

Year ended 31 August 2015

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL ANNUAL GRANT (GAG)

Under the funding agreement with the Secretary of State the academy trust was subject to limits at 31 August 2015 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The academy trust has not exceeded these limits during the year ended 31 August 2015.

2. VOLUNTARY INCOME	Unrestricted £000	Restricted £000	2015 £000	2014 £000
Other donations	6	-	6	-
Gift aid	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>6</u>	<u>-</u>	<u>6</u>	<u>-</u>
3. ACTIVITIES FOR GENERATING FUNDS	Unrestricted £000	Restricted £000	2015 £000	2014 £000
Shop Sales	-	-	-	-
Other Income	<u>46</u>	<u>-</u>	<u>46</u>	<u>33</u>
	<u>46</u>	<u>-</u>	<u>46</u>	<u>33</u>
4. INVESTMENT INCOME			2015 £000	2014 £000
Bank Interest	<u>7</u>	<u>-</u>	<u>7</u>	<u>20</u>

QUAERERE ACADEMY TRUST
Year ended 31 August 2015

NOTES TO THE FINANCIAL STATEMENTS

5. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Un- restricted	Restricted	2015 £000	2014 £000
Department for Education grants				
General Annual Grant	-	5,367	5,367	5,742
Pupil Premium	-	202	202	194
Other DfE Grants (excluding capital)	-	86	86	137
Devolved Formula Capital	-	23	23	23
Other Government Grants	-	122	122	58
School Fund	90	-	90	93
Capital Grant	-	-	-	-
	<u>90</u>	<u>5,800</u>	<u>5,890</u>	<u>6,247</u>

	Staff Costs £000	Deprec -iation £000	Other Costs £000	Total 2015 £000	Total 2014 £000
6. RESOURCES EXPENDED					
Costs of generating voluntary income	32	-	25	57	38
Academy's educational operations					
Direct Costs	3,233	115	412	3,760	3,955
Allocated Support Costs	<u>984</u>	<u>953</u>	<u>1,127</u>	<u>3,064</u>	<u>3,292</u>
	<u>4,217</u>	<u>1,068</u>	<u>1,543</u>	<u>6,824</u>	<u>7,247</u>
Governance costs including allocated support costs	<u>-</u>	<u>-</u>	<u>19</u>	<u>19</u>	<u>18</u>
	<u>4,249</u>	<u>1,068</u>	<u>1,578</u>	<u>6,900</u>	<u>7,303</u>

The method used for the apportionment of support costs is disclosed in the accounting policies on page 32.

Included within resources expended are the following transactions. Individual transactions exceeding £5,000 are identified separately:

	Total £	Individual Items Amount	above £5000 Reason
Non-contractual bonuses paid	£18,752	£18,752	Staff attendance bonuses

QUAERERE ACADEMY TRUST
Year ended 31 August 2015

NOTES TO THE FINANCIAL STATEMENTS

7. CHARITABLE ACTIVITIES – ACADEMY'S EDUCATIONAL OPERATION

	Unrestricted £000	Restricted £000	2015 £000	2014 £000
<i>DIRECT COSTS</i>				
Teaching and educational support staff costs	-	3,240	3,240	3,423
Depreciation	-	115	115	111
Books apparatus and stationery	-	97	97	142
Examination fees	-	97	97	88
Staff development	-	31	31	38
Other direct costs	-	179	179	153
	<u>-</u>	<u>3,760</u>	<u>3,760</u>	<u>3,955</u>
<i>ALLOCATED SUPPORT COSTS</i>				
Support staff costs	-	1,056	1,056	1,051
Depreciation	-	953	953	1,123
Pupil recruitment and support	-	53	53	66
Maintenance of premises and equipment	-	109	109	106
Cleaning	-	118	118	115
Rent and rates	-	58	58	57
Heat, light and water	-	200	200	201
Insurance	-	46	46	52
Security	-	22	22	23
Transport	-	3	3	13
Catering	-	58	58	65
Technology costs	-	129	129	136
Bank Interest and charges	-	1	1	2
Other support costs	<u>76</u>	<u>182</u>	<u>258</u>	<u>282</u>
	<u>76</u>	<u>2,988</u>	<u>3,064</u>	<u>3,292</u>
	<u>76</u>	<u>6,748</u>	<u>6,824</u>	<u>7,247</u>
			2015 £000	2014 £000

8. GOVERNANCE COSTS

Legal and professional fees	4	4
Audit and accountancy fees	13	13
Governors reimbursed expenses	<u>2</u>	<u>1</u>
	<u>19</u>	<u>18</u>

QUAERERE ACADEMY TRUST
Year ended 31 August 2015

NOTES TO THE FINANCIAL STATEMENTS

9. STAFF COSTS

The average number of persons (including senior management team) employed by the Academy during the year ended 31st August 2015 expressed as full time equivalents was as follows.

	2015	2014
	Number	Number
<i>Charitable Activities</i>		
Teachers	68	75
Administration and Support	50	51
Management	3	3
	<u>121</u>	<u>129</u>

	2015	2014
	£000	£000
<i>Staff costs comprise</i>		
Wages and Salaries	3,367	3,484
Social security costs	252	258
Other pension costs	454	436
	<u>4,073</u>	<u>4,178</u>
Supply Teacher Costs	176	155
Compensation Payments	-	22
Redundancy	-	-
	<u>4,249</u>	<u>4,355</u>

Staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £nil (2014: £22,000).

Three employees (2014: Four employees) earned more than £60,000 per annum (including taxable benefits but excluding employers' pension contributions) during the year ended 31st August 2015. The total emoluments of these employees were in the following ranges.

	2015	2014
	Number	Number
£60,001 - £70,000	-	1
£70,001 - £80,000	1	1
£80,001 - £90,000	1	1
£120,001 - £130,000	<u>1</u>	<u>1</u>

QUAERERE ACADEMY TRUST **Year ended 31 August 2015**

NOTES TO THE FINANCIAL STATEMENTS

Two of the above employees earning more than £60,000 per annum participated in the Teachers' Pension Scheme (2014: Three employees). During the year ended 31st August 2015, pension contributions for these staff amounted to £29,324 (2014: £37,945). The other employee participated in the Local Government Pension Scheme, pension contributions amounted to £8,776 (2014: £7,792).

10. GOVERNORS' REMUNERATION AND EXPENSES

The principal and staff governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as governors. Other governors did not receive any payments, other than expenses, from the Academy in respect of their role as governors. The value of trustees' remuneration including pension's contributions was as follows:

Dr C J S Badyal (Principal)		
Remuneration	£120,000 – £125,000 (2014: £120,000 - £125,000)	
Pension Contributions	£15,000 - £20,000 (2014: £15,000 - £20,000)	

During the year ended 31st August 2015, travel and subsistence expenses totalling £2,052 (2014: £1,819) were reimbursed to 3 governors.

11. SURPLUS FOR THE FINANCIAL PERIOD

	2015	2014
	£000	£000
Surplus for the financial period is stated after charging:		
Depreciation	1,068	1,234
Profit/(Loss) on disposal of fixed assets	-	-
Operating leases	59	72
Auditors remuneration for audit services	<u>13</u>	<u>13</u>

QUAERERE ACADEMY TRUST
Year ended 31 August 2015

NOTES TO THE FINANCIAL STATEMENTS

12. TANGIBLE FIXED ASSETS

The following fixed asset table represents both the group and parent position as at 31st August 2015

Group and Parent Cost	Furniture & equipment £000	Computer equipment & software £000	Long leasehold Buildings £000	Total £000
At 1 September 2014	1,871	2,015	28,984	32,870
Additions	30	92	25	147
Disposals	-	-	-	-
At 31 August 2015	<u>1,901</u>	<u>2,107</u>	<u>29,009</u>	<u>33,017</u>
Depreciation				
At 1 September 2014	730	1,662	2,017	4,409
Charged in year	190	298	580	1,068
Disposals	-	-	-	-
At 31 August 2015	<u>920</u>	<u>1,960</u>	<u>2,597</u>	<u>5,477</u>
Net book values				
At 31 August 2015	<u>981</u>	<u>147</u>	<u>26,412</u>	<u>27,540</u>
At 31 August 2014	<u>1,141</u>	<u>353</u>	<u>26,967</u>	<u>28,461</u>

The above net book value at 31st August 2015 represents fixed assets used for:

	Furniture & equipment £000	Computer equipment & software £000	Long leasehold buildings £000	2015 Total £000	2014 Total £000
Educational provision	981	147	26,412	27,540	28,461
Support Services	-	-	-	-	-
	<u>981</u>	<u>147</u>	<u>26,412</u>	<u>27,540</u>	<u>28,461</u>

Source of funding for assets acquired (cumulative to date)

	2015 £000	2014 £000
DfE grants	31,000	30,853
Sponsorship	<u>2,017</u>	<u>2,017</u>
Cost of fixed assets at 31st August 2015	33,017	32,870
Less: Accumulated depreciation	<u>(5,477)</u>	<u>(4,409)</u>
Net book value of fixed assets at 31st August 2015	<u>27,540</u>	<u>28,461</u>

QUAERERE ACADEMY TRUST

Year ended 31 August 2015

NOTES TO THE FINANCIAL STATEMENTS

12. TANGIBLE FIXED ASSETS (Continued)

The Academy has been granted a 125 year lease in respect of the land and buildings. It is therefore considered that the building will be held by the Academy for substantially the majority of its useful life and that substantially all the risks and rewards of ownership have been transferred to the Academy. On this basis the new Academy building has been brought into the financial statements at the cost suffered.

The land for the Academy building has been valued at a nominal £1 taking into account the restrictions on the use of the land by the Trust.

13. STOCK

	Group		Parent	
	2015	2014	2015	2014
	£000	£000	£000	£000
Catering Stock	5	4	5	4
Uniforms	-	-	-	-
	<u>5</u>	<u>4</u>	<u>5</u>	<u>4</u>

14. DEBTORS

	Group		Parent	
	2015	2014	2015	2014
	£000	£000	£000	£000
Trade Debtors	19	9	-	-
Prepayments	171	140	171	140
Accrued Income	2	24	16	24
VAT recoverable	119	88	119	88
Sundry Debtor	-	-	-	-
Amounts Due to subsidiary	-	-	43	37
	<u>311</u>	<u>261</u>	<u>349</u>	<u>289</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Parent	
	2015	2014	2015	2014
	£000	£000	£000	£000
Trade Creditors	228	226	226	226
Taxation and Social Security	126	141	126	141
Other Creditors	37	47	37	47
Accruals and deferred Income	138	173	137	172
	<u>529</u>	<u>587</u>	<u>526</u>	<u>586</u>

QUAERERE ACADEMY TRUST

Year ended 31 August 2015

NOTES TO THE FINANCIAL STATEMENTS

Deferred Income - Group	2015	2014
	£000	£000
Deferred Income at September 1 st 2014	19	-
Resources deferred during the year	55	19
Amounts released from previous years	(19)	-
Deferred Income at August 31 st 2015	<u>55</u>	<u>19</u>

At the balance sheet date the Academy Trust was holding funds in advance relating to a double count of SEN income of £19k to be recovered in the next academic year and £34k of school fund income relating to trips taking place after 31 August 2015.

16. FUNDS – GROUP AND PARENT

	Balance at 31 st August 2014 £000	Incoming Resources £000	Resources expended £000	Transfers And Other Gains/(Losses) £000	Balance at 31 st August 2015 £000
Restricted General Funds					
General Annual Grant	670	5,367	(5,247)	(124)	666
Other DfE Grants	-	410	(410)		
Pension reserve	<u>(222)</u>	<u>-</u>	<u>(42)</u>	<u>(142)</u>	<u>(406)</u>
Total Restricted General Funds	<u>448</u>	<u>5,777</u>	<u>(5,699)</u>	<u>(266)</u>	<u>260</u>
Restricted Fixed Asset Funds					
DfE Grants	26,281	23	(1,045)	-	25,259
Capital Expenditure from GAG	163	-	(23)	124	264
Private Sector Capital Sponsorship	<u>2,017</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,017</u>
Total Restricted Fixed Asset Funds	<u>28,461</u>	<u>23</u>	<u>(1,068)</u>	<u>124</u>	<u>27,540</u>
Total restricted funds	<u>28,909</u>	<u>5,800</u>	<u>(6,767)</u>	<u>(142)</u>	<u>27,800</u>
Unrestricted Funds					
Unrestricted Funds	<u>532</u>	<u>149</u>	<u>(82)</u>	<u>14</u>	<u>613</u>
Trading subsidiary Activity	<u>-</u>	<u>65</u>	<u>(51)</u>	<u>(14)</u>	<u>-</u>
Total unrestricted Funds	<u>532</u>	<u>214</u>	<u>(133)</u>	<u>-</u>	<u>613</u>
Total Funds	<u>29,441</u>	<u>6,014</u>	<u>(6,900)</u>	<u>(142)</u>	<u>28,413</u>

QUAERERE ACADEMY TRUST

Year ended 31 August 2015

NOTES TO THE FINANCIAL STATEMENTS

Notes

- Under the funding agreement with the Secretary of State, the academy trust was subject to a limit on the amount of GAG that it could carry forward at 31 August 2015. Note 1 discloses whether the limit was exceeded.
- Restricted fixed assets were funded by government grants or sponsors.
- The transfer between the Restricted General Annual Grant and Restricted Fixed Asset funds relates to the amounts expended on fixed assets from other funds and the gains/losses relate to the movement in the pensions reserve.

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	2015 Total £000	2014 Total £000
Tangible fixed assets	-	-	27,540	27,540	28,461
Current assets	615	1,193	-	1,808	1,789
Current liabilities	(2)	(527)	-	(529)	(587)
Pension liability	-	(406)	-	(406)	(222)
	<u>613</u>	<u>260</u>	<u>27,540</u>	<u>28,413</u>	<u>29,441</u>

18. CAPITAL COMMITMENTS

	2015 £000	2014 £000
Contracted for but not provided in the financial statements	<u>25</u>	<u>40</u>
Authorised but not contracted for	<u>600</u>	<u>-</u>

19. OPERATING LEASES

At 31 August 2015 the academy trust had annual commitments under non-cancellable operating leases as follows:-

	2015 £000	2014 £000
Land and buildings		
Expiring within one year	-	-
Expiring within two and five years inclusive	-	-
Expiring in over five years	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

QUAERERE ACADEMY TRUST

Year ended 31 August 2015

NOTES TO THE FINANCIAL STATEMENTS

	2015 £000	2014 £000
Other		
Expiring within one year	26	33
Expiring within two and five years inclusive	8	30
Expiring in over five years	-	-
	<u>34</u>	<u>63</u>

20. CONTINGENT LIABILITIES

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

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

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

21. PENSION COMMITMENTS - GROUP AND PARENT

The group's employees belong to two principal pension schemes: The Teachers' Pension Scheme for England and Wales for academic and related staff; and the Local Government Pension Scheme for non-teaching staff, which is managed by West Midlands Pension Fund. Both are defined benefits schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

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

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

QUAERERE ACADEMY TRUST

Year ended 31 August 2015

NOTES TO THE FINANCIAL STATEMENTS

21. PENSION COMMITMENTS (Continued)

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The Teachers' Pensions Regulations require an annual account to be kept of receipts and expenditure (including the cost of pensions' 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.

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019

The pension costs paid to TPS in the period amounted to £480k (2014: £500k).

QUAERERE ACADEMY TRUST

Year ended 31 August 2015

NOTES TO THE FINANCIAL STATEMENTS

21. PENSION COMMITMENTS (Continued)

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme ("LGPS")

The support staff are members of the LGPS providing benefits based on final pensionable pay, contributions being charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the Charitable Company.

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.

The contribution made for the year ended 31 August 2015 was £141k (2014: £142k), of which employer's contributions totalled £95k and employee contributions totalled £46k. The agreed contribution rate for future years are 12.2% for employers and between 5.5% and 12.5% for employees.

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

The amounts recognised in the balance sheet are as follows:

	2015	2014
	£000	£000
Present value of funded obligations	(2,335)	(1,939)
Fair value of plan assets	1,929	1,717
Deficit	<u>(406)</u>	<u>(222)</u>
Amounts recognised as:		
Liabilities	(406)	(222)
Assets	-	-
Net amount recognised	<u>(406)</u>	<u>(222)</u>

QUAERERE ACADEMY TRUST
Year ended 31 August 2015

NOTES TO THE FINANCIAL STATEMENTS

21. PENSION COMMITMENTS (Continued)

Changes in the present value of the defined benefit obligation are as follows:

	2015	2014
	£000	£000
Opening defined benefit obligation	1,939	1,717
Current service cost	161	131
Interest cost	81	86
Member contributions	46	45
Benefits paid	(10)	-
Actuarial (gains)/losses	118	(40)
Benefit obligation at end of year	<u>2,335</u>	<u>1,939</u>

Changes in the fair value of the scheme assets are as follows:

	2015	2014
	£000	£000
Opening fair value of scheme assets	1,717	1,414
Expected return on scheme assets	105	87
Actuarial gains/ (losses)	(24)	74
Employer contributions	95	97
Member contributions	46	45
Benefits paid	(10)	-
Fair value of scheme assets at end of year	<u>1,929</u>	<u>1,717</u>

The amounts included within the Statement of Financial Activities are as follows:

	2015	2014
	£000	£000
Current service cost	161	131
Interest cost	81	86
Expected return on plan assets	(105)	(87)
Effects of prior years	-	-
Total amount charged within net incoming resources	<u>137</u>	<u>130</u>
Actuarial (gains)/losses	<u>(142)</u>	<u>(114)</u>
Total amount charged to the Statement of Financial Activities	<u>(5)</u>	<u>16</u>

The cumulative total recognised actuarial gains figure is £309k (2014: £451k.)

QUAERERE ACADEMY TRUST
Year ended 31 August 2015

NOTES TO THE FINANCIAL STATEMENTS

21. PENSION COMMITMENTS (Continued)

The weighted- average asset allocation at the year end was as follows:

<u>Asset category</u>	Expected rate of return	Plan assets at 31/08/2014 £000	Expected rate of return	Plan assets at 31/08/2014 £000
Equities	6.50%	1,154	7.00%	772
Government bonds	2.50%	143	2.90%	136
Other bonds	3.60%	195	3.80%	177
Property	6.10%	164	6.20%	149
Cash/liquidity	0.50%	96	0.50%	76
Other	6.50%	177	7.00%	407
Expenses Deduction		-	0.11%	-
		<u>1,929</u>	<u>5.88%</u>	<u>1,717</u>

To develop the expected long term rate of return on assets assumption, the employer considered the current level of expected returns on risk free investments (primarily government bonds), the historical level of the risk premium associated with the other asset classes in which the portfolio is invested and the expectations for the future returns of each asset class. The expected return for each asset class was then weighted based on the asset allocation to develop the expected long term rate of return on assets assumption for the portfolio. This resulted in the selection of the following assumptions.

	2015	2014
	£000	£000
The actual return on the scheme assets in the year	<u>81</u>	<u>158</u>

Weighted average assumptions used to determine benefit obligations at the year end.

	2015	2014
Discount rate	4.00%	4.00%
Rate of compensation increase	4.15%	3.95%
Rate of pension increase	2.40%	2.20%
Inflation assumption	2.40%	2.20%

QUAERERE ACADEMY TRUST
Year ended 31 August 2015

NOTES TO THE FINANCIAL STATEMENTS

21. PENSION COMMITMENTS (Continued)

Life expectancies from age 65:

	2015	2014
Retiring today		
Males	23.0	22.9
Females	25.2	25.5
Retiring in 20 years		
Males	25.6	25.1
Females	28.0	27.8

History	Financial year ending in 2015 £000	Financial year ending in 2014 £000	Financial year ending in 2013 £000	Financial year ending in 2012 £000	Financial year ending in 2011 £000
Benefit obligation at end of year	(2,335)	(1,939)	(1,717)	(1,497)	(1,245)
Fair value of plan assets at end of year	1,929	1,717	1,414	1,191	1,003
Surplus/ (deficit)	(406)	(222)	(303)	(306)	(242)
	2015	2014	2013	2012	2011
Difference between expected and actual return on scheme assets:					
Amount (£000)	(24)	74	55	7	23
Percentage of scheme assets	(1.2%)	4.3%	3.9%	0.6%	2.2%
Experience gains and losses on scheme liabilities:					
Amount (£000)	-	258	55	8	75
Percentage of scheme liabilities	-	13.3%	3.2%	0.5%	6.0%
Total amount recognised in statement of total recognised gains and losses					
Amount (£000)	(142)	114	55	(11)	293
Percentage of scheme liabilities	(6.1%)	5.9%	3.2%	(0.7%)	23.5%

Contributions

The employer expects to contribute £99k in the year to 31 August 2016.

QUAERERE ACADEMY TRUST

Year ended 31 August 2015

NOTES TO THE FINANCIAL STATEMENTS

22. RELATED PARTIES

Mr E Payne OBE and Mr R B M Quayle are both trustees of the Grace Charitable Trust which provided sponsorship of £Nil (2014: £Nil) to the Charitable Company in the year.

Mr Simon Ramshaw a partner in the law firm Anthony Collins provides his time free of charge as a Governor and the Academy consider him a valuable recruit to the Board. Another partner of Anthony Collins Solicitors manages the services provided by the firm to avoid any conflict of interest. The appointment has been made in full compliance with both the Academies Financial Handbook and the legal constitution of Q3. The Academy purchased services totalling £4,450 (2014: £Nil) during the year. The amount still outstanding at year end was £Nil (2014: £Nil).

Quaerere Academy Trading Limited – a wholly owned subsidiary company of Quaerere Academy Trust. All transactions are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures.

Transactions totalling £43,359 (2014: £29,683), relating to the salary and occupancy costs incurred on behalf of the lettings business were recharged to Quaerere Academy Trading Limited by the Trust during the year. There was an outstanding balance due to the Trust at 31 August 2015 of £43,359 (2014: £37,499).

23. SUBSIDIARY UNDERTAKINGS

Name	Share Capital	Holding
Quaerere Academy Trading Company Limited	1 £1 ordinary share	100%

The subsidiary commenced trading in the year to 31 August 2014 and participates on trading activities relating to the school. Its taxable profits are donated to the Academy. A summary of the subsidiary's results is shown below:

Profit and loss account	2015 £	2014 £
Turnover	64,196	43,585
Cost of sales	<u>(7,944)</u>	<u>(5,217)</u>
Gross Profit	56,252	38,368
Administrative expenses	<u>(42,588)</u>	<u>(31,908)</u>
Operating Profit	13,664	6,460
Interest receivable	<u>47</u>	<u>20</u>
Profit Before Tax	13,711	6,480
Gift aid donation	<u>(13,711)</u>	<u>(6,480)</u>
Retained in subsidiary	<u>-</u>	<u>-</u>

QUAERERE ACADEMY TRUST

Year ended 31 August 2015

NOTES TO THE FINANCIAL STATEMENTS

23. SUBSIDIARY UNDERTAKINGS (Continued)

The net assets of Quaerere Academy Trading Company Limited at 31 august 2015 amounted to £1 (2014: £1).

24. MEMBERS LIABILITIES

Every member of the charitable company undertakes to contribute such amount as may be required (such amount not exceeding £10) to the assets of the company in the event of it being wound up while he or she is a member or within one year after he or she ceases to be a member, for the payment of the Trusts debts and liabilities before he or she ceases to be a member and of the costs charges and expenses of winding up and for the adjustment of the rights of contributories amongst themselves.

25. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000k on any one claim and the cost for the year ended 31 August 2015 was £1,260 (2014: £1,260).

26. CONTROLLING PARTY

The members of the Academy are nominated by the Grace Charitable Trust and the members then appoint the governors.

However, the results of the Academy are not consolidated within the financial statements of the Grace Charitable Trust as the Trust does not have significant influence over its finances which are mainly provided under contracts with the DfE.

QUAERERE ACADEMY TRUST
Year ended 31 August 2015

NOTES TO THE FINANCIAL STATEMENTS

27. RECONCILIATION OF NET SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2015	2014
	£000	£000
(Deficit)/surplus on continuing operations after depreciation of assets at valuation	(886)	(959)
Depreciation (note 12)	1,068	1,234
Capital grants from DfE and other capital income	(23)	(23)
Interest receivable (note 4)	(7)	(20)
FRS 17 pension cost less contributions payable (note 21)	66	34
FRS 17 pension finance income (note 21)	(24)	(1)
Decrease/(Increase) in stocks	(1)	7
Decrease/(Increase) in debtors	(66)	35
Increase/(decrease) in creditors	<u>(11)</u>	<u>102</u>
Net cash inflow from operating activities	<u>116</u>	<u>409</u>

28. FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS'

The academy distributes bursary funds to students as an agent for the EFA. In the accounting period ending 31 August 2015 the trust received £18k (2014: £20k) and disbursed (£1k) from the fund (2014: £10k). An amount of £29k is included in other creditors relating to undistributed funds.

QUAERERE ACADEMY TRUST
Year ended 31 August 2015

DETAILED INCOME AND EXPENDITURE ACCOUNT

This page does not form part of the statutory financial statements.

Income	2015 £000	2014 £000
GENERAL ANNUAL GRANT	<u>5,367</u>	<u>5,800</u>
DfE CAPITAL GRANTS	<u>23</u>	<u>23</u>
OTHER DfE GRANTS		
Mainstreamed Grants		
Standards Fund		
Other DfE	<u>410</u>	<u>331</u>
	<u>410</u>	<u>331</u>
SCHOOL FUND	<u>90</u>	<u>93</u>
VOLUNTARY INCOME		
CCF	6	-
Gift Aid donations	-	-
	<u>6</u>	<u>-</u>
PRIVATE SECTOR SPONSORSHIP		
Fixed Asset funding	-	-
	<u>-</u>	<u>-</u>
OTHER INCOME		
Hire of Facilities	65	44
Interest Receivable	7	20
Sundry Income	<u>46</u>	<u>33</u>
	<u>118</u>	<u>97</u>
TOTAL INCOME	<u>6,014</u>	<u>6,344</u>

QUAERERE ACADEMY TRUST
Year ended 31 August 2015

Expenditure	2015	2014
	£000	£000
GENERAL ANNUAL GRANT EXPENDITURE		
Staff Costs		
Teaching	2,887	3,016
Educational Support	130	82
IT	139	134
Premises	156	156
Admin and Clerical	470	549
Other	133	135
Total GAG staff costs	<u>3,915</u>	<u>4,072</u>
Maintenance of Premises		
Building maintenance	70	68
Ground maintenance	40	38
	<u>110</u>	<u>106</u>
Other Occupancy Costs		
Cleaning	118	115
Water	11	10
Refuse Collection	9	8
Fuel	188	191
Rates	58	57
Insurance	46	52
Security	22	23
Health and Safety	6	9
Other	168	186
	<u>626</u>	<u>651</u>
Educational Supplies and Services		
Books and Equipment	83	86
Stationery and Materials	5	5
Photocopying	21	15
Transport	16	13
Examination Fees	97	88
Other	169	190
	<u>391</u>	<u>397</u>
Other Supplies and Services		
Catering	28	35
Legal and Professional Fees	2	9
Auditors Remuneration	13	13
HR services	25	11
Pupil recruitment	22	19
Pupil support	30	48
Other	-	-
	<u>120</u>	<u>135</u>

QUAERERE ACADEMY TRUST
Year ended 31 August 2015

	2015	2014
	£000	£000
Technology Costs (not capitalised)		
Software	55	33
Consumables	74	103
	<u>129</u>	<u>136</u>
 TOTAL GAG EXPENDITURE	 <u>5,291</u>	 <u>5,497</u>
 OTHER DfE GRANT RELATED EXPENDITURE		
Staff costs	347	406
Educational Supplies	-	-
Technology Costs	-	-
Legal and professional	-	-
Staff Development	-	-
Transport Costs	-	-
Other costs	-	-
	<u>347</u>	<u>406</u>
 OTHER EXPENDITURE		
Staff costs	36	25
Educational Supplies	5	7
Occupancy Costs	28	14
Bank Interest	1	1
School fund	76	86
Other	6	-
	<u>152</u>	<u>133</u>
 DEPRECIATION	 <u>1,068</u>	 <u>1,234</u>
 TOTAL EXPENDITURE	 <u>6,858</u>	 <u>7,270</u>
 SURPLUS FOR THE YEAR PRE FRS 17	 (844)	 (926)
 FRS17 Expense	 <u>(42)</u>	 <u>(33)</u>
 NET SURPLUS FOR THE YEAR	 <u>(886)</u>	 <u>(959)</u>