

Registered number: 06221748 (England & Wales)

QUAERERE ACADEMIES TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

QUAERERE ACADEMIES TRUST
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016**

Members

Mr E Payne (OBE)
Mrs G Payne (Deceased)
R B M Quayle
Mr M Mitchell
Mr S Ramshaw (resigned 16 August 2016)
Mr R A Wright (appointed 13 July 2016)

Trustees

Mr E Payne (OBE)¹
R B M Quayle, Chairman
Mr D W Pope
Dr C J S Badyal, Principal and Accounting Officer
Ms O Amartey
Rev M C Rutter (resigned 6 September 2016)
Mrs N Martin (resigned 13 July 2016)
Mr S Ramshaw (resigned 16 August 2016)
Mrs L Deeley (resigned 31 August 2016)
Mr W Foster¹
Mr P Linton (resigned 13 July 2016)
Mr R A Wright (appointed 13 July 2016)¹

¹ Audit, (Previously Finance and General Purpose Committee)

Company registered number

06221748

Company name

The Quaerere Academies Trust

Principal and registered office

Wilderness Lane
Great Barr
Birmingham
West Midlands
B43 7SD

Company secretary

Mr G L Hargreaves

Executive group

Dr C J S Badyal
Mr P Lee
Mr M Arnull
Mr G L Hargreaves

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Advisers (continued)

Independent auditor

Crowe Clark Whitehill LLP
Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Bankers

Co-Operative Bank PLC
PO Box 101
1 Balloon Street
Manchester
M60 4EP

Solicitors

Anthony Collins Solicitors LLP
134 Edmund Street
Birmingham
B3 2ES

QUAERERE ACADEMIES TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

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 period 1st September 2015 to 31st August 2016. The annual report serves the purposes of both a trustees' report and a directors report under company law.

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 1200 and had a roll of 1077 in the school census on 21st January 2016

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

Quaerere Academies Trust (QAT) is a company limited by guarantee, incorporated on April 23rd 2007, with no share capital (registration no. 06221748). With effect from 1st August 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 QAT.

With effect from 1st August 2016 the Trust became a Multi Academy Trust (MAT) and changed its name to Quaerere Academies Trust (QAT). The articles were changed with the approval of the DfE to reflect that change and the transformation to a MAT reflects the opening of a new Academy, Q3 Langley, in addition to the existing Q3 Great Barr, on 1st September 2016.

Trustees of the charitable company are either nominated by the principle sponsor of QAT or appointed in accordance with the articles of association. The articles of association require members of the charitable company to appoint not less than 3 trustees to be responsible for the statutory and constitutional affairs of the charitable company and the management of QAT.

During the year, QAT was sorry to lose the services of a number of members and trustees. Mrs Grace Payne who shared her husband's vision for QAT and was co-sponsor with him, sadly died in December after a long battle with ill health. Mr Simon Ramshaw resigned in July. Mrs Nicola Martin, a parent Governor resigned due to ill health and Mrs Linda Deeley resigned due to pressure of work. Mr Linton ceased to be a trustee due to a move abroad.

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.

Trustees

The Trustees 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 Trustee shall be 4 years, save that this time limit shall not apply to the Chief Executive or Heads of School. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be reappointed or re-elected.

The Trustees, who were in office at 31st August 2016 and served throughout the year, except where shown, are listed in page 1.

During the year under review the Board of Trustees held three meetings. The training and induction provided for new Trustees will depend on their existing experience. Where necessary induction will provide training on charity, educational, legal and financial matters. All new Trustees will be given a tour of the Academies and the chance to meet staff and students. All Trustees are provided with copies of policies, procedures, minutes,

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

accounts, budgets, plans and other documents, including relevant external literature that they will need to undertake their role as Trustees. Induction tends to be done informally and is tailored specifically to the needs of the individual. An on-going programme of updates to Trustees is provided as required at the meetings along with training to keep Trustees abreast of educational developments.

Trustees Indemnities

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

Organisational Structure

QAT has established a unified management structure to enable its efficient running. The structure consists of 4 levels: the Trustees, the Local Board of Governors (LGB) of each Academy the Executive and the Senior Leadership Groups. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

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

The LGBs have been given delegated responsibility for the performance of their particular Academy, in terms of the quality of teaching and learning and outcomes for students, although ultimate responsibility remains with the Trustees.

The executive group is made up of the Chief Executive, the two Heads of School and the Group Finance Director. These managers manage QAT at an executive level, implementing the policies laid down by the Trustees and reporting back to the Trust Board and the LGB as required. As a group, the senior managers are responsible for the authorisation of spending within agreed budgets. The appointment of a senior staff member can be made by a trustee and/or a local Governor, although only a Trustee can appoint a member of the executive team.

The senior leadership group in each academy is responsible for the day to day operation of the respective academy within QAT, in particular organising the teaching staff, facilities and students.

Arrangements for setting pay and remuneration of key management personnel

Working in the academy sector QAT believes that it is important to be transparent about pay levels of its key management personnel and how those salaries are set. Our salaries are benchmarked against similar roles in the academy sector although flexibility is applied to take into consideration the specific requirements for each post and ensure we can recruit and retain the best people for the role with both the skills required and the passion for the service.

Connected Organisations

Mr Eric Payne, through the Grace Charitable Trust, is the sponsor of QAT.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

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 Trustees 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 QAT during the period ended 31st August 2016 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

QAT'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 opportunities such as the Duke of Edinburgh award scheme, Army Cadet Force, trips to museums, the theatre and other places of interest.
- The recently developed innovative ASPIRE 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.
- A bespoke curriculum "HORIZON" for students at Key Stage 3.
- The passport at Year 7 and 12 which will ensure access to wider extra-curricular activities.
- Training opportunities for all staff, especially teaching staff.

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TRUSTEES' REPORT (continued)
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Equal Opportunities Policy

QAT 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

QAT 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 each Academy has been designed with full disability compliance in mind.
- b) QAT 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 each Academy's supplemental funding agreement. Appeals against the decision not to offer a place are dealt with by an Independent appeals panel.
- d) QAT 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.
- e) Specialist programmes are described in Academy prospectuses and achievements and destinations are recorded and published in the standard QAT 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 Trustees 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 each Academy within QAT. QAT does not select students for admission. Admission to QAT is currently prioritised using the following criteria.

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

Sustainability

QAT is committed to sustainable development throughout all aspects of its operations. QAT 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

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Treasury for payment to suppliers within 30 days is 95%. During the accounting period 1 September 2015 to 31 August 2016, the Academy paid 91.4% of its invoices within 30 days. QAT incurred no interest charges in respect of late payment for this period.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

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

The Academy continues to achieve the forecast numbers of students in years 7 to 11. A target of 210 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 214.

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 150 students into the 6th form at the start of the year as compared with 214 in the previous year however, in the current year recruitment into the 6th form stands lower at 120 students against a target of 150. This is largely due to the more stringent application of entry criteria.

QAT continued to set challenging and stretching targets for its seventh year of operation. The target for GCSE attainment of 5A* to G including Maths and English is no longer relevant and has been replaced by the Progress 8 measure. This year QAT has significantly improved its performance to -0.19 to the year ended August 2016 (2015: -.36) and is targeting further improvement on that measure in the next year. QAT also achieved a 100% success rate for all students taking A level examinations in 2016.

To ensure that standards are continually raised QAT operates a programme of observation of lessons, visits by external reviewers, undertakes a comparison of results from entry to Key Stage 3 to GCSE and from GCSE to A level to assess the added value. QAT 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.

QAT 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 96.3% (2014/15: 96.1%).

QAT 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 Trustees have formalised the provision of a new facility on site with funds earmarked to deliver this amounting to £700k of the brought forward balances. Planning approval has been received, builders appointed and work is expected to start in November 2016 with a completion date of April 2017.

QAT 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 £4,282 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 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 £65k to £66k over the last 12 months.

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Key Performance Indicators

QAT 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 QAT 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

QAT 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 2016 to 2019

Going Concern

After making appropriate enquiries, the Board of Trustees considers that QAT 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 QAT'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 2016 and the associated expenditure are shown as restricted funds in the statement of financial activities.

QAT also receives grants for fixed assets from the DfE. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), 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.

During the year ended 31st August 2016 total expenditure of £6,975k (2015: £6,934k) was incurred including £94k (2015: £75k) 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 and additional pension scheme costs) was £65k.

During the year ended 31st August 2016, total capital expenditure amounted to £170k (2015: £147k).

At 31st August 2016 the net book value of fixed assets was £26,883k (2015: £27,540k) and movements in tangible fixed assets are shown in note 13 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 QAT.

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At 31st August 2016 the pension's deficit on the Local Government Pension Scheme amounted to £1,366k (2015: £406k). 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 Trustees review the reserves level of QAT 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 Trustees.

The Trustees have determined that the appropriate level of free reserves should be equivalent to 4 weeks of expenditure, approximately £400k. The reason for this is to provide sufficient working capital to enable QAT 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.

QAT's current level of free reserves (total funds less the amounts held in Fixed Assets and restricted funds) is £1,197k.

In addition QAT will seek to build up free reserves in order to contribute to develop its longer term goals and ambitions by building up seed funding for future capital projects and educational initiatives for the benefit of students of QAT. £700k has been designated for a new centre from the combined cadet force and student inclusion

In addition QAT will continue to develop its wider aspirations to expand its operations to other sites.

Financial Position

QAT held fund balances at 31st August 2016 of £26,714k (2015: £28,413k) comprising £27,380 restricted funds (2015: £28,206k) and £700k of unrestricted general funds (2015: £613k) and a pension reserve deficit of £1,366k (2015: £406k).

Investment Policy

The Academy currently has no material investments.

Principal Risks and Uncertainties

QAT 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 QAT's assets and reputation.

Based on its mission, the Risk Management Group undertakes a comprehensive review of the risks to which QAT is exposed. They identify systems and procedures, including specific preventable actions, which should mitigate any potential impact on QAT. 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 QAT.

A risk register is maintained at the Academy level, which is reviewed by the Audit committee at each meeting and annually by the full Trustees. 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 QAT and the actions being taken to reduce and mitigate the risks.

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TRUSTEES' REPORT (continued)
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Outlined below is a description of the principal risk factors that may affect QAT. Not all of the factors are within QAT's control. Other factors besides those listed below may also adversely affect QAT.

1. **Government Funding**

QAT has considerable reliance on continued government funding through the EFA. In 2015/16 1.3% of the Academy's funding was ultimately public funded and this level of requirement is not expected to reduce in the foreseeable future. QAT 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 QAT is rigorous in delivering high quality education for its students thereby retaining its reputation as Academies of choice for students in each area.
- 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 QAT's balance sheet in line with the requirements of FRS 17.

3. **Attainment and Achievement of Students**

QAT 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 QAT to ensure we continue to deliver the best educational outcomes for our students. QAT 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**

QAT 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 opening of Q3 Academy Langley in September 2016 the ambition has now been realised and the 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.

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TRUSTEES' REPORT (continued)
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5. Succession Planning

QAT recognises the need for continuity and consistency in its governance and management in order to deliver the quality of education to the students. Trustees, Governors and Senior staff will need to be replaced from time to time and it is important to ensure that such activity is structured and managed. QAT recognised the impact of not having a clear succession plan for Trustees, Governors and key staff. The creation of a local governing body (LGB) acts as a pool of potential future Trustees.

This risk is mitigated in a number of ways

- Trustees are developing a clear succession plan for senior staff.
- Creation of local governing boards to act as a pool of potential future trustees
- 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 Trustees recognise their duties and responsibilities and the need to ensure appropriate challenge is applied to the management of QAT. In order to do this the Board of Trustees 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 Board of Trustees. In particular the Board of Trustees have assessed their performance against expectations using an appropriate check list

PLANS FOR FUTURE PERIODS

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

QAT 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".

QAT 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 Trustees have further enhanced this with the articulation of a clear vision statement to "educate the whole child underpinned by traditional values."

QAT 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 both physical and spiritual, moral, social and cultural 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.

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

QAT will continue to explore new opportunities as they arise to enhance the educational offering it makes, will continue to develop its own Army Cadet Unit which opened in September 2013 and will continue to develop the provision of data within its operations seeking to become an exemplar in this field.

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FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

QAT 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 FOR THE AUDITOR

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

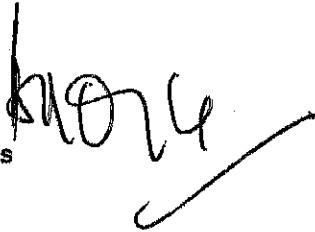
- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- that the Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the charitable company's auditor 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 Trustees, incorporating the Strategic Report, was approved by the Trustees on 5 December 2016 and signed for and on their behalf by

R B M Quayle
Chair of Trustees



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GOVERNANCE STATEMENT

Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Quaerere Academies 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 Board of Trustees 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 Academies Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met 3 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr E Payne (OBE)	3	3
R B M Quayle	3	3
Mr D W Pope	3	3
Dr C J S Badyal	3	3
Ms O Amartey	3	3
Rev M C Rutter	3	3
Mrs N Martin	0	3
Mr W Foster	3	3
Mr S Ramshaw	3	3
Mrs L Deeley	3	3
Mr P Linton	0	3
Mr R A Wright	1	1

The Trustees are mindful of the requirement to regularly evaluate their impact and effectiveness. As part of his remit, 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 Trustees decided to continue to develop their self-evaluation through the following methods:

- An annual training event,

Through the use of a self-evaluation tool kit provided by the Solicitors, the Board of Trustees has undertaken a detailed review of its processes and actions arising from which will be addressed in the coming 12 months. This will be reviewed annually.

- An annual workshop.

The Finance and General Purposes Committee is a sub-committee of the main Board of Trustees. With effect from 1st September 2016 this has been subsumed back into the main Board of Trustees Agenda. The purpose of the Finance and General Purposes Committee was to assist in the decision making process of the Trustees, by enabling more detailed consideration to be given to the Academy's finances and resources and to make appropriate recommendations to the Board of Trustees on a regular basis.

QUAERERE ACADEMIES TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

In particular the committee was responsible for considering the following

- The effectiveness of the regular management accounts and reporting of QAT
- 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 Trustees.
- 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 Board of Trustees 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 Board of Trustees the appointment or reappointment of the auditors of the Trust.

Attendance at meetings in the year was as follows:

Trustee	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

These functions will now be actioned by the full Board of Trustees from 1st September 2016.

Review of Value for money

As Accounting Officer, the Principal has responsibility for ensuring that Quaerere Academies Trust's delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Quaerere Academies 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 Quaerere Academies Trust's has delivered improved value for money during the year by in the following ways:

- Through the use of appropriate benchmarking data QAT 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 savings continue to be achieved. Further reviews are being undertaken.
- The online purchase request system developed by QAT 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.

QUAERERE ACADEMIES TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

- A new pupil data system is now fully operational which has had a significant impact upon the quality, quantity and flexibility of student academic data available to QAT. This has enabled greater in-depth understanding of data to be available to all staff and has significantly reduced 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 ongoing process designed to identify and prioritise the risks to the achievement of Quaerere Academies Trust's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Quaerere Academies Trust for the year 31 August 2016 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Quaerere Academies Trust's is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Quaerere Academies Trust's significant risks, that has been in place for the year 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance and 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 Board of Trustees has considered the need for an extended assurance function and has decided to appoint Crowe Clark Whitehill LLP to fulfil that function.

A minimum of 4 times in each academic year the extended assurance providers will report to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees's financial responsibilities.

The role of providing extended assurance includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks carried out in the current period included:

- review of the budgeting procedures
- testing of asset management
- review of management and structure of trading subsidiary enabling future growth

QUAERERE ACADEMIES TRUST
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GOVERNANCE STATEMENT (continued)

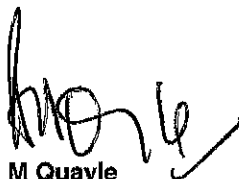
Review of Effectiveness


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 external assurance provider;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Quererere Academies Trust's 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 Audit Committee (Previously Finance and General Purpose Committee) and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 5 December 2016 and signed on their behalf, by:


R B M Quayle
Chair of Trustees


Dr C J S Badyal
Accounting Officer

QUAERERE ACADEMIES TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees (who act as trustees for charitable activities of Quaerere Academies Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the the Trustees' 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 Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:


- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 5 December 2016 and signed on its behalf by:


R B M Quayle
Chair of Trustees

QUAERERE ACADEMIES TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Quaerere Academies Trust I have considered my responsibility to notify the academy trust Board of Trustees 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 for Education. 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 Board of Trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the 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

Date: 5 December 2016

QUAERERE ACADEMIES TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
QUAERERE ACADEMIES TRUST**

We have audited the financial statements of Quaerere Academies Trust for the year ended 31 August 2016 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) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 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 opinion we have formed.

Respective responsibilities of Trustees and auditor

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

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 Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2016 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 2015 to 2016 issued by the Education Funding Agency; and
- 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 Trustee's Report, incorporating the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

QUAERERE ACADEMIES TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
QUAERERE ACADEMIES TRUST**

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 Trustees' 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

Date: 5-12-16

QUAERERE ACADEMIES TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO QUAERERE
ACADEMIES 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 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Quaerere Academy Trust during the year 1 September 2015 to 31 August 2016 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 Quaerere Academy Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to 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 Quaerere Academy Trust 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 for Education dated 21 June 2007, and the Academies Financial Handbook extant from 1 September 2015, 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 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 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'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 ACADEMIES TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO QUAERERE
ACADEMIES TRUST AND THE EDUCATION FUNDING AGENCY (continued)**

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have 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
Crowe Clark Whitehill LLP

Statutory Auditor

Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Date: 5-12-16

QUAERERE ACADEMIES TRUST
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND
EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2016**

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Restricted fixed asset funds 2016 £000	Total funds 2016 £000	Total funds 2015 £000
Income from:					
Donations and capital grants	2	-	-	23	29
Charitable activities	3	66	5,918	-	5,867
Other trading activities	4	112	11	-	111
Investments	5	12	-	-	7
Total Income	<u>190</u>	<u>5,929</u>	<u>23</u>	<u>6,142</u>	<u>6,014</u>
Expenditure on:					
Raising funds	45	-	-	45	57
Charitable activities	58	6,045	827	6,930	6,877
Total expenditure	6	<u>103</u>	<u>6,045</u>	<u>827</u>	<u>6,934</u>
Net income / (expenditure) before transfers		87	(116)	(804)	(920)
Transfers between Funds	16	-	(147)	147	-
Net income / (expenditure) before other recognised gains and losses		<u>87</u>	<u>(263)</u>	<u>(657)</u>	<u>(920)</u>
Actuarial losses on defined benefit pension schemes	21	-	(866)	-	(866)
Net movement in funds		<u>87</u>	<u>(1,129)</u>	<u>(657)</u>	<u>(1,028)</u>
Reconciliation of funds:					
Total funds brought forward		613	260	27,540	28,413
Total funds carried forward		<u>700</u>	<u>(869)</u>	<u>26,883</u>	<u>26,714</u>

The notes on pages 27 to 48 form part of these financial statements.

QUAERERE ACADEMIES TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 06221748

CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£000	2016 £000	£000	2015 £000
Fixed assets					
Tangible assets	12		26,883		27,540
Current assets					
Stocks	13	4		5	
Debtors	14	481		311	
Cash at bank and in hand		1,327		1,492	
		<u>1,812</u>		<u>1,808</u>	
Creditors: amounts falling due within one year	15	<u>(615)</u>		<u>(529)</u>	
Net current assets			<u>1,197</u>		<u>1,279</u>
Total assets less current liabilities			<u>28,080</u>		<u>28,819</u>
Defined benefit pension scheme liability	21		<u>(1,366)</u>		<u>(406)</u>
Net assets including pension scheme liabilities			<u><u>26,714</u></u>		<u><u>28,413</u></u>
Funds of the academy					
Restricted funds:					
Restricted funds	16	497		666	
Restricted fixed asset funds	16	26,883		27,540	
Restricted funds excluding pension liability		<u>27,380</u>		<u>28,206</u>	
Pension reserve		<u>(1,366)</u>		<u>(406)</u>	
Total restricted funds			26,014		27,800
Unrestricted funds	16		<u>700</u>		<u>613</u>
Total funds			<u><u>26,714</u></u>		<u><u>28,413</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 5 December 2016 and are signed on their behalf, by:

R B M Quayle
Chair of Trustees



The notes on pages 27 to 48 form part of these financial statements.

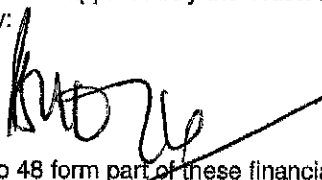
QUAERERE ACADEMIES TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 06221748

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£000	2016 £000	£000	2015 £000
Fixed assets					
Tangible assets	12		26,883		27,540
Current assets					
Stocks	13	4		5	
Debtors	14	523		349	
Cash at bank		1,276		1,451	
		<u>1,803</u>		<u>1,805</u>	
Creditors: amounts falling due within one year	15	<u>(606)</u>		<u>(526)</u>	
Net current assets			<u>1,197</u>		<u>1,279</u>
Total assets less current liabilities			<u>28,080</u>		<u>28,819</u>
Defined benefit pension scheme liability	21		<u>(1,366)</u>		<u>(406)</u>
Net assets including pension scheme liabilities			<u>26,714</u>		<u>28,413</u>
Funds of the academy					
Restricted funds:					
Restricted funds	16	497		666	
Restricted fixed asset funds	16	26,883		27,540	
Restricted funds excluding pension asset		<u>27,380</u>		<u>28,206</u>	
Pension reserve		<u>(1,366)</u>		<u>(406)</u>	
Total restricted funds			<u>26,014</u>		<u>27,800</u>
Unrestricted funds	16		<u>700</u>		<u>613</u>
Total funds			<u>26,714</u>		<u>28,413</u>

The financial statements were approved by the Trustees, and authorised for issue, on 5 December 2016 and are signed on their behalf, by:

R B M Quayle
Chair of Trustees



The notes on pages 27 to 48 form part of these financial statements.

QUAERERE ACADEMIES TRUST
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £000	2015 £000
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	18	<u>(30)</u>	<u>85</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		12	7
Purchase of tangible fixed assets		(170)	(147)
Capital grants from DfE/EFA		23	23
Net cash used in investing activities		<u>(135)</u>	<u>(117)</u>
Change in cash and cash equivalents in the year		(165)	(32)
Cash and cash equivalents brought forward		<u>1,492</u>	<u>1,524</u>
Cash and cash equivalents carried forward	19	<u><u>1,327</u></u>	<u><u>1,492</u></u>

The notes on pages 27 to 48 form part of these financial statements.

QUAERERE ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. Accounting Policies

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Quaerere Academies Trust constitutes a public benefit entity as defined by FRS 102.

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.

First time adoption of FRS 102

These financial statements are the first financial statements of Quaerere Academies Trust prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Quaerere Academies Trust for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Reconciliations to previous UK GAAP for the comparative figures are included in note 26.

1.2 Company status

The academy is a company limited by guarantee, which is incorporated and registered in England and Wales (No. 06221748). In the event of the academy being wound up, the liability in respect of the guarantee is limited to £10 per member of the academy.

QUAERERE ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. Accounting Policies (continued)

1.3 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder and include grants from the Education Funding Agency.

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

1.4 Income

All income is recognised once the academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of financial activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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, where there is certainty of receipt and it is measurable.

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

QUAERERE ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. Accounting Policies (continued)

1.5 Expenditure

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

Costs of raising funds are costs incurred in attracting voluntary income, and those incurred in trading activities for the purpose of generating funds.

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

1.6 Going concern

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

1.7 Basis of consolidation

The financial statements consolidate the accounts of Quaerere Academies Trust and all of its subsidiary undertakings ('subsidiaries').

The academy has taken advantage of the exemption contained within 408 of the Companies Act 2006 not to present its own Income and expenditure account.

QUAERERE ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. Accounting Policies (continued)

1.8 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised.

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

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

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

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property	-	2% straight line
Fixtures and fittings	-	5% - 10% straight line
Computer equipment	-	25% straight line

1.9 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the academy; this is normally upon notification of the interest paid or payable by the Bank.

1.10 Operating leases

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

1.11 Stocks

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

1.12 Debtors

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. Accounting Policies (continued)

1.13 Cash at Bank and in hand

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

1.14 Liabilities and provisions

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

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.15 Financial instruments

The academy only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Except for the Local Government Pension Scheme (LGPS) deficit, basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Stock, prepayments and deferred income do not constitute basic financial instruments.

The LGPS pension deficit is recognised at its net present value at each balance sheet date and is based on an annual actuarial valuation. The key judgments in performing this valuation can be found in note (1.17).

1.16 Taxation

The academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

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1. Accounting Policies (continued)

1.17 Pensions

Retirement benefits to employees of the academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes and the assets are held separately from those of the academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. Accounting Policies (continued)

1.18 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (Income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

1.19 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 26.

2. Donations and capital grants

	Restricted fixed asset funds 2016 £000	Total funds 2016 £000	<i>Total funds 2015 £000</i>
Donations	-	-	6
Capital Grants	23	23	23
Total donations and capital grants	23	23	29

In 2015, of the total income from donations and capital grants, £6,000 was to unrestricted funds and £23,000 was to restricted fixed asset funds.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

3. Funding for Academy's educational operations

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Total funds 2016 £000	Total funds 2015 £000
DfE/EFA grants				
General Annual Grant (GAG)	-	5,302	5,302	5,367
	-	5,302	5,302	5,367
Other government grants				
Other DfE/EFA grants	-	284	284	288
	-	284	284	288
Other funding				
Local authority grants	-	332	332	122
School fund	66	-	66	90
	66	332	398	212
	66	5,918	5,984	5,867

In 2015, of the total income from charitable activities, £90,000 was to unrestricted funds and £5,777,000 was to restricted funds.

4. Other trading activities

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Total funds 2016 £000	Total funds 2015 £000
Other income	47	11	58	46
Trading subsidiary income	65	-	65	65
	112	11	123	111

In 2015, of the total income from other trading activities, £111,000 was to unrestricted funds and £ NIL was to restricted funds.

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NOTES TO THE FINANCIAL STATEMENTS
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5. Investment income

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Total funds 2016 £000	Total funds 2015 £000
Investment income	12	-	12	7

In 2015, of the total investment income, £7,000 was to unrestricted funds and £ NIL was to restricted funds.

6. Expenditure

	Staff costs 2016 £000	Premises 2016 £000	Other costs 2016 £000	Total 2016 £000	Total 2015 £000
Trading subsidiary costs	28	8	9	45	57
Activities:					
Direct costs	3,494	115	374	3,983	3,760
Support costs	1,030	1,141	776	2,947	3,117
	<u>4,552</u>	<u>1,264</u>	<u>1,159</u>	<u>6,975</u>	<u>6,934</u>

In 2016, of the total expenditure, £103,000 (2015: £133,000) was to unrestricted funds and £6,045,000 (2015: £5,733,000) was to restricted funds and £827,000 (2015: £1,068,000) was to restricted fixed asset funds.

7. Support costs

	Activities £000	Total 2016 £000	Total 2015 £000
Technology costs	119	119	129
Premises costs	429	429	485
Other support costs	609	609	440
Governance costs	48	48	19
Wages and salaries	769	769	795
National insurance	63	63	58
Pension cost	198	198	238
Depreciation	712	712	953
	<u>2,947</u>	<u>2,947</u>	<u>3,117</u>

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7. Support costs (continued)

Included within governance costs are any costs associated with the strategic as opposed to day-to-day management of the charity's activities. These costs will include any employee benefits for trusteeship, the cost of charity employees involved in meetings with trustees, the cost of any administrative support provided to the trustees, and costs relating to constitutional and statutory requirements including audit and preparation of statutory accounts.

8. Net incoming resources/(resources expended)

This is stated after charging:

	2016 £000	2015 £000
Depreciation of tangible fixed assets:		
- owned by the charitable group	827	1,068
Auditor's remuneration - audit	12	11
Auditor's remuneration - other services	3	2
Operating lease rentals	42	59
	<u> </u>	<u> </u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

9. Staff costs

Staff costs were as follows:

	2016 £000	2015 £000
Wages and salaries	3,602	3,367
Social security costs	302	251
Other pension costs	570	528
	<u>4,474</u>	<u>4,146</u>
Supply teacher costs	65	176
Severance payments	13	-
	<u>4,552</u>	<u>4,322</u>

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

	2016 No.	2015 No.
Teachers	89	61
Administration and support	74	59
Management	3	3
	<u>166</u>	<u>123</u>

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

	2016 No.	2015 No.
In the band £60,001 - £70,000	1	0
In the band £70,001 - £80,000	1	1
In the band £80,001 - £90,000	0	1
In the band £120,001 - £130,000	1	1

Two of the above employees earning more than £60,000 per annum participated in the Teachers' Pension Scheme (2015: Two employees). During the year ended 31st August 2016, pension contributions for these staff amounted to £31,336 (2015: £29,324). The other employee participated in the Local Government Pension Scheme, pension contributions amounted to £8,904 (2015: £8,776).

Included in staff compensation costs are non-statutory/non-contractual severance payments to a single individual totalling £13,000 (2015: £Nil).

The key management personnel of the academy trust comprise the trustees and the executive group as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by the executive group for their services to the academy trust was £304,234 (2015: £319,276)

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

10. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2016	2015
		£000	£000
Dr C J S Badyal	Remuneration	120-125	<i>120-125</i>
	Pension contributions paid	20-25	<i>15-20</i>

During the year, travel and subsistence expenses totalling £1,061 (2015 - £2,052) were reimbursed to 2 trustees and £1,560 to 1 trustee for costs relating to the purchase of horticultural resources at cost.

11. Trustees' and Officers' Insurance

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

12. Tangible fixed assets

Group and Academy	Long-term leasehold property £000	Fixtures and fittings £000	Computer equipment £000	Assets under construction £000	Total £000
Cost					
At 1 September 2015	29,009	1,901	2,107	-	33,017
Additions	70	13	35	52	170
At 31 August 2016	<u>29,079</u>	<u>1,914</u>	<u>2,142</u>	<u>52</u>	<u>33,187</u>
Depreciation					
At 1 September 2015	2,597	920	1,960	-	5,477
Charge for the year	580	190	57	-	827
At 31 August 2016	<u>3,177</u>	<u>1,110</u>	<u>2,017</u>	<u>-</u>	<u>6,304</u>
Net book value					
At 31 August 2016	<u>25,902</u>	<u>804</u>	<u>125</u>	<u>52</u>	<u>26,883</u>
At 31 August 2015	<u>26,412</u>	<u>981</u>	<u>147</u>	<u>-</u>	<u>27,540</u>

The Quaerere 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. Stocks

	Group		Academy	
	2016 £000	2015 £000	2016 £000	2015 £000
Catering stock	<u>4</u>	<u>5</u>	<u>4</u>	<u>5</u>

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NOTES TO THE FINANCIAL STATEMENTS
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14. Debtors

	<u>Group</u>		<u>Academy</u>	
	2016 £000	2015 £000	2016 £000	2015 £000
Trade debtors	18	19	-	-
Amounts owed by group undertakings	-	-	60	43
VAT recoverable	111	119	111	119
Prepayments and accrued income	352	173	352	187
	<u>481</u>	<u>311</u>	<u>523</u>	<u>349</u>

15. Creditors: Amounts falling due within one year

	<u>Group</u>		<u>Academy</u>	
	2016 £000	2015 £000	2016 £000	2015 £000
Trade creditors	293	228	293	226
Other taxation and social security	94	75	94	75
Other creditors	119	88	119	88
Accruals and deferred income	109	138	100	137
	<u>615</u>	<u>529</u>	<u>606</u>	<u>526</u>

	<u>Group</u>		<u>Academy</u>	
	£000	£000	£000	£000
Deferred income				
Deferred income at 1 September 2015	55	19	55	19
Resources deferred during the year	43	55	43	55
Amounts released from previous years	(55)	(19)	(55)	(19)
Deferred income at 31 August 2016	<u>43</u>	<u>55</u>	<u>43</u>	<u>55</u>

At the balance sheet date the Academy Trust was holding funds in advance from EFA relating to rates relief of £35,000 and £8,000 of school fund income relating to trips taking place after 31 August 2016.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

16. Statement of funds

	Brought Forward £000	Income £000	Expenditure £000	Transfers In/out £000	Gains/ (Losses) £000	Carried Forward £000
Unrestricted funds						
Unrestricted funds	613	125	(58)	20	-	700
Trading subsidiary	-	65	(45)	(20)	-	-
	<u>613</u>	<u>190</u>	<u>(103)</u>	<u>-</u>	<u>-</u>	<u>700</u>
Restricted funds						
General Annual Grant (GAG)	666	5,302	(5,324)	(147)	-	497
Start up grant	-	176	(176)	-	-	-
Other EFA grants	-	324	(324)	-	-	-
Other restricted income	-	127	(127)	-	-	-
Pension reserve	(406)	-	(94)	-	(866)	(1,366)
	<u>260</u>	<u>5,929</u>	<u>(6,045)</u>	<u>(147)</u>	<u>(866)</u>	<u>(869)</u>
Restricted fixed asset funds						
EFA grants	25,259	23	(827)	-	-	24,455
Capital expenditure from GAG	264	-	-	147	-	411
Private sector capital sponsorship	2,017	-	-	-	-	2,017
	<u>27,540</u>	<u>23</u>	<u>(827)</u>	<u>147</u>	<u>-</u>	<u>26,883</u>
Total restricted funds	<u>27,800</u>	<u>5,952</u>	<u>(6,872)</u>	<u>-</u>	<u>(866)</u>	<u>26,014</u>
Total of funds	<u><u>28,413</u></u>	<u><u>6,142</u></u>	<u><u>(6,975)</u></u>	<u><u>-</u></u>	<u><u>(866)</u></u>	<u><u>26,714</u></u>

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

- a. Restricted fixed assets were funded by government grants or sponsors.
- b. 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.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

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NOTES TO THE FINANCIAL STATEMENTS
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17. Analysis of net assets between funds

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Restricted fixed asset funds 2016 £000	Total funds 2016 £000	Total funds 2015 £000
Tangible fixed assets	-	-	26,883	26,883	27,540
Current assets	700	1,112	-	1,812	1,808
Creditors due within one year	-	(615)	-	(615)	(529)
Provisions for liabilities and charges	-	(1,366)	-	(1,366)	(406)
	<u>700</u>	<u>(869)</u>	<u>26,883</u>	<u>26,714</u>	<u>28,413</u>

18. Reconciliation of net movement in funds to net cash flow from operating activities

	2016 £000	2015 £000
Net expenditure for the year (as per Statement of financial activities)	(833)	(920)
Adjustment for:		
Depreciation charges	827	1,068
Dividends, interest and rents from investments	(12)	(7)
Decrease/(Increase) in stocks	1	(1)
Increase in debtors	(170)	(50)
Increase/(decrease) in creditors	86	(58)
Capital grants from DfE and other capital income	(23)	(23)
Defined benefit pension scheme cost less contributions payable	14	10
Defined benefit pension scheme finance cost	80	66
Net cash (used in)/provided by operating activities	<u>(30)</u>	<u>85</u>

19. Analysis of cash and cash equivalents

	2016 £000	2015 £000
Cash in hand	1,327	1,492
Total	<u>1,327</u>	<u>1,492</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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20. Capital commitments

At 31 August 2016 the group and academy had capital commitments as follows:

	<u>Group</u>		<u>Academy</u>	
	<u>2016</u> <u>£000</u>	<u>2015</u> <u>£000</u>	<u>2016</u> <u>£000</u>	<u>2015</u> <u>£000</u>
Contracted for but not provided in these financial statements	-	25	-	25

At 31 August 2016 Quaerere Academies Trust had £700,000 (£600,000) of capital commitments authorised but not contracted.

21. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £63,000 were payable to the schemes at 31 August 2016 (2015 - 52,000) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' 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.

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

Valuation of the Teachers' Pension Scheme

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:

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21. Pension commitments (continued)

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

The employer's pension costs paid to TPS in the period amounted to £373,638 (2015 - £289,273).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

Under the definitions set out in FRS 102, 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

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £148,000 (2015 - £141,000), of which employer's contributions totalled £100,000 (2015 - £95,000) and employees' contributions totalled £48,000 (2015 - £46,000). The agreed contribution rates 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.

Principal actuarial assumptions:

	2016	2015
Discount rate for scheme liabilities	2.20 %	4.00 %
Rate of increase in salaries	3.75 %	4.15 %
Rate of increase for pensions in payment / Inflation	2.00 %	2.40 %
Inflation assumption (CPI)	2.00 %	2.40 %

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21. Pension commitments (continued)

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

	2016	2015
Retiring today		
Males	23.1	23.0
Females	25.8	25.6
Retiring in 20 years		
Males	25.3	25.2
Females	28.1	28.0

The group's share of the assets in the scheme was:

	Fair value at 31 August 2016 £000	Fair value at 31 August 2015 £000
Equities	1,457	1,154
Government bonds	170	143
Other bonds	210	195
Property	195	164
Other - user input	158	96
Other	265	177
Total market value of assets	2,455	1,929

The actual return on scheme assets was £386,000 (2015 - £81,000).

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

	2016 £000	2015 £000
Service cost	179	161
Net interest of defined liability	14	10
Administration expenses	1	-
Total	194	171

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21. Pension commitments (continued)

Movements in the present value of the defined benefit obligation were as follows:

	2016 £000	2015 £000
Opening defined benefit obligation	2,335	1,939
Current service cost	179	161
Interest cost	94	81
Contributions by employees	48	46
Change in financial assumptions	1,172	118
Estimated benefits paid net of transfers in	(7)	(10)
	<u>3,821</u>	<u>2,335</u>
Closing defined benefit obligation	<u>3,821</u>	<u>2,335</u>

Movements in the fair value of the group's share of scheme assets:

	2016 £000	2015 £000
Opening fair value of scheme assets	1,929	1,717
Interest on assets	80	71
Actuarial gains and (losses)	306	10
Contributions by employer	100	95
Contributions by employees	48	46
Estimated benefits paid net of transfers	(7)	(10)
	<u>2,456</u>	<u>1,929</u>
Closing fair value of scheme assets	<u>2,456</u>	<u>1,929</u>

22. Operating lease commitments

At 31 August 2016 the total of the group's future minimum lease payments under non-cancellable operating leases was:

Group and Academy	2016 £000	2015 £000
Amounts payable:		
Within 1 year	14	42
Between 1 and 5 years	15	29
	<u>29</u>	<u>71</u>
Total	<u>29</u>	<u>71</u>

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23. Members' liability

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

24. Related party transactions

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

Mr E Payne OBE and Mr R B M Quayle are both trustees of the Grace Charitable Trust which provided donation of £3,000 (2015: £2,500) to the Charitable Company in the year for.

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 the Trust. The Academy purchased services totalling £29,410 (2015: £4,450) during the year. The amount still outstanding at year end was £Nil (2015: £Nil).

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

Transactions totalling £39,956 (2015: £43,359), 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 2016 of £60,000 (2015: £43,359).

25. Agency Arrangements

The academy distributes bursary funds to students as an agent for the EFA. In the accounting period ending 31 August 2016 the trust received £18k (2015: £18k) and disbursed £Nil (2015: £1k) from the fund. An amount of £46k is included in other creditors relating to undistributed funds.

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26. First time adoption of FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

The policies applied under the academy's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure.

The Local Government Pension Scheme has been adjusted to reflect changes resulting from transition to FRS 102 and whilst there is no difference to report in the net liability, the actuarial loss has decreased by £34,000 to £108,000 with an increase in the charge to expenditure of the same amount.

27. Principal subsidiaries

Company name	Country	Percentage Shareholding
Quaerere Academy Trading Company Limited	England and Wales	100%

The subsidiary participates in trading activities relating to the Academy. Its taxable profits are donated to the Academy trust. A summary of the subsidiary's results is shown below:

Profit and loss account	2016	2015
	£	£
Turnover	65,402	64,196
Cost of sales	<u>(4,365)</u>	<u>(7,944)</u>
Gross Profit	61,037	56,252
Administrative expenses	<u>(41,412)</u>	<u>(42,588)</u>
Operating Profit	19,625	13,664
Interest receivable	<u>21</u>	<u>47</u>
Profit Before Tax	19,646	13,711
Gift aid donation	<u>(19,646)</u>	<u>(13,711)</u>
Retained in subsidiary	<u>–</u>	<u>–</u>

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