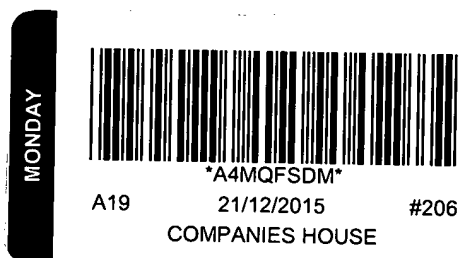


The Queen Katherine School Multi Academy Trust

(A Company Limited by Guarantee)

Annual Report and Financial Statements Year Ended 31 August 2015

Company Registration Number: 07472799
(England & Wales)



The Queen Katherine School Multi Academy Trust

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The Queen Katherine School Multi Academy Trust

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Reference and Administrative Details

		Appointed	Resigned
Trustees who are Members and Directors			
Richard Moore (Chairman)	#		
Suzanne Allen			17/09/2014
Beth Curl	#		
Peter Townley	#		
Stephen Parkman			24/06/2015
Trustees who are Directors			
Elizabeth Moffatt	#		
John Richardson	#		
Gareth Roscoe			31/08/2015
Stephen Wilkinson (Accounting Officer)	#		
Anne Hallam			17/09/2014
Heather Dixon	#		
Karen Baxter		13/07/2015	
Jon Hayes		01/09/2015	
# members of the Audit committee			
Company Secretary	Michael James Walby	13/11/2014	
MAT Senior Management Team:			
Executive Head Teacher	Stephen Wilkinson		
Vice Principal	Allison Chapman		
MAT Business Manager	Vanessa Lloyd		
The Queen Katherine School			
Head Teacher	Jon Hayes		
Walney School			
Head Teacher	John Richardson		
George Hastwell			
Head Teacher	Karen Baxter		

Reference and Administrative Details (continued)

Principal and Registered Office	The Queen Katherine School Appleby Road Kendal LA9 6PJ
Academy Addresses	<div>The Queen Katherine School Appleby Road Kendal LA9 6PJ</div> <div>Walney School Sandy Gap Lane Barrow in Furness Cumbria LA14 3JL</div> <div>George Hastwell Moor Tarn Lane Barrow in Furness Cumbria LA14 3LW</div>
Company Registration Number	07472799 (England & Wales)
Independent Auditor	Saint & Co. Chartered Accountants The Old Police Station Church Street Ambleside Cumbria LA22 0BT
Bankers	<div>Yorkshire Bank Plc 7 Stricklandgate Kendal Cumbria LA9 4NB</div> <div>Lloyds Bank Plc 11 Finkle Street Kendal Cumbria LA9 4AG</div>
Solicitors	Burnetts 6 Victoria Place Carlisle CA1 1ES

Trustees' Report

The trustees present their annual report together with the financial statements and auditor's reports of the charitable company for the year ended 31 August 2015. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates multi academy trust (MAT) for pupils aged 11 to 18 serving a catchment area in Cumbria. The MAT comprises of the following schools:

The Queen Katherine School which has a pupil capacity of 1440 and had a roll of 1364 in the school census on 1 October 2014.

Walney School which has a pupil capacity of 900 and had a roll of 652 in the school census on 1 October 2014.

Structure, Governance and Management

Constitution

The multi academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of The Queen Katherine Multi School Academy Trust Limited are also the directors of the charitable company for the purposes of company law. The charitable company is known as The Queen Katherine School Multi Academy Trust.

Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Trustee's Indemnities

The Academy has purchased indemnity insurance to protect trustees and officers from claims arising in connection with Academy business.

Method of Recruitment and Appointment or Election of Trustees

The trustees are appointed under the terms of the academy's articles of association as follows:

- The members may appoint up to 30 trustees
- A minimum of two Local Parent trustees
- Up to 1 Local Authority trustee
- Number of staff trustees does not exceed one third of the total number of trustees
- Any Trustees elected by the Secretary of State for Education
- Number of co-opted trustees does not exceed one third of the total number of trustees

The term of office for all trustees, except the Executive Head Teacher and Head Teachers, is four years. The Executive Head Teacher and Head Teacher's term of office runs parallel with their contracts of employment. The trustees who were in office and who served throughout the period, are listed on the reference and administrative details.

Policies and Procedures Adopted for the Induction and Training of Trustees.

The training and induction provided for new trustees will depend on their existing experience. Where necessary an induction will provide training on charity and educational legal and financial matters. All new trustees are given a tour of the academy and the chance to meet with staff and students. All trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as trustees and directors of the charitable company. As there is normally expected to be only a small number of new trustees each year, induction tends to be done informally and is tailored specifically to the individual.

Trustees' Report (continued)

Organisational Structure

The structure consists of the following levels: the members, the directors (trustees), the MAT officers and Academy Local Governing Bodies. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels whilst maintaining accountability.

The trustees control the academies at an executive level, whilst the Senior Leadership Teams in each academy (Head teachers and Deputies) implement the policies laid down by the trustees and report back to them. The Senior Leaders are responsible, in line with the Trust Schemes of Delegation, for the authorisation of spending within agreed budgets and the appointment of the majority of staff.

Connected Organisations, including Related Party Relationships

The multi academy trust is made up of the following schools

- The Queen Katherine School
- Walney School (Joined MAT on 01/09/2014)
- George Hastwell (Joined MAT on 01/09/2015)

The South Lakes Federation

The South Lakes Federation is made up of eight secondary schools, Kendal College and a special school within the South Lakes area. There is close collaboration between all the schools within the Federation providing an opportunity for curriculum enrichment, access for students to vocational courses and support for Gifted and Talented students.

Kendal Collaborative Partnership

The Kendal Collaborative Partnership is made up of all 17 schools in total from Kendal primary schools, Kendal Nursery, Sandgate and two Kendal secondary schools. The joint vision of working together to enhance the educational opportunities and experience of young people by furthering high quality school improvement; raising achievement and access for all; and driving high aspirations through continuous professional development.

QKS Meadowview Nursery Limited

QKS Meadowview is a wholly owned subsidiary of the academy. The Queen Katherine School Academy Trust rents a standalone single storey building to QKS Meadowview Nursery Limited, located adjacent to the school grounds. QKS Meadowview Nursery Limited provides a nursery provision to five year olds. QKS Meadowview Nursery Limited manages and runs a small nursery in the Kendal area called Stramongate Nursery.

Furness Educational Consortium

The Furness Education Consortium consists of six secondary schools, one pupil referral unit, two special schools, two sixth form colleges and one college of further education. In addition to the core group members there is also representation from the Primary consortium. These establishments work in partnership to deliver educational provision for the young people of the Furness area.

Objectives and Activities

Objects and Aims

The principle activity of the academy trust 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, managing and developing schools (the mainstream academies) offering a broad and balanced curriculum.

An additional objective is to promote for the benefit of individuals living in areas where the academies are situated and the surrounding areas who have need by reason of their age, infirmity or disability, financial hardship or social and economic circumstances or for the public at large the provision of facilities for recreation or other leisure time activities in the interests of social welfare and with the object of improving the condition of life of the said individuals.

Trustees' Report (continued)

Objects and Aims (continued)

The aim of the academy trust is to provide education for pupils of different abilities between the ages of 11 and 18.

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.

Objectives, Strategies and Activities

The main objectives of the academy trust during the year ended 31 August 2015 are summarised below:

- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- to raise the standard of educational achievement of all pupils;
- to improve the effectiveness of the academy by keeping the curriculum and organisational structure under continual review;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements;
- to maintain close links with industry and commerce; and
- to conduct the academy's business in accordance with the highest standards of integrity, probity and openness.

The Queen Katherine School Multi Academy Trust aims to develop individuals to achieve their full potential. As an academy, it provides education of the highest quality on a well-resourced campus. Relationships are constructive, with individuals being valued, nurtured and supported.

This is achieved through developing:

- a trusting, open, caring, inclusive friendly and structured atmosphere with comfortable relationships, clear expectations and with every individual valued; expectations and with every individual valued.
- a focus on learning, guidance and monitoring for all students and staff, both inside and outside the classroom;
- showing commitment in our work, desire to learn, hard work, a spirit of enquiry and creativity, initiative.

The curriculum offered is distinctive and personalised.

At key stage 3 we have a major focus on ensuring that all students develop core English, mathematics, science and ICT skills and the personal, learning and thinking skills to equip them with the competence and confidence to pursue both academic and vocational pathways in the future.

We focus on the development of vocational and work related education.

All students, at any age, are able to access the most appropriate provision offered in the academy to suit their particular interests and needs.

The academies enable a common approach to be taken to values and principles, standards, utilisation of management expertise, use of resources, and to the creation of a broad and rich opportunity for young people to achieve their maximum potential.

The academies also provides enriched provision and integrated services for children and young people in the area, including comprehensive extended services, and enable a wide range of services and facilities to be made available to the community which supports and complements the local authority's children's services vision.

Public Benefit

In setting the objectives, the trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

The objective of the academies 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, managing and developing a school offering a broad and balanced curriculum.

Trustees' Report (continued)

Strategic Report

Achievements and Performance

The Queen Katherine School Multi Academy Trust achievements in the year include:

- conversion of Walney School to academy status
- the ongoing work undertaken in developing a shared services model to realise economies of scale and reduce costs for the academies
- the ongoing close working relationship between the academies to share knowledge and expertise. to seek out best practice and to realise the vision of the Trust.

The Queen Katherine School achievements and performance

The Queen Katherine School Academy is now in its fifth year of operation, with the MAT being created in February 2014. Student numbers are strong, bearing in mind the local context of falling rolls, are still buoyant with over 1340 students currently on roll. Our performance in examinations has dipped in 2015 to 54% 5A*-C EM. At advanced level, we maintained our usual high standards with an A level residual of +.24 grades meaning we are significantly above national averages and one of the highest in the county. It is also of note that all our year 11 students progress onto education, employment or training.

The work of the teaching school was recognised by a successful second review. We have become a centre of CPD with over 750 teachers and leaders benefiting from the courses delivered. The teaching school also co-ordinated a successful SCITT bid on behalf of the two other teaching schools in the local area. The first cohort of SCITT trainees was recruited for teaching in September 2015. The first cohort of school direct trainees successfully completed their course and all found employment in the local area. The development of the Multi Academy Trust continues with the sponsorship of George Hastwell School bringing the total number of schools in the MAT to 3.

Walney School achievements and performance

Walney School is in its second year of operation within The Queen Katherine School MAT, having converted to become a sponsored Academy in September 2014. The school was placed into Special Measures by OFSTED in December 2013 and the new Headteacher commenced post in January 2014. Improvements in teaching, student progress and the culture for learning within the school have been recognised by both Ofsted and other external reviews. The progress of students across the school, in all year groups is improving. The disappointing 2015 GCSE examination results are not reflective of the learning and progress of students currently within the school.

The school has seen significant staffing changes over the last two years. A newly constituted Governing Body effectively holds a new Senior Leadership Team to account. Almost half of the teaching staff in the school has changed and the curriculum structure now is now academically challenging, balanced and efficient. The school is in a strong position to continue to rapidly move forward.

Key Financial Performance Indicators

The trust established a financial budget at the start of the year and then monitored performance against budget during the period. Further financial and non-financial indicators will be introduced as the trust develops. It is anticipated that benchmarking will be a key tool in ensuring the academy is delivering value for money.

The Queen Katherine School	2015	2014
Pupil numbers	1364	1392
Staff costs as % of total costs	76.91%	75.34%
Full time equivalents teachers	81	81
Pupil teacher ratio	16.8	17.2

Trustees' Report (continued)

Key Financial Performance Indicators (continued)

Walney School	2015
Pupil numbers	652
Staff costs as % of total costs	74.67%
Full time equivalents teachers	36
Pupil teacher ratio	18.1

Going Concern

After making appropriate enquiries, the MAT board has a reasonable expectation that each academy has adequate resources to continue in operational existence for the foreseeable future. For this reason it adopts the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial Review

Overview

The majority of each academy's income is obtained from the Education Funding Authority (EFA) in the form of grants, the use of which is restricted to particular purposes. The grants received from the EFA during the year ended 31 August 2015 and the related expenditure are shown as restricted funds in the statement of financial activities.

During the period ended 31 August 2015, total general expenditure of £14,078,415 this was covered by recurrent grant funding from the DfE together with other incoming resources and reserves brought forward. The excess of general expenditure over income for the year was £1,270,072 (including £1,257,000 pension deficit on conversion of Walney School to academy status).

At 31 August 2015 the net book value of fixed assets was £16,395,578 and movements in tangible fixed assets are shown in note 16 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of each Academy.

Reserves Policy

The level of reserves held takes into account the nature of income and expenditure streams, the need to match them with commitments, including future capital projects, and the nature of the reserves. The trustees will keep the level of reserves under review.

The general unrestricted fund balance was £646,014 (2014: £732,916) at the year end. The trustees believe that this level of reserves is required to support the running of the MAT during an anticipated reduction in funding.

The designated all weather pitch fund balance was £156,447 (2014: £149,433) at the year end, this fund is for the replacement of the all weather pitch.

The designated pension deficit set aside fund balance was £80,000 (2014: £80,000) at the year end, the trustees have agreed that this is a prudent approach at this time. There is a consultation being undertaken by the DfE, which may result in the 'pooling' of all pension funds under the Cumbria LA.

Funds in Deficit

Pension Reserve Fund - this fund represents the deficit on the Local Government Pension Scheme (LGPS) at the year end.

Investment Policy

Reserves are currently held in an instant access account with the academy trust's bankers.

Trustees' Report (continued)

Principal Risks and Uncertainties

The board has considered the risks faced by the trust throughout its normal operational business. It has sought to address the risks faced by the trust by establishing appropriate governance and management arrangements, including the appointment of senior staff and other managers, and establishing robust operational policies. The board considers that these arrangements have been effective throughout the period being reported.

The board intends to build on this success by establishing a formal risk management policy, which will formally document the managerial action that is taking place, and should enable future risk management to be more systematic.

Financial and Risk Management Objectives and Policies

For each academy a budget for the period was agreed prior to the beginning of the accounting period. Management accounts were presented at each termly Business, Finance and Audit Trustee Committee meeting for each academy and income and expenditure monitored against budget.

The Trust's financial and risk management objectives are documented in its:

- Official budgets
- Scheme of delegation
- Finance manual
- Risk management policy

Principal Funding Sources

The majority of the academy's income is obtained from the Education Funding Authority (EFA) and the Local Authority in the form of grants, the use of which is restricted to particular purposes.

Plans for Future Periods

The Queen Katherine School became a Multi Academy Trust (MAT) on 18 February 2014, sponsoring the first academy on 1 September 2014 – Walney School. The MAT structure is currently set up to sponsor up to 5 academies, sharing knowledge, resources, achieving economies of scale. Currently, the Trust will guarantee as much autonomy to our schools as possible to allow us to concentrate on the quality of education in each school. On 1 September 2015 George Hastwell Special School joined the Trust as a sponsored school.

The SCITT recruited the first cohort of secondary trainees from September 2015. This new model of teacher training will provide the next generation of teachers for QKS and the local area. 12 trainees were recruited and the programme progresses well.

Each school's development plans concentrate on improving student attainment with a focus on narrowing the gap for disadvantaged students. Two new headteachers were appointed to the trust schools in 2015. An experienced and outstanding leader (Ofsted) was recruited to QKS and a Deputy Headteacher who was part way through her NPQH qualification at GHS. All our schools are being supported by the MAT and QKTSa.

Within The Queen Katherine Multi Academy Trust there is a commitment to continue with each schools refurbishment projects, alongside a successful Condition Improvement Fund bid at Walney School for asbestos removal and flat roof replacement works.

The Trustees also hope to realise their ambition of extending the successful co-location of Sandgate School by providing space for accommodation for their Key Stage 3 provision.

Trustees' Report (continued)

Plans for Future Periods (continued)

It is the vision of the academy trust that Walney School will once again become the school of choice for the community it serves. The number of students leaving our island for the education provision continues to reduce and community confidence increases. Although the school has the physical capacity for 900 students, the curriculum structure is designed and staffed for a five form entry. 640 students are currently on role, representing maintained school numbers against a falling local demographic and increased availability of school places across the Furness area.

Funds Held on Behalf of Others


The multi academy trust acts as an intermediary for the 16-19 Bursary fund, but has no responsibility, the trust distributes the funds to students as an agent for the EFA.

Auditor

Insofar as the trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the members of the board of trustees on 14 December 2015 and signed on its behalf by:



Richard Moore
Chair of Trustees

Governance Statement

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Executive Head Teacher, 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 The Queen Katherine School Academy 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 **MAT board** of trustees has formally met 8 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
Richard Moore (Chairman)	6	8
Beth Curl	6	8
Steve Parkman	5	7
Peter Townley	5	6
Liz Moffatt	6	8
Gareth Roscoe (Appointed 03/12/2013)	4	8
Heather Dixon (Appointed 01/09/2013)	7	8
Stephen Wilkinson (Executive Head Teacher)	8	8
John Richardson	6	8
Suzanne Allen	0	0
Karen Baxter	1	1

The **Audit Committee** is a sub-committee of the main board of trustees. Its purpose is to assist the decision making of the board of trustees by ensuring sound management of the academy's finances and resources, including proper planning, monitoring and probity. Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Richard Moore	6	8
Beth Curl	6	8
Steve Parkman	5	7
Peter Townley	5	6
Liz Moffatt	6	8
Gareth Roscoe	4	8
Heather Dixon (Chairman)	7	8
Stephen Wilkinson (Executive Head Teacher)	8	8
John Richardson	6	8
Suzanne Allen	0	0
Karen Baxter	1	1

Governance Statement (continued)

Governance Review

The governors of The Queen Katherine School Multi Academy Trust have undertaken a restructuring of their governing committees resulting in each academy following the same structure including new terms of references being adopted. The new structures were adopted in September 2015.

Value For Money

I accept that as accounting officer of The Queen Katherine Multi Academy Trust I am responsible and accountable for ensuring that the academy trust delivers good value in the use of public resources. I am aware of the guide to academy value for money statements published by the Education Funding Agency and understand that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

Set out below are examples of how the academy trust's use of its resources has provided good value for money during the academic year:-

- Investment in the professional development of staff who work in support e.g. training up Senior Science Technician to undertake fume cupboard maintenance, replacement of filters and testing of air flows, previously undertaken at cost by a third party.
- Working in the feeder schools to provide, IT services, support and advice at an affordable level to the primary schools i.e. below market IT consultancy rates. This generates income for the academy whilst enabling primary schools to promote the use of IT for students.
- Intervention at Year 7, using a specialist company Pet-Xi, to aid students coming in from primary school at below English and Maths target levels. The two week intensive learning programme covered reading, writing and arithmetic with the objective of narrowing the educational gap.
- The MAT has sought to generate external revenues and maximise synergistic benefits by producing generic policies and procedures, which can be sold to other schools and utilising skills within the MAT that would otherwise have had to be bought in e.g. HR.

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 multi academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Queen Katherine School Multi Academy Trust for the year ended 31 August 2015 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees have reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy's significant risks that has been in place for the period 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

Governance Statement (continued)

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Business, Finance and Audit Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided:

- not to appoint an internal auditor for Queen Katherine School. However the trustees have appointed Stables Thompson & Briscoe as Responsible Officer.
- not to appoint an internal auditor for Walney School. However the trustees have appointed, the external auditor, to perform additional checks.

The role of the responsible officer and external auditor includes giving advice on financial matters and performing a range of

- testing of payroll systems
- testing of purchase systems
- testing of bank reconciliations

The reports are provided to the local governing bodies on the operations of the systems of control. The schedule of works has been delivered as planned and any action has been taken as appropriate.

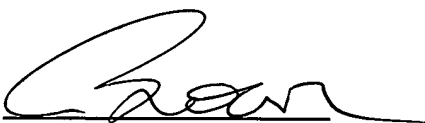
Review of Effectiveness

As Accounting Officer, the executive head has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- The work of the Responsible Officer;
- The work of the External Auditor;
- The financial management and governance self-assessment process;
- The work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 14 December 2015 and signed on its behalf by:



Richard Moore
Chair of Trustees



Stephen Wilkinson
Accounting Officer

Statement on Regularity, Propriety and Compliance

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

I confirm that I and the multi 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. If any instances are identified after the date of this statement, these will be notified to the board of trustees and EFA.

A handwritten signature in black ink, appearing to read 'S. Wilkinson', written over a horizontal line.

Stephen Wilkinson
Accounting Officer

Statement of Trustees' Responsibilities

The trustees (who act as governors of The Queen Katherine School Multi Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction 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:

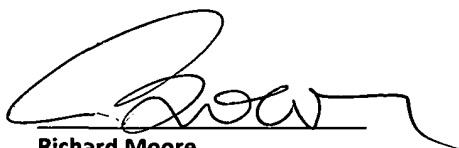
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2005;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

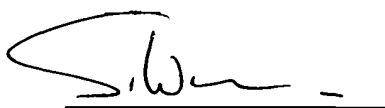
The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/DfE have 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 14 December 2015 and signed on its behalf by:



Richard Moore
Chair of Trustees



Stephen Wilkinson
Accounting Officer

Independent Auditor's Report on the Financial Statements to the Board of Trustees of The Queen Katherine School Multi Academy Trust

We have audited the financial statements of The Queen Katherine School Multi Academy Trust for the year ended 31 August 2015 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the 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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Trustees and Auditors

As explained more fully in the Trustees' Responsibilities Statement, the trustees (who are also the directors of The Queen Katherine School Multi Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the Audit of the Financial Statements

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 academy's affairs at 31st August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' Annual Report (which includes the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent Auditor's Report on the Financial Statements to the Board of Trustees of The Queen Katherine School Multi Academy Trust (continued)

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.



Ian Thompson (Senior Statutory Auditor)

For and on behalf of

Saint & Co
Chartered Accountants & Statutory Auditors
The Old Police Station
Church Street
Ambleside
Cumbria
LA22 0BT

17/12/15 Date

Independent Reporting Accountant's Assurance Report on Regularity to The Queen Katherine School Multi Academy Trust and the Education Funding Agency

In accordance with the terms of our engagement letter dated 02 September 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Queen Katherine School Multi Academy Trust during the period 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Queen Katherine School Multi 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 The Queen Katherine School Multi Academy Trust and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Queen Katherine School Multi Academy Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective Responsibilities of The Queen Katherine School Multi Academy Trust's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirement of The Queen Katherine School Multi Academy Trust's funding agreement with the Secretary of State for Education dated 18 February 2014 and the Academies Financial Handbook, extant from 1 September 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament 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 2014 to 2015 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

Independent Reporting Accountant's Assurance Report on Regularity to The Queen Katherine School Multi Academy Trust and the Education Funding Agency (continued)

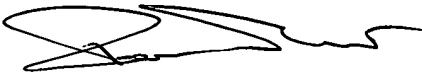
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- the Financial Management & Governance Evaluation (FMGE) was obtained and the EFA evaluation considered;
- having a general awareness of regularity and propriety whilst conducting the statutory audit function;
- reviewing if extra-contractual severance payments have been made in accordance with the Handbook;
- reviewing if borrowing agreements, including leases to ensure they have been made in accordance with the Handbook;
- reviewing the minutes of the meeting of the main committees during the year;
- reviewing expenditure to check that it was not ultra vires to the charitable objectives;
- obtaining trustee / governors declaration of interests.
- obtaining the accounting officer's file.

Conclusion

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



Ian Thompson (Reporting Accountant)

For and on behalf of

Saint & Co
Chartered Accountants & Statutory Auditors
The Old Police Station
Church Street
Ambleside
Cumbria
LA22 0BT

17/12/15 Date

Statement of Financial Activities for the Year Ended 31 August 2015

(Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2015 £	Total 2014 £
Incoming resources						
<i>Incoming resources from generated funds:</i>						
- Voluntary income	2	22,297	16,667	-	38,964	23,426
- Voluntary income - transfer from local authority on conversion	30	621,899	(1,241,031)	8,039,683	7,420,551	-
- Activities for generating funds	3	759,334	-	-	759,334	447,474
- Investment income	4	3,082	-	-	3,082	2,665
<i>Incoming resources from charitable activities:</i>						
- Funding for the Academy's educational operations	5	-	11,200,024	252,808	11,452,832	7,221,176
- other income	6	49,931	395,170	-	445,101	413,145
Total incoming resources		1,456,543	10,370,830	8,292,491	20,119,864	8,107,886
Resources expended						
<i>Costs of generating funds:</i>						
- Cost of generating voluntary income		-	-	-	-	-
- Activities for generating funds	8	632,527	-	-	632,527	350,537
<i>Charitable activities:</i>						
- Academy's educational operations	9	40,690	12,255,184	980,970	13,276,844	8,493,164
<i>Governance costs</i>	10	-	169,044	-	169,044	84,791
Total resources expended	7	673,217	12,424,228	980,970	14,078,415	8,928,492
Net incoming / (outgoing) resources before transfers		783,326	(2,053,398)	7,311,521	6,041,449	(820,606)
Gross transfers between funds	13,21	(735,999)	679,716	56,283	-	-
Net income/(expenditure) for the year		47,327	(1,373,682)	7,367,804	6,041,449	(820,606)
Other recognised gains and losses						
Actuarial (losses) gains on defined benefit pension schemes	20,25	-	(147,000)	-	(147,000)	(345,000)
Net movement in funds		47,327	(1,520,682)	7,367,804	5,894,449	(1,165,606)
Reconciliation of funds						
Funds brought forward to 1 September 2014	20	1,010,378	(1,660,565)	9,272,326	8,622,139	9,787,745
Fund balances carried forward at 31 August 2015		1,057,705	(3,181,247)	16,640,130	14,516,588	8,622,139

All of the academy's activities derive from acquisitions and continuing operations during the above two financial periods.

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

The Queen Katherine School Multi Academy Trust

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Balance Sheet as at 31 August 2015

Company Number 07472799

	Notes	2015 £	2015 £	2014 £	2014 £
Fixed assets					
Tangible assets	16		16,395,578		9,272,326
Investments	17		100,000		-
Current assets					
Stock	18	1,233		1,524	
Debtors	19	331,555		241,843	
Cash at bank and in hand		<u>2,088,356</u>		<u>2,029,767</u>	
		2,421,144		2,273,134	
Liabilities					
Creditors: Amount falling due within one year	20	<u>1,002,134</u>		<u>1,082,321</u>	
Net current assets			<u>1,419,010</u>		<u>1,190,813</u>
Total assets less current liabilities			17,914,588		10,463,139
Pension scheme liability	26		(3,398,000)		(1,841,000)
Net Assets including pension liability			<u><u>14,516,588</u></u>		<u><u>8,622,139</u></u>
Funds of the academy trust:					
Restricted funds					
Fixed asset funds	21	16,640,130		9,272,326	
General funds	21	216,753		180,435	
Pension reserve	21,26	<u>(3,398,000)</u>		<u>(1,841,000)</u>	
Total restricted funds	21		13,458,883		7,611,761
Unrestricted income funds					
General fund	21	<u>1,057,705</u>		<u>1,010,378</u>	
Total unrestricted funds			1,057,705		1,010,378
Total funds			<u><u>14,516,588</u></u>		<u><u>8,622,139</u></u>

The financial statements were approved by the trustees, and authorised for issue on 14 December 2015 and signed on their behalf by:



Stephen Wilkinson
Accounting Officer



Richard Moore
Chair of Trustees

Cash Flow Statement for the Year Ended 31 August 2015

	2015	2014	
Reconciliation of net income to net cash inflow from operating activities	£	£	
Net incoming resources before transfers	6,041,449	(820,606)	
Interest receivable	(3,082)	(2,665)	
Depreciation	872,714	531,057	
Asset cost disposed of during year	-	49,340	
Accumulated depreciation on disposed assets	-	(11,549)	
Cash transferred on conversion to an academy trust	(637,868)	-	
Assets transferred from predecessor school	(7,939,683)	-	
Investment asset transferred from predecessor school	(100,000)	-	
LGPS Pension transferred on conversion	1,257,000	-	
Capital grants from DfE and other capital income	(252,808)	(27,524)	
Decrease/(Increase)Increase in stocks	291	(8)	
Decrease/(Increase) in debtors	(89,712)	(24,921)	
Increase/(Decrease) in creditors	(80,187)	263,293	
FRS17 net pension finance costs	108,000	47,000	
FRS17 pension costs less contributions payable	45,000	18,000	
Net cash inflow from operating activities	(778,886)	21,417	
Cash transferred on conversion to an academy trust			
Budget surplus / (deficit) on LA funds	336,804	-	
School trips on conversion	2,839	-	
School fund on conversion	298,225	-	
Net cash inflow on conversion to an academy trust	637,868	-	
Capital expenditure and financial investment			
Capital grants from DfE and other capital income	252,808	27,524	
Payments to acquire tangible fixed assets	(56,283)	(218,653)	
Net cash outflow from capital expenditure and financial investment	196,525	(191,129)	
Returns on investments and servicing of finance			
Interest received	3,082	2,665	
Net cash inflow from returns on investments and servicing of finance	3,082	2,665	
(Decrease) / increase in cash in the year	58,589	(167,047)	
Reconciliation of net cash flow to movement in net funds			
(Decrease) / increase in cash in the period	58,589	(167,047)	
Change in net funds	58,589	(167,047)	
Net funds at 1 September 2014	2,029,767	2,196,814	
Net funds at 31 August 2015	2,088,356	2,029,767	
Analysis of changes in net funds	1 Sep 14	Cashflows	31 Aug 15
	£	£	£
Cash in hand and at bank	2,029,767	58,589	2,088,356
Total cash and cash equivalents	2,029,767	58,589	2,088,356

Notes to the Financial Statements for the Year Ended 31 August 2015**1. Statement of Accounting Policies****Basis of Preparation**

The financial statements have been prepared under the historical cost convention, except for investments which are included at market value, in accordance with applicable United Kingdom accounting standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2014 to 2015 issued by the EFA and the Companies Act 2006. A Summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Going Concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

Incoming Resources

All incoming resources are recognised when the academy trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

- **Grants Receivable**

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 year for which it is receivable and any unspent amount is reflected as a balance in the restricted fund.

Capital grants are recognised when receivable 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.

- **Donations**

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

- **Other Income**

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

- **Donated Services and Gifts in Kind**

The value of donated services and gifts in kind provided to the academy trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with academy trust's policies.

Conversion of State Maintained School to an Academy Trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion to an academy trust have been valued at their fair value being a reasonable estimate of the current market value that the governors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for The Queen Katherine Multi Academy Trust Limited. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transactions are set out in notes.

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)**1. Statement of Accounting Policies (Continued)****Deferred Income**

Grants and other funding received for the academy's educational activities for a period spanning the year end are deferred pro-rata to the relevant periods in order to match the funding to the period in which the costs of charitable activities are incurred.

Resources Expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent. Other support costs are allocated based on the spread of staff costs.

- **Costs of Generating Funds**

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

- **Charitable Activities**

These are costs incurred on the academy trust's educational operations.

- **Governance Costs**

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management and Trustee's meetings and reimbursed expenses.

All resources expended are exclusive of irrecoverable VAT, which is posted as a separate cost.

Fixed Assets

Assets costing £2,000 or more (multiple assets not included if individual assets are under £2,000) are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. 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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy.

Depreciation

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful economic life as follows:

Freehold buildings	- straight line over the estimated economic life (8 to 50 years)
Plant and machinery	- straight line over the estimated economic life (15 years)
Furniture and equipment	- straight line over 10 years
ICT equipment	- straight line over 4 years

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

Assets purchased during the year are depreciated from the date they are brought into use. The depreciation is time apportioned.

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.

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

1. Statement of Accounting Policies (Continued)

Investment Fixed Assets

Investment fixed assets are carried at market value and are not depreciated. They are included in the restricted fixed asset fund and any unrealised or realised gains or losses on investments are included in the Statement of Financial Activities.

Operating Lease Agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Stock

Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

Taxation

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

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in the notes, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

Fund Accounting

Unrestricted funds reflect those resources which may be used towards meeting any of the objects of the academy at the discretion of the trustees.

Unrestricted designated funds consist of amounts allocated or designated for specific purposes. The use of designated funds for their designated purpose will remain at the discretion of the trustees.

Restricted fixed asset funds reflect the fixed assets and capital grants for the purchase of fixed assets to be used for charitable purposes.

Restricted general funds comprise grants, including the General Annual Grant (GAG), and other funding for educational purposes and any voluntary income to be used for specific purposes.

The Local Government Pension Scheme deficit is recognised against restricted general funds in order to match it against the GAG, in accordance with EFA guidance.

Details of restricted and unrestricted funds are shown in the notes to the financial statements.

Agency Arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from EFA. Payments received from EFA 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. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in notes.

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

2. Voluntary Income	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
Donations - QKS Meadowview Nursery Limited	-	-	-	-
Other donations	1,335	6,667	8,002	9,301
Sir John Fisher Grant	-	10,000	10,000	-
Gift in kind	20,962	-	20,962	14,125
	<u>22,297</u>	<u>16,667</u>	<u>38,964</u>	<u>23,426</u>
3. Activities for Generating Funds	Unrestricted Funds £	Restricted Funds £	2015 Total £	2014 Total £
Lettings, room and All Weather Pitch (AWP) hire	104,995	-	104,995	81,944
Catering income	428,799	-	428,799	263,288
Service provision	58,756	-	58,756	31,896
Teaching School - Lettings	3,194	-	3,194	4,349
Teaching School - CCC	-	-	-	30,000
Teaching School	163,590	-	163,590	35,997
	<u>759,334</u>	<u>-</u>	<u>759,334</u>	<u>447,474</u>
4. Investment Income	Unrestricted Funds £	Restricted Funds £	2015 Total £	2014 Total £
Bank interest receivable	3,082	-	3,082	2,665
	<u>3,082</u>	<u>-</u>	<u>3,082</u>	<u>2,665</u>
5. Funding for Academy's educational operations	Unrestricted Funds £	Restricted Funds £	2015 Total £	2014 Total £
DfE/EFA Grants				
General Annual Grant (GAG)	-	9,958,703	9,958,703	6,588,839
Capital Grants	-	252,808	252,808	27,524
Pupil Premium	-	435,655	435,655	155,927
Summer School	-	5,750	5,750	6,250
Year 7 Catch Up	-	27,000	27,000	8,500
16 -19 Bursary	-	(35,649)	(35,649)	20,249
Other DfE/EFA grants	-	148,135	148,135	99,707
	-	<u>10,792,402</u>	<u>10,792,402</u>	<u>6,906,996</u>
Other Government Grants				
LA funds (SEN and Pupil Premium)	-	377,879	377,879	234,257
NLE School Improvement	-	-	-	15,000
Cumbria County Council Grants	-	2,500	2,500	-
National College Learning	-	6,000	6,000	7,000
Teaching School	-	274,051	274,051	57,923
	-	<u>660,430</u>	<u>660,430</u>	<u>314,180</u>
	-	<u>11,452,832</u>	<u>11,452,832</u>	<u>7,221,176</u>

Included in Other DfE / EFA Grants are grants received for Rates, which were included within the GAG income in previous years. This is due to a change in the list of funding streams that comprise the GAG per the accounts direction.

6. Other Income	Unrestricted Funds £	Restricted Funds £	2015 Total £	2014 Total £
Educational activities and visits	-	286,813	286,813	318,532
School fund income	24,260	30,175	54,435	32,223
Other	25,671	78,182	103,853	62,390
	<u>49,931</u>	<u>395,170</u>	<u>445,101</u>	<u>413,145</u>

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

7. Resources Expended	Staff Costs £	Non Pay Expenditure Premises £	Other Costs £	2015 Total £	2014 Total £
Cost of generating voluntary income	-	-	-	-	-
Cost of activities for generating funds	306,568	42,353	239,620	588,541	350,537
Academy's educational operations					
Direct costs	8,214,736	814,371	696,492	9,725,599	6,171,296
Allocated support costs	1,576,474	1,009,045	965,726	3,551,245	2,321,868
	<u>10,097,778</u>	<u>1,865,769</u>	<u>1,901,838</u>	<u>13,865,385</u>	<u>8,843,701</u>
Governance costs including allocated support costs	-	-	169,044	169,044	84,791
	<u>10,097,778</u>	<u>1,865,769</u>	<u>2,070,882</u>	<u>14,034,429</u>	<u>8,928,492</u>

Incoming/Outgoing Resources for the Year Include:	2015 £	2014 £
Operating leases	71,104	57,981
Fees payable to current auditor		
- audit of the financial statements	10,700	6,200
- other assurance services	13,590	-
- other services	765	-
	<u>765</u>	<u>-</u>

8. Cost of Activities for Generating Funds	Unrestricted Funds £	Restricted Funds £	2015 Total £	2014 Total £
Teaching and educational support staff costs	53,502	-	53,502	42,601
Support staff costs	253,066	-	253,066	146,379
Heat and light	9,819	-	9,819	8,540
Rent and rates	4,534	-	4,534	3,905
Maintenance of premises and equipment	15,876	-	15,876	2,305
Cleaning	12,124	-	12,124	774
Catering	209,169	-	209,169	141,512
Other support costs - Teaching school	43,986	-	43,986	-
Other support costs	30,451	-	30,451	4,521
	<u>632,527</u>	<u>-</u>	<u>632,527</u>	<u>350,537</u>

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

9. Charitable Activities

	Unrestricted Funds	Restricted Funds	2015 Total	2014 Total
	£	£	£	£
Direct Costs - educational operations				
Teaching and educational support staff costs	-	8,214,736	8,214,736	5,200,668
Depreciation	-	814,371	814,371	485,073
Loss/(Profit) on disposal	-	-	-	35,422
Books, apparatus and stationery	-	206,278	206,278	128,779
Staff development	-	49,077	49,077	28,497
Examination fees	-	164,761	164,761	122,667
External Education Provision	-	199,616	199,616	108,462
Educational consultancy	-	33,019	33,019	20,122
Additional Pupil Premium costs	-	29,359	29,359	19,431
Other direct costs	658	13,724	14,382	22,175
	<u>658</u>	<u>9,724,941</u>	<u>9,725,599</u>	<u>6,171,296</u>
Support Costs - educational operations				
Support staff costs	-	1,573,849	1,573,849	891,491
Depreciation	-	58,343	58,343	45,985
Loss/(Profit) on disposal	-	-	-	2,369
Recruitment and support	-	36,231	36,231	18,014
Maintenance of premises and equipment	-	292,507	292,507	220,970
Legal and professional	-	62,457	62,457	68,326
Cleaning	-	230,153	230,153	161,750
Rent and rates	-	121,885	121,885	66,929
Heat and light	-	169,734	169,734	82,246
Insurance	-	67,617	67,617	43,352
Security	-	6,349	6,349	4,577
Transport	-	79,284	79,284	58,363
Catering	-	26,600	26,600	12,790
Technology costs	-	251,715	251,715	169,304
Educational activities	-	289,652	289,652	318,532
School fund expenditure	40,032	36,113	76,145	29,511
Photocopying	-	40,710	40,710	19,067
Other support costs	-	168,014	168,014	108,292
	<u>40,032</u>	<u>3,511,213</u>	<u>3,551,245</u>	<u>2,321,868</u>
Total direct and support costs	<u>40,690</u>	<u>13,236,154</u>	<u>13,276,844</u>	<u>8,493,164</u>

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

	Total £	Individual items above £5,000 Amount £	Reason
Unrecoverable debts	2,000		

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

10. Governance Costs	Unrestricted Funds	Restricted Funds	2015 Total	2014 Total
	£	£	£	£
Legal and professional fees	-	34,569	34,569	31,208
Net finance costs in respect of defined benefit pension schemes	-	108,000	108,000	47,000
Other	-	420	420	383
Audit remuneration	-	26,055	26,055	6,200
	-	169,044	169,044	84,791

11. Staff

a. Staff costs

	2015	2014
	£	£
Staff costs during the period were:		
Wages and salaries	7,974,106	5,075,812
Social security costs	572,891	372,379
Pension costs	1,271,588	771,083
	9,818,585	6,219,274
Supply teacher costs	214,200	64,839
Supply support costs	-	881
Staff restructuring costs	64,991	-
	10,097,776	6,284,994

b. Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory / non-contractual severance payments totalling £62,636 (2014: £nil). Individually, the payments were: £15,000, £17,500, £11,450, £9,484, £4,398 and £4,804.

c. Staff numbers

The average number of persons (including senior management team) employed by the academy during the period expressed as full time equivalents was as follows:

	2015	2014
	No	No
Charitable Activities		
Teachers	117	81
Administration and support	113	64
Management	18	10
	248	155

d. Higher paid staff

The number of employees whose emoluments fell within the following annual bands was as follows:

	2015	2014
	No	No
£60,001 - £70,000	4	2
£70,001 - £80,000	2	-
£90,001 - £100,000	2	2
£110,001 - £120,000	-	-
	8	4

All of the above employees participated in the Teachers' Pension Scheme. During the period ended 31 August 2015, pension contribution for these staff amounted to £84,542 (2014: £44,622).

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

12. Central Services

The academy trust has provided the following central services to its academies during the year:

- human resources
- financial services
- legal services
- educational support services
- professional services

The trust charges for these services on the following basis:

- other basis (management decided % split between academies)

The actual amounts charges during the year were as follows:

	2015
	£
The Queen Katherine School Academy Trust	276,866
Walney School	117,109
George Hastwell	0
	<u>393,975</u>

13. Transfers Between Funds

£35,337 has been transferred from the unrestricted catering fund to the General Annual Grant restricted general fund to cover the overhead costs that could not be directly allocated on a consistent basis.

£56,283 was transferred to the restricted fixed asset used for charitable purposes in respect of assets purchased during the year as analysed below:

Transfer from the General Annual Grant restricted general fund	0
Transfer from the general unrestricted fund.	<u>56,283</u>
	56,283

The following transfers have been made between restricted fixed asset funds:

Transfer from the EFA formula capital restricted fund	0
	<u>56,283</u>

£73 has been transferred from the unrestricted teaching school fund to the restricted teaching school fund to cover the overspend on the teaching school core grant.

The following funds have been transferred to the General Annual Grant restricted general fund to cover the in year deficit

Transfer from unrestricted school funds	188,000
Transfer from general unrestricted funds.	<u>456,306</u>
	644,306

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

14. Related Party Transactions - Trustees' Remuneration and Expenses

The Executive Head Teacher, Head Teacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy in respect of their role as trustees. The value of the trustees' remuneration and other benefits was as follows:

S Wilkinson (Executive Head Teacher and trustee):

Remuneration	£95,001 - £100,000	(2014: £90,001 - £95,000)
Employer's pension contributions	£10,001 - £15,000	(2014: £10,001 - £15,000)

The Queen Katherine School

G Roscoe (Head Teacher of QKS and trustee):

Remuneration	£95,001 - £100,000	(2014: £90,001 - £95,000)
Employer's pension contributions	£10,001 - £15,000	(2014: £10,001 - £15,000)

J Collings (staff trustee):

Remuneration	£40,001 - £45,000	(2014: £35,001 - £40,000)
Employer's pension contributions	£5,001 - £10,000	(2014: £5,001 - £10,000)

K Barber (staff trustee):

Remuneration	£55,001 - £60,000	(2014: £50,001 - £55,000)
Employer's pension contributions	£5,001 - £10,000	(2014: £5,001 - £10,000)

C Metcalfe (staff trustee to 31/08/2014):

Remuneration	n/a	(2014: £40,001 - £45,000)
Employer's pension contributions	n/a	(2014: £5,001 - £10,000)

R Shillitoe (staff trustee from 01/10/2014):

Remuneration	£30,001 - £35,000	n/a
Employer's pension contributions	£0,001 - £5,000	n/a

Walney School

J Richardson (Head Teacher of Walney and trustee):

Remuneration	£75,001 - £80,000	n/a
Employer's pension contributions	£10,001 - £15,000	n/a

N Tippins (staff trustee):

Remuneration	£35,001 - £40,000	n/a
Employer's pension contributions	£5,001 - £10,000	n/a

D Dooley (staff trustee):

Remuneration	£10,001 - £15,000	n/a
Employer's pension contributions	£0,001 - £5,000	n/a

R Ward (staff trustee):

Remuneration	£35,001 - £40,000	n/a
Employer's pension contributions	£5,001 - £10,000	n/a

During the year ended 31 August 2015 there was £Nil (2014: £Nil) travel and subsistence expenses reimbursed to the trustees.

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

15. Trustees' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 (2014: £5,000,000) on any one claim and the cost for the year ended 31st August 2015 was £179 (2014: £104).

The cost of this insurance is included in the total insurance cost.

Notes to the Financial Statement for the Year Ended 31 August 2015

16. Tangible Fixed Assets	Freehold Land & Buildings	Long Leasehold Land & Buildings	Plant & Machinery	Furniture & Equipment	ICT Equipment	Total
Cost	£	£	£	£	£	£
As at 1 September 2014	6,926,136	-	3,536,908	290,866	196,405	10,950,315
Assets on conversion	-	5,670,499	2,066,784	88,800	113,600	7,939,683
Additions	50,584	-	5,699	-	-	56,283
Disposals	-	-	-	-	-	-
As at 31 August 2015	<u>6,976,720</u>	<u>5,670,499</u>	<u>5,609,391</u>	<u>379,666</u>	<u>310,005</u>	<u>18,946,281</u>
Depreciation						
As at 1 September 2014	724,195	-	759,271	68,497	126,026	1,677,989
Charge in year	226,527	168,290	373,581	37,967	66,349	872,714
Disposals	-	-	-	-	-	-
As at 31 August 2015	<u>950,722</u>	<u>168,290</u>	<u>1,132,852</u>	<u>106,464</u>	<u>192,375</u>	<u>2,550,703</u>
Net book values						
As at 31 August 2015	<u>6,025,998</u>	<u>5,502,209</u>	<u>4,476,539</u>	<u>273,202</u>	<u>117,630</u>	<u>16,395,578</u>
As at 1 September 2014	<u>6,201,941</u>	<u>-</u>	<u>2,777,637</u>	<u>222,369</u>	<u>70,379</u>	<u>9,272,326</u>

The trusts transactions relating to land and buildings included:

- the taking up of a leasehold on Walney School for peppercorn rent, over a term of 125 years.

The trustees have valued the land at £1. This valuation reflects the fact that the land is tied specifically to educational use. No account has been taken in any potential development value.

Lease arrangements

The academy has a 125 year lease with Cumbria County Council for the land and buildings of Walney school, which commenced on 1 September 2014..

Notes to the Financial Statement for the Year Ended 31 August 2015

16. Tangible Fixed Assets (continued)

Valuation Details

The Queen Katherine School

Included within freehold buildings and plant and machinery are the following assets which were transferred on conversion to an academy. The freehold buildings, integral features and the plant and machinery were valued at 'build costs' of £11,649,701, £2,285,006 and £907,610 respectively on 23 June 2011 by Gary A Bushell, FRICS, AMAE of Bushell Raven Limited who is independent of the charitable company. The valuation by Gary A Bushell was based on the estimated rebuild costs, which the trustees have amended downwards to get to the Existing Use Value using a depreciated replacement cost approach. Under this approach the buildings were valued at £5,682,023 at the date of conversion with integral features and plant and machinery remaining unchanged at £2,285,006 and £907,610 respectively.

The Sandgate building which was transferred to the academy in the year ended 31 August 2012 was valued on 23 June 2011 by Gary A Bushell, FRICS, AMAE of Bushell Raven Limited who is independent of the charitable company. The freehold buildings, integral features and the plant and machinery were valued at 'build costs' of £772,632, £231,790 and £99,338 respectively.

The trustees note that the valuation date is later than the date of conversion on 01 April 2011, but believe that the valuation will not be any different at the conversion date compared to the valuation date.

Walney School

In addition to the assets on conversion above there was also assets valued at £312,100 which fall below the capitalisation policy of the academy which have not been recognised.

Included within freehold buildings and plant and machinery are the following assets which were transferred on conversion to an academy. The freehold buildings, integral features and the plant and machinery were valued at 'build costs' of £12,337,677, £1,314,156 and £752,648 respectively on 24 June 2014 by Gary A Bushell, FRICS, AMAE of Bushell Raven Limited who is independent of the charitable company. The valuation by Gary A Bushell was based on the estimated rebuild costs, which the trustees have amended downwards to get to the Existing Use Value using a depreciated replacement cost approach. Under this approach the buildings were valued at £5,670,499 at the date of conversion with integral features and plant and machinery remaining unchanged at £1,314,156 and £752,648 respectively.

The trustees note that the valuation date is earlier than the date of conversion on 01 September 2014, but believe that the valuation will not be any different at the conversion date compared to the valuation date.

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

17. Fixed Asset Investments

Movement in market value	2015 £	2014 £
Market value at 1 September 2014	-	-
Acquisitions at cost	100,000	-
Net gains on revaluations in the year	-	-
Market value at 31 August 2015	<u>100,000</u>	<u>-</u>

Analysis of investments at 31 August 2015 between funds

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total Funds 2015 £	Total Funds 2014 £
UK Property	-	-	100,000	100,000	-

The investment represents the school site house. It was transferred from the local authority on conversion when Walney school joined the MAT. The open market value as at 1 September 2014 was £100,000, this valuation was made by the trustees. The trustees consider that the property's current market value has not significantly changed since 1 September 2014.

18. Stock

	2015 £	2014 £
Catering	1,065	1,356
Uniforms	168	168
	<u>1,233</u>	<u>1,524</u>

19. Debtors

	2015 £	2014 £
Trade debtors	40,934	30,243
VAT recoverable	59,106	48,868
Prepayments	125,294	128,171
Accrued income	104,236	32,210
Other debtors	1,985	2,351
	<u>331,555</u>	<u>241,843</u>

20. Creditors: Amounts Falling due Within One Year

	2015 £	2014 £
Trade creditors	174,293	304,799
Taxation and social security	319,361	110,770
Sundry creditors	5,481	18,821
EFA creditor	46,482	51,927
Accruals and deferred income	456,517	596,004
	<u>1,002,134</u>	<u>1,082,321</u>

Deferred Income

	2015 £	2014 £
Accruals and deferred income includes:		
Deferred income at 1 September 2014	532,682	155,561
Resources deferred in the year	380,381	532,682
Amounts released from previous years	(532,682)	(155,561)
Deferred income at 31 August 2015	<u>380,381</u>	<u>532,682</u>

Deferred income comprises:

LA funded statements for the period September 2015 to March 2016	285,737
EFA rates for the period September 2015 to March 2016	17,111
School trips income for future trips	42,727
Teaching school income in relation to the 2015/16 academic year	12,233
Train passes income received in relation to the 2015/16 academic year	22,573
	<u>380,381</u>

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

21. Funds	Balance at 01-Sep 2014 £	Incoming resources £	Resources expended £	Gains, Losses and Transfers £	Balance at 31-Aug 2015 £
Restricted General Funds					
General Annual Grant (GAG)	6,872	9,958,703	(10,645,218)	679,643	-
Pupil Premium	-	435,655	(435,655)	-	-
Summer School	2,147	5,750	(7,897)	-	-
16 -19 Bursary	35,649	(35,649)	-	-	-
Other DfE/EFA grants	38,593	148,135	(149,086)	-	37,642
LA funds (SEN and Pupil Premium)	-	377,879	(377,879)	-	-
Teaching School	49,065	274,051	(193,242)	73	129,947
Educational activities and visits	-	289,652	(289,652)	-	-
School Funds	31,972	43,305	(36,113)	-	39,164
Other restricted general funds	16,137	130,349	(136,486)	-	10,000
	<u>180,435</u>	<u>11,627,830</u>	<u>(12,271,228)</u>	<u>679,716</u>	<u>216,753</u>
Restricted Fixed Asset Funds					
Fixed assets used for					
Charitable purposes	9,272,326	7,939,683	(872,714)	56,283	16,395,578
Fixed asset investment	-	100,000	-	-	100,000
Devolved formula capital	-	59,841	(59,841)	-	-
EFA capital maintenance fund	-	192,967	(48,415)	-	144,552
	<u>9,272,326</u>	<u>8,292,491</u>	<u>(980,970)</u>	<u>56,283</u>	<u>16,640,130</u>
Restricted Pension Reserve Funds					
Pension reserve fund	(1,841,000)	(1,257,000)	(153,000)	(147,000)	(3,398,000)
Total Restricted Funds	<u>7,611,761</u>	<u>18,663,321</u>	<u>(13,405,198)</u>	<u>588,999</u>	<u>13,458,883</u>
Unrestricted Funds					
Unrestricted general funds	732,916	190,422	(101,539)	(175,785)	646,014
Walney Surplus on conversion fund	-	336,804	-	(336,804)	-
Unrestricted school funds	-	309,355	(40,032)	(188,000)	81,323
Catering fund	-	428,799	(393,462)	(35,337)	-
All Weather Pitch designated fund	149,433	24,379	(17,365)	-	156,447
Teaching School	48,029	166,784	(120,819)	(73)	93,921
Pension deficit set aside designated fund	80,000	-	-	-	80,000
Total Unrestricted Funds	<u>1,010,378</u>	<u>1,456,543</u>	<u>(673,217)</u>	<u>(735,999)</u>	<u>1,057,705</u>
Total Funds	<u>8,622,139</u>	<u>20,119,864</u>	<u>(14,078,415)</u>	<u>(147,000)</u>	<u>14,516,588</u>

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

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

General Annual Grant (GAG) fund

This represents the core funding for the educational activities of the schools that has been provided to the multi academy trust via the Educational Funding Agency (EFA).

Pupil Premium

This represents funding paid by the DfE to support disadvantaged students in their teaching and learning, with the aim of improving their attainment and closing the gap with more advantaged students.

16 - 19 Bursary fund

This represents funding paid by the EFA for young people who need financial support to stay on in further education or training. There has been a change in treatment during the current year which is disclosed in note 29.

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

LA Funded Statements

This represents funding paid by Cumbria County Council to support a continuum of provision for students with special educational needs (SEN), learning difficulties and disabilities.

Teaching School Restricted

This represents grants paid from National College for Teaching and Leadership subject to specific conditions documented in individual funding offer letters

School Funds

This represents restricted contributions to be extended on specific projects, activities and materials for the benefit of the pupils.

Educational Activities and visits

This represents mainly parental contributions. Voluntary income and educational income to be expended on specific projects, activities and materials for the benefit of the pupils.

All Weather Pitch

This represents funding paid by external users of the all weather pitch, a designated fund to be used for the replacement of the pitch.

Catering

This represents funding relating to the provision of school meals to students and staff.

Teaching School Unrestricted

This represents funding generated by service provision from teaching school.

Funds in Deficit

Pension Reserve Fund - this fund represents the deficit on the Local Government Pension Scheme (LGPS) at the year end.

The Queen Katherine School

The academy has previously entered into an agreement effective from 01 April 2014 to make additional contributions in addition to normal funding levels. It is anticipated that the payments will be made over 19 years from 01 April 2014.

Walney School

The academy has previously entered into an agreement effective from 01 April 2014 to make a higher employers pension contribution percentage.

Analysis of academies by fund balance

Fund balance at 31 August 2015 were allocated as follows:

The Queen Katherine School Academy Trust	975,984
Walney School	298,474
* George Hastwell	-
Central Services	-
Total before fixed assets and pension reserve	<u>1,274,458</u>
Restricted fixed asset fund	16,640,130
Pension reserve	<u>(3,398,000)</u>
Total	<u>14,516,588</u>

* George Hastwell School joined The Queen Katherine Multi Academy Trust on 01 September 2015.

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

Analysis of academies by cost

Expenditure incurred by each academy during the year was as follows:

	Teaching and Educational Support Staff Costs	Other Support Staff Costs	Educational Supplies	Other Costs (excluding dep'n)	Total
	£	£	£	£	£
The Queen Katherine School Academy Trust	5,249,752	1,036,142	456,829	1,430,503	8,173,226
Walney School	2,818,428	626,286	239,664	929,122	4,613,500
George Hastwell	-	-	-	25,000	25,000
Central Services	202,683	164,487	-	26,805	393,975
Academy Trust	8,270,863	1,826,915	696,493	2,411,430	13,205,701

22. Analysis of Net Assets Between Funds

Fund balances at 31 August 2015 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£	£	£	£
Tangible fixed assets	-	-	16,395,578	16,395,578
Tangible fixed assets investment	-	-	100,000	100,000
Net current assets	1,057,705	216,753	144,552	1,419,010
Pension scheme liability	-	(3,398,000)	-	(3,398,000)
Total Net Assets	1,057,705	(3,181,247)	16,640,130	14,516,588

23. Financial Commitments

Operating Leases

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

	2015 £	2014 £
Assets other than land & buildings		
Expiring within one year	5,403	32,636
Expiring within two and five years inclusive	27,793	18,621
Expiring in over five years	-	-
	33,196	51,257

24. Capital Commitments

	2015 £	2014 £
Contracted for, but not provided in the financial statements	144,552	-
	144,552	-

During the year Walney School entered into a contract for the replacement of flat roof coverings. The academy was committed to a further cost of £144,552 at the year end. The capital element and repairs element is £nil and £144,552 respectively.

25. 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.

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)**26. Pension and Similar Obligations**

The academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff; which is managed by Your Pension Service (YPS) for Cumbria County Council. Both are multi employer defined-benefit schemes.

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

Contributions amounting to £151,596 (2014 - £387) were payable to the schemes at 31st August 2015 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:

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

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

26. Pensions and Similar Obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31st August 2015 was £649,054 (2014: £336,150), of which employer's contributions totalled £508,611 (2014: £259,285) and employees' contributions totalled £140,443 (2014: £76,865). The agreed contribution rates for future years are as follows:

The Queen Katherine School - 15.8% for employers and 5.5% to 7.5% for employees.

Walney School - 20.6% for employers and 5.5% to 7.5% for employees.

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

Principal Actuarial Assumptions

	At 31 August 2015	At 31 August 2014
Rate of increase in salaries	3.80%	3.70%
Rate of increase for pensions in payment / inflation	2.30%	2.20%
Discount rate for scheme liabilities	4.00%	4.00%
Inflation assumption (CPI)	2.30%	2.20%

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

	At 31 August 2015	At 31 August 2014
<i>Retiring today</i>		
Males	23.0	23.0
Females	25.6	25.5
<i>Retiring in 20 years</i>		
Males	25.8	25.7
Females	28.8	28.7

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

26. Pensions and Similar Obligations (continued)

Local Government Pension Scheme (continued)

The academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	Expected Return at 31 August 2015	Fair value at 31 August 2015 £	Expected Return at 31 August 2014	Fair value at 31 August 2014 £
Equities	6.50%	1,346,000	7.00%	938,000
Government bonds	2.50%	469,000	2.90%	278,000
Other bonds	3.60%	184,000	3.80%	118,000
Property	6.10%	284,000	6.20%	118,000
Cash/liquidity	0.50%	72,000	0.50%	131,000
Other	6.50%	205,000	7.00%	51,000
Total Market Value of Assets		2,560,000		1,634,000
Present value of scheme liabilities				
- Funded		(5,958,000)		(3,475,000)
- Unfunded		-		-
Surplus/(deficit) in the scheme		(3,398,000)		(1,841,000)

The expected rate of return is the assumed return the assets of the Fund will achieve over the entire life of the related obligation based on market expectations at the beginning of the period. This assumption is used to determine the expected return on assets for the pension expense.

The actual return on scheme assets was £86,000 gain (2014: £204,000 gain)

Amounts recognised in the statement of financial activities	2015 £	2014 £
Current service cost (net of employee contributions)	(507,000)	(259,000)
Past service cost	-	-
Total operating charge	(507,000)	(259,000)
Analysis of pension finance income / (Costs)		
Expected return on pension scheme assets	104,000	85,000
Interest on pension liabilities	(212,000)	(132,000)
Pension finance income / (costs)	(108,000)	(47,000)

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £657,000 loss (2014: £510,000 loss).

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

26. Pensions and Similar Obligations (continued)

Local Government Pension Scheme (continued)

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

	2015 £	2014 £
At 01 September 2014	3,475,000	2,797,000
Current service cost	507,000	259,000
Interest cost	212,000	132,000
Members contributions	140,000	77,000
Actuarial (gains)/losses on liabilities	130,000	224,000
Benefits/transfers paid	(20,000)	(14,000)
Business combinations	1,514,000	-
Benefit obligation at 31 August 2015	5,958,000	3,475,000

Movement in the fair value of Academy's share of scheme assets:

At 01 September 2014	1,634,000	1,366,000
Expected return on assets	104,000	85,000
Actuarial gain/(loss)	(17,000)	(121,000)
Business combinations	257,000	-
Employer contributions	462,000	241,000
Member contributions	140,000	77,000
Benefits/transfers paid	(20,000)	(14,000)
Scheme assets at 31 August 2015	2,560,000	1,634,000

The estimated value of employer contributions for the year ended 31 August 2016 is £483,000.

The five-year history of experience adjustments is as follows:

	2015 £	2014 £	2013 £	2012 £	2011 £
Present value of defined benefit obligations	(5,958,000)	(3,475,000)	(2,797,000)	(2,393,000)	(1,786,000)
Fair value of share of scheme assets	2,560,000	1,634,000	1,366,000	955,000	607,000
Deficit in the scheme	(3,398,000)	(1,841,000)	(1,431,000)	(1,438,000)	(1,179,000)

Experience gains / (losses) adjustments on share of scheme assets

Amount £	(17,000)	(121,000)	84,000	(220,000)	(29,000)
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Experience gains / (losses) adjustments on share of scheme liabilities

Amount £	-	(130,000)	-	(39,000)	(15,000)
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Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

27. 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, it is inevitable that transactions will take place within organisations in which a member of the board of trustees may have 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.

28. Subsidiary

QKS Meadowview Nursery Limited is a wholly owned subsidiary of the academy as it owns 100% of the ordinary share capital. The directors of QKS Meadowview Nursery Limited are S Wilkinson, S Pooley and S Emmott.

Section 404 Companies Act 2006 requires group accounts to include a consolidated balance sheet and consolidated profit and loss account. The Queen Katherine School Multi Academy Trust has a subsidiary, QKS Meadowview Nursery Limited, which has been excluded from these accounts under section 405 Companies Act 2006 on the grounds that its inclusion is not material for the purpose of giving a true and fair view.

- The academy received rental income totalling £5,500 (2014: £5,500), recharged expenses totalling £2,358 (2014: £1,834) to the nursery on a cost basis and received a donation from the Nursery in the sum of £Nil (2014: £Nil) in the year. At the year end invoices totalling £Nil (2014: £Nil) were outstanding.
- The QKS Meadowview Nursery Limited was invoiced by the contractor for part of the nursery extension, totalling £20,962. This has been treated as a gift in kind in line with accounting policies.
- The rent payable is at arms length, the rental value was calculated by an independent valuer (Hyde Harrington). None of the trustees participated in, nor influenced this valuation.
- In entering into the transaction the trust has complied with the requirements of the EFA's Academies Financial Handbook.

29. Agency Arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for EFA. The receipts and distributions during the year have been excluded from the statement of financial activities. An amount is included in other creditors relating to undistributed funds that is repayable to EFA as shown below:

Fund balance at 31 August 2014	35,649
Receipts from EFA during the year	18,297
Distributions during the year	(12,967)
Fund balance at 31 August 2015	<u>40,979</u>

In accordance with the updated guidance in the accounts direction 2014 to 2015 the 16-19 bursary has been treated as an agency arrangement as the trust is acting as a paying agent for the EFA. As this was held as a fund in the previous year, the 31 August 2014 balance has been reversed via income in the current period.

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

30. Conversion to an Academy Trust

On 1 September 2014 Walney School joined the multi academy trust and all the operations and assets and liabilities were transferred to The Queen Katherine Multi Academy Trust from Cumbria County Council for £nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities.

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total 2015 £
Tangible fixed assets				
Freehold land and buildings	-	-	-	-
Leasehold land and buildings	-	-	7,737,283	7,737,283
Other tangible fixed assets	-	-	202,400	202,400
Investment property	-	-	100,000	100,000
Budget surplus / (deficit) on LA funds	336,804	-	-	336,804
School trips on conversion	-	2,839	-	2,839
School fund on conversion	285,095	13,130	-	298,225
LGPS pension surplus / (deficit)	-	(1,257,000)	-	(1,257,000)
Borrowing obligations	-	-	-	-
	621,899	(1,241,031)	8,039,683	7,420,551

The above net assets/liabilities include £637,868 that were transferred as cash.

On 1 September 2014, the leasehold land and buildings were transferred on a 125 year lease at a pepper corn rent from Cumbria County Council to the multi academy trust.