

Registration number: 8331789 (England and Wales)

# QEGS Blackburn Academy Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2021

Beever and Struthers  
Chartered Accountants  
Suite 9b  
The Beehive Lions Drive  
Shadsworth Business Park  
Blackburn  
Lancashire  
BB1 2QS



# **QEGS Blackburn Academy Trust**

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## **QEGS Blackburn Academy Trust**

### **Reference and Administrative Details**

<b>Members</b>	Mr M J Gorick (Resigned 12 October 2020) Mr D A Peat Mr I D H Hamilton (Resigned 12 October 2020) Mr D J Clark Mrs L Crabtree Mr S Hirst Mr I Liddle
<b>Governors and Trustees (Directors)</b>	Mr D A Peat Mrs C Y Gammon (ex-officio) Mr N R D McMillian Mr G Turner Dr K A Whyte Mr M R Cross Mr D M R Edmundson Dr S D Gunn Mr I D H Hamilton (resigned 12 October 2020) Mr M A Norse Mr P A Robinson
<b>Senior Management Team</b>	Mrs C Y Gammon, Headmaster Mr N H Vyse, Deputy Head Mr P Atkinson, Director of Business and Finance Mrs H Southworth, Head of Infant School Mrs R Tattersall, Assistant Head Mrs R Cox, Assistant Head Mr M Hindle, Head of Sixth Form
<b>Principal and Registered Office</b>	West Park Road Blackburn BB2 6DF
<b>Company Registration Number</b>	8331789 (England and Wales)
<b>Auditors</b>	Beever and Struthers Chartered Accountants Suite 9b The Beehive Lions Drive Shadsworth Business Park Blackburn Lancashire BB1 2QS

## **QEGS Blackburn Academy Trust**

### **Reference and Administrative Details (continued)**

#### **Bankers**

Lloyds TSB  
Church Street  
Blackburn  
BB2 1JQ

#### **Solicitors**

Forbes Solicitors  
73 Northgate  
Blackburn  
BB2 1AA

## **QEGS Blackburn Academy Trust**

### **Trustees' Report for the Year Ended 31 August 2021**

The Trustees present their annual report together with the financial statements and auditors' report of QEGS Blackburn Academy Trust (the "Charitable Company") for the year ended 31 August 2021.

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

The trust operates an academy for pupils aged 4-19 serving a catchment area in Blackburn with Darwen and Lancashire.

#### **Structure, governance and management**

##### **Constitution**

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

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

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

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

##### **Members' liability**

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

##### **Trustees' indemnities**

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

##### **Method of recruitment and appointment or election of Trustees**

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

##### **Policies and procedures adopted for the induction and training of trustees**

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

## **QEGS Blackburn Academy Trust**

### **Trustees' Report for the Year Ended 31 August 2021**

#### **Organisational structure**

The Academy is governed by its Governing Body, whose members are directors of the charitable company for the purposes of the Companies Act 2006 and trustees for the purposes of charity legislation. The organisational structure of the Academy consists of 3 levels: the Governing Body, the Head, and the Senior Leadership Team.

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

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

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

The Senior Leadership Team comprises the:

Head  
Deputy Head  
Director of Business and Finance  
Head of Sixth Form  
Assistant Head  
Joint Heads of Primary Phase

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

#### **Arrangements for setting pay and remuneration of key management personnel**

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

#### **Trade union facility time**

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

## **QEGS Blackburn Academy Trust**

### **Trustees' Report for the Year Ended 31 August 2021**

#### **Related parties and other connected charities and organisations**

The Academy was formed out of the former Queen Elizabeth's Grammar School. Queen Elizabeth's Grammar School Blackburn Limited continues to exist and it manages the Queen Elizabeth's Nursery School. As the original School was founded in 1509, a number of historic links, particularly to former pupils/students, exist and this may be a source of donations or other financial support to the Academy going forward. One such organisation is the Old Blackburnian Association which is comprised of former pupils/students and whose aim is to support the School and its pupils/students.

#### **Objectives and activities**

##### ***Objects and aims***

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

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

##### ***Objectives, strategies and activities***

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

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

The main objectives for the year were:

- to uphold its reputation as an institution delivering the highest standards of education to the local and wider community.
- to ensure that the school responded appropriately to all the procedures and restrictions caused by the Covid-19 national pandemic.
- for the Trustee Body to review its strategy including assumptions, efficiencies, pressures and deployment of resources in the context of changes of government or government policy.
- for the Academy to implement all necessary action plans, monitored by the Trustee Body, to ensure that further improvements are made in order to continue the School's journey of improvement.
- for the Academy to look to expand the Trust, exploring all options with the appropriate input and advice from the RSC.

All of these objectives have been met using a detailed school improvement action plan that was monitored closely by the Trustee Body. The Academy worked closely with the LA to ensure that all Covid-19 risk assessments and procedures were in place and that all pupils, students and staff at the school felt supported during the national pandemic.

##### ***Public benefit***

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

## **QEGS Blackburn Academy Trust**

### **Trustees' Report for the Year Ended 31 August 2021**

#### **Strategic Report**

##### **Achievements and performance**

##### **Key performance indicators**

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

##### **Applications**

219 pupils stated QEGS as a preference for a Reception place. 594 pupils stated QEGS as a preference when applying for a Year 7 place, with 292 sitting the Fair Banding Assessments in January 2021 and with a further 9 in March 2021 (total 301) for admission to Year 7 in September 2021, in line with the funding agreement.

##### **School Roll**

Total school roll in the academic year starting 4th September 2020 was 1,237 with this rising to 1,247 by the end of the academic year. The school roll is currently 1,277 as of 3rd November 2021.

##### **External Academic Results (A level)**

As with all schools, A level results were awarded using teacher assessed grades. This means that the performance of students this year cannot be compared with the performance of previous or future cohorts. The school is extremely proud of how its students dealt with the additional pressures the pandemic brought and released the press statement below, from Mrs C Y Gammon:

"Our students continue to work extremely hard. They have developed into resilient and mature young adults and I am very proud of them. They thoroughly deserve their success. I would like to congratulate all of our students and wish them well in the future."

20 out of 21 A level subjects saw 75% or more students gaining A\*-C grades in their subject, with 14 out of our A level subjects seeing 100% of students achieving A\* - C grades. Overall 90% of all A level grades awarded were A\*/C.

46% of all A level grades awarded were A\*/A grades, with 68% achieving A\*/B grades. Of those students who took at least three A levels, 28% achieved at least 3 A grades with 56% achieving at least 3 B grades.

64% of Year 13 students achieved at least one A\* or A grade in their studies a remarkable achievement given that QEGS only offers a set of the most traditional and rigorous A level subjects.

A special mention must go to Zakariya Bux who achieved 4 grade A\* in the difficult courses of History, Mathematics, Further Mathematics and Physics. He has gained a place at Merton College, Oxford to study the competitive course of PPE, a well-deserved achievement from an outstanding student.



## **QEGS Blackburn Academy Trust**

### **Trustees' Report for the Year Ended 31 August 2021**

#### **Strategic Report**

Across the Sixth Form's traditional subject offering, our Year 13 students have impressed with their application and commitment to their challenging and advanced studies. In A level Economics, French and Further Mathematics, 100% of students gained A\*/A grades. In addition, 100% of students gained A\*/B grades in Art, Classics, Design Technology, Philosophy and Physical Education, with Computer Science gaining 70%, History gaining 75%, Mathematics gaining 75%, Physics gaining 80% and Spanish gaining 75% in this same measure.

Mrs Claire Gammon, Head at Queen Elizabeth's Grammar School Blackburn, was delighted with the results from this committed and talented cohort: "This has been a very difficult and anxious time for A level students and therefore to see so many of our students accepting places on University courses of their choice was really pleasing".

Students at QEGS have landed places at top UK Universities including The University of Oxford, University of Manchester, Newcastle University and York University. They join staff in celebrating a very impressive set of 2020/2021 A level results, despite a second very challenging year.

The majority of our Year 13 students have been accepted onto their desired University course, with those going through the clearing system quickly securing places.

We are incredibly proud to have a large number of students going to Russell Group Universities including Newcastle University, Manchester University, Cardiff University, York University and Liverpool University to read the most competitive courses including Medicine, Dentistry, English, Engineering, Economics, and Teaching.

#### **External Academic Results (GCSE)**

As with all schools, GCSE results were awarded using teacher assessed grades. This means that the performance of pupils this year cannot be compared with the performance of previous or future cohorts. The school is extremely proud of how its pupils dealt with the additional pressures the pandemic brought and released the press statement below.

Congratulations to all our pupils

Overall 35% of results were awarded 9-7 grades, 74% were awarded 9-5 grades and 91% were awarded 9-4 grades. 93% of pupils gained at least 5 grades 9-4 and 46% gained at least 5 grades 9-7.

It was especially pleasing to see the English and Mathematics results. 99% of pupils passed English at a grade 4 and above, 92% of pupils passed Mathematics at a grade 4 and above and 92.4% of pupils passed both English and Mathematics at a grade 4 and above. At grade 5 and above, 87% achieved this measure in English, 80% achieved this measure in Mathematics and 75% achieved a grade 5 or above in both English and Mathematics.

Biology, German, Physical Education, Physics and Ethics and Philosophy all achieved above 50% 9-7 grades with Chemistry achieving 81% and Further Mathematics achieving 71% in this measure. Biology, Chemistry, Further Mathematics, Physical Education, Physics, Spanish and Ethics and Philosophy all achieved 75% and above in the grade 9-5 with Biology achieving 100%, Chemistry achieving 100%, Further Mathematics achieving 95.8%, Physics achieving 96.2% and Ethics and Philosophy achieving 93.0% in this measure. 20 out of 23 subjects achieved 80% and above in the grade 9-4 measure with Art, Biology, Chemistry, Computer Science, Design Technology, Geography, History, Further Mathematics, Physical Education, Physics, Science and Ethics and Philosophy all achieving above 85% in this measure.

## QEGS Blackburn Academy Trust

### Trustees' Report for the Year Ended 31 August 2021

#### Strategic Report

Mrs Gammon, Head of Queen Elizabeth's Grammar School was extremely pleased with the results. "It has been a very difficult two years for all pupils studying GCSEs. The hard work and commitment of our pupils has been justifiably rewarded with excellent results. This cohort should be proud of everything that they have achieved and we all wish them every success for the future."

We are delighted that many of our pupils are returning to QEGS for their Sixth Form education.

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

Due to the national pandemic, all primary national assessments were cancelled. The children at QEGS had been working extremely hard for these assessments and had made excellent progress throughout their time at the school. Although they were not able to display their achievements through the national assessments this year, they were well prepared for their next stage in education and participated fully in the remote learning systems implemented throughout the last academic year.

#### Ofsted

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

The reports comment that:

- Pupils study an exceptionally broad and ambitious curriculum.
- Pupils benefit from a stunning range of opportunities to enhance their personal development.
- Staff are ambitious for all pupils.
- Pupils work hard in lessons and show commitment to becoming well rounded individuals.
- Pupils value the strong sense of community and feel a sense of belonging.
- Pupils feel safe and appreciate the support that they receive from staff.
- Bullying is rare at the school. When it does happen, staff deal with it well.
- Pupils who join the school at different times are made to feel welcome. They settle quickly and adopt the QEGS' way.
- Pupils show respect for each other. They appreciate what different religions and cultures have in common. They also value difference.
- Pupils benefit from an exceptional range of opportunities beyond the formal curriculum. These experiences help pupils to grow as human beings. They also ensure that pupils leave the school with fond memories.
- Pupils leave Queen Elizabeth's Grammar School with an appreciation of what the world has to offer.
- Since the last inspection, staff have considered the content of the curriculum deeply.
- Teachers from the primary phase work closely with their secondary colleagues to carefully plan subject curriculums that run from the early years to the sixth form. This helps pupils to know and remember more as they move through the school. Pupils are confident at recalling previously learned work and relating it to new learning.
- Pupils learn foreign languages very well from key stage 2 onwards.
- Pupils learn three different languages in Year 8. They study French or Spanish as well as German and Latin.
- Leaders have also prioritised pupils learning in the humanities. In the secondary phase, pupils learning in history and geography is supported by their study of ethics and philosophy and classics.
- The school has made it compulsory to study at least one foreign language and humanities subject in key stage 4. This reflects the school's commitment to entering almost all pupils for the English Baccalaureate.

## QEGS Blackburn Academy Trust

### Trustees' Report for the Year Ended 31 August 2021

#### Strategic Report

- The school also promotes the arts. Pupils learning in music and art is well planned. Teachers have high expectations for what pupils should know and be able to do in these subjects. As a result, the arts are growing in popularity. Over 70% of pupils currently in Year 9 have opted to study art, design technology or music at GCSE.
- Pupils achievement has improved significantly in all key stages since the last inspection. All measures of attainment now compare favourably to national averages from the early years to the end of key stage 4.
- Reading is given a high priority in the school. Children begin to learn sounds as soon as they start in Reception. The books they read match the sounds that they are learning. They soon learn to read simple words and sentences.
- Training for teachers enables them to help pupils who fall behind in their reading. Pupils read with greater accuracy and fluency as they move through the primary phase. Pupils from Year 6 spoke with enthusiasm about their favourite authors and genres.
- In the early years, children settle quickly into the nurturing environment created by leaders.
- Teachers use careful assessment to judge what children know, understand and can do. Teachers use this information to identify what children need to do next.
- Teachers develop children's early mathematics, language and communication skills effectively.
- Children take part in activities that develop their understanding of the world.
- The sixth form offers students the opportunity to select from a wide range of academic subjects.
- The majority of students go to university after completing their programmes of study.
- Students are articulate, well-mannered and mature. They benefit from a well-planned range of opportunities beyond their academic studies.
- The school's sporting offer is broad and inclusive. During the inspection pupils were told that the school has been invited to Lords as a recognition of its commitment to cricket.
- All pupils from Years 1 to 9 have regular swimming lessons.
- Staff think carefully about how to involve all pupils in extracurricular sport and other activities.
- Pupils benefit from many opportunities to develop their leadership skills.
- The school's personal, social, health and economic curriculum is exemplary.
- Leaders act with integrity. They have the same high academic expectations of all pupils, including disadvantaged pupils and/or pupils with special educational needs and/or disabilities (SEND). They ensure that these pupils have the same opportunities as everyone else.
- The actions that leaders take are always in pupils' best interests.
- Leaders and governors have played a key role in improving the school since the last inspection.
- The arrangements for safeguarding are effective.
- Leaders have created a positive safeguarding culture. Staff are alert to any signs of abuse or neglect. Staff and governors are well trained on matters relating to pupil's safety.
- Pupils benefit from a wealth of age-appropriate information related to different dangers. This helps them to manage risk and act sensibly, including when online.
- Vulnerable pupils are supported well. Their needs are identified quickly through the school's systems. These pupils are then provided with appropriate help. The school works well with a range of external agencies.

#### Primary Highlights

Throughout the year, teachers design exciting experiences for pupils. These experiences enrich the topics and classwork that pupils study within the Primary Phase and have a positive effect on their progress.

Unfortunately, due to the national Covid-19 pandemic, many of our extra-curricular visits and clubs had to be postponed this year but, we are aiming to re-introduce as many as possible in 2021-22. We did run as many events as possible online such as Parents' Evenings and Parental Workshops.

## **QEGS Blackburn Academy Trust**

### **Trustees' Report for the Year Ended 31 August 2021**

#### **Strategic Report**

To promote and develop our pupils' leadership and teamwork skills, Primary pupils vote for their own School Council representatives. The Primary School Council work together to undertake initiatives that are prominent and help to organise charity fund raising activities for the pupils. Some of the fundraising examples that took place in the last academic year were Children in Need and Comic Relief.

Pupils were able to take part in some limited performances including Verse Speaking and nativities. Year 6 were also able to take part in an end of year outdoor activities day and pizza party.

#### **Secondary and Sixth Form Highlights**

In line with all years, a wide range of events, experiences and visits were planned for the academic year designed to both complement the academic curriculum and the pastoral development of the pupils and students at QEGS but, unfortunately, due to the national Covid-19 pandemic, many of our extra-curricular events, visits and experiences had to be postponed this year. We are aiming to re-introduce as many as possible in 2021-22.

We have continued to form links with several organisations to help support mental health awareness in young people including working with the MHST team.

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

The school runs the Duke of Edinburgh Scheme at both Bronze and Gold levels. Uptake for these schemes is usually very strong however, we were very limited due to Covid-19 in what we could offer in 2020-21.

The School gained the prestigious award of Artsmark Gold in 2019 from the Arts Council England for our commitment to the Creative subjects. This award recognised how we inspire young people to create, experience and participate in extraordinary Art and Culture. This was the result of two years' hard work and we are now in the process of gathering evidence to support the even higher Platinum award.

The School was re-awarded the prestigious Quality Mark Distinction for Physical Education and Sport Award from afPE in 2020. This award recognises our commitment to school sport and the benefits it brings to pupils and students. We were able to offer some competitive fixtures from May 2021, but these were limited due to Covid-19 restrictions. We are aiming to re-introduce a full competitive fixture list in 2021-22. We have a history of achieving extremely well in the local leagues for football, netball and athletics.

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

Fundraising examples that took place in the last academic year were Children in Need, Children with Cancer and Comic Relief.

QEGS offers private music tuition in a range of instruments. Lessons are popular and pupil/student progress is good. We were able to reintroduce this in the latter part of the academic year 2020-21.

We were unable to perform tea-time concerts and drama productions due to Covid-19 restrictions, but we intend to re-introduce these in 2021-22.

## QEGS Blackburn Academy Trust

### Trustees' Report for the Year Ended 31 August 2021

#### Strategic Report

##### Fund Raising

Whilst affected by the ongoing Covid restrictions the school continues to support a range of charitable causes both at home and abroad, and raised in excess of £4,200 during the 2020/21 academic year (2019/20: in excess of £7,800). The charitable activities, the amounts raised and the destination of those amounts are listed, below.

Activity	Date	Charity	Amount £
Fun Run	September 2020	Children with Cancer	781
Wear Yellow	October 2020	Young Minds	268
Non-uniform day	November 2020	Children in Need	1,388
Christmas Jumper Day	December 2020	Save the Children	299
Sale of Merchandise	March 2021	Comic Relief	127
Cash donations	March 2021	Comic Relief	703
Fun Run	July 2021	Children with Cancer	660
			4,226

##### Going concern

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

##### Financial review

The Academy's total incoming resources during the period were £7,360,794 (2020: £8,424,891).

The majority of the Academy's income derives from central government funding via the Education and Skills Funding Agency, in the form of current grants. Total funding received for the Academy's educational operations in the period was £7,225,444 (2020: £7,093,745) and further details are provided in Note 3 to the accounts.

Total outgoing resources for the period were £8,084,696 (2020: £7,887,840), the majority of which related to the direct provision of educational operations. The surplus of expenditure over income was £723,903 (2020: £537,051 excess of income over expenditure).

At the period end the Academy's total reserves were £14,863,693 (2020: £15,324,597), restricted funds of which restricted fixed asset funds are £17,037,770 (2020: £17,488,605). The balances on general restricted funds relate to funding received in the period which is due to be spent in the following year in accordance with the terms of funding and other unspent balances of restricted income. Further detail is provided in Note 15.

At 31 August 2021 all assets shown in the financial statements were used exclusively for providing education and associated support services to students of the Academy.

## **QEGS Blackburn Academy Trust**

### **Trustees' Report for the Year Ended 31 August 2021**

#### **Strategic Report**

##### **Reserves policy**

The Trustees review reserve levels of the Academy annually. This review encompasses the nature of the income and expenditure stream, the need to match income with commitments, the uncertainty surrounding the levels of future funding and the nature of reserves. The Academy's current level of free reserves is £116,925.

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

##### **Restricted General Annual Grant (GAG) reserves**

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

At 31 August 2021 the school held GAG reserves of £85,743 (2020: £106,994). The Trustees will seek to increase this reserve in future years.

##### **Unrestricted reserves**

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

At 31 August 2021 the level of unrestricted reserves held was a surplus of £31,182 (2020: £Nil).

##### **Investment policy**

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

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

## QEGS Blackburn Academy Trust

### Trustees' Report for the Year Ended 31 August 2021

#### Strategic Report

##### *Principal risks and uncertainties*

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

- **Pupil numbers.** The income of the institution is greatly dependent on the number of pupils and students on roll. The Academy is significantly oversubscribed at all stages (apart from Sixth Form) with recruitment of pupils being restricted only by the constraint of class size. The total number on roll has increased from 923 in 2014/15 to 1,277 in November 2021. Recruitment in the Sixth Form is subject to greater competition, both locally in Blackburn with Darwen and further afield. We have seen year on year growth in our Sixth Form numbers with the current numbers for Year 12 and Year 13 being 108 and 77 respectively. The risk of Sixth Form under recruitment is being mitigated by enhanced marketing.
- **Funding.** The income of the Academy is dependent not solely on pupil recruitment but also on the Education and Skills Funding Agency (ESFA) national funding for both mainstream funding and deprivation funding. This risk is subject to the vagaries of government and not within the control of the Academy. However, the risk is managed through good communication with the ESFA in the understanding of future funding such that forward plans can be formulated, subject to the inherent uncertainties.
- **Diversification of income.** The pressures on government funding cause the Academy to rely more heavily on its other funding streams. Procedures are in place for maintaining and enhancing income from the external letting of the Academy's facilities however, due to the Covid-19 national pandemic and its related restrictions, the Academy's external income generation continued to be affected in 2020/21. Despite these constraints the Academy has forecasted a balanced budget for 2021/22.
- **Capital expenditure.** Due to the financial constraints under which the Academy is operating, it is not in a position to accumulate reserves to finance capital expenditure. The Academy has formulated a long-term plan which will yield surpluses and generate cash. In the short-term the Academy is reliant on ESFA capital grants to fund essential works on its buildings and necessary measures have been taken in order to maximise success in the bidding process.
- **Teaching and learning.** In order to continue as a successful provider of academic education, high standards of teaching and learning must be delivered. The Academy is focusing on maintaining and enhancing its high standards by implementing a clear School Improvement Plan.
- **Growth of the Trust.** The Trust continues to explore ways of developing the MAT to ensure that we explore all income streams and make appropriate cost efficiencies.

##### **Plans for future periods**

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

The Trustee Body will continue to review its strategy including assumptions, efficiencies, pressures and deployment of resources in the context of changes of government or government policy.

The Academy will implement all necessary action plans, monitored by the Trustee Body, to ensure that further improvements are continued to be made in order to continue the School's journey of improvement.

The Academy will continue to look to confirm its status as a MAT. It will look to expand the Trust, exploring all options with the appropriate input and advice from the RSC.

The Academy will continue to implement appropriate plans and procedures in order to deal with the national pandemic.

## QEGS Blackburn Academy Trust

### Trustees' Report for the Year Ended 31 August 2021

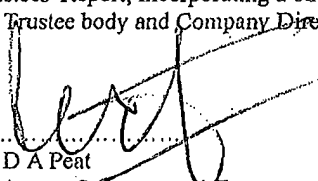
#### Strategic Report

##### 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.

Trustees' Report, incorporating a strategic report, approved by order of the members of the Trustee Body, being the Trustee body and Company Directors on 13 December 2021 and signed on the board's behalf by:



.....  
Mr D A Peat  
Chairman, Governor and Trustee



## QEGS Blackburn Academy Trust

### Governance Report

#### Scope of responsibility

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

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

#### Governance

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

Trustee	Meetings attended	Out of a possible
Mr D A Peat (Chair)	3	4
Dr K A Whyte (vice Chair)	4	4
Mrs C Y Gammon (Head) (Ex Officio)	3	4
Mr M R Cross	4	4
Mr D M R Edmundson	4	4
Dr S O Gunn	4	4
Mr N R D McMillan	4	4
Mr M A Norse	4	4
Mr P A Robinson (parent trustee)	2	4
Mr G Turner	4	4

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

The Audit and Risk Committee is also a sub-committee of the main Trustee Body. Its purpose is to ensure that the Academy has an effective internal control system in place. The particular issues dealt with during the year were reviews of policies, internal audit reports and governor skills. Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Dr S D Gunn (Chair)	3	3
Mrs C Y Gammon (Head) (Ex Officio)	2	3
Mr M R Cross	3	3
Mr D A Peat	3	3
Mr P A Robinson	2	3
Dr K A Whyte	3	3

## QEGS Blackburn Academy Trust

### Governance Report (continued)

The Education and Standards Committee is also a sub-committee of the main Trustee Body. Its purpose is to ensure that the Academy maintains the highest possible educational standards. The particular issues dealt with during the year were reviews of policies, pupil premium, catch-up funding, quality assurance of teaching and learning. Attendance at the Education and Standards Committee meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Dr K A Whyte (Chair)	4	4
Mrs C Y Gammon (Head) (Ex Officio)	4	4
Mr D M Edmundson	4	4
Mr M A Norse	4	4
Mr D A Peat	3	4

The Finance, HR and Site Committee is a sub-committee of the main Trustee Body. Its purpose is to monitor financial performance and related activities, including staffing and premises. Issues dealt with during the year included reviewing budgets, cash-flow and long-term forecasts, financial procedures and schemes of delegation, management accounts and staffing requirements. Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr N R D McMillan (Chair)	5	5
Mrs C Y Gammon (Head) (Ex Officio)	5	5
Mr M R Cross	4	5
Mr D M Edmundson	4	5
Mr D A Peat	5	5
Mr G Turner	5	5

The Remuneration Committee is a sub-committee of the main Trustee Body. Its purpose is to set salaries for the forthcoming academic year taking into account any national recommendations including government guidelines on national living wage and minimum wage. Issues dealt with during the year included reviewing the salary structure for teachers and ensuring all legal requirements were implemented. Attendance at meetings in the year was as follows (The Head is not present at the parts of any meeting where her salary is discussed):

Trustee	Meetings attended	Out of a possible
Mr D A Peat (Chair)	1	1
Mrs C Y Gammon (Head) (Ex Officio)	1	1
Mr N R D McMillan (Chair)	1	1
DR K A Whyte	1	1

## **QEGS Blackburn Academy Trust**

### **Governance Report (continued)**

#### **Review of Value for Money**

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

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

- the replacement of some external courses for the provision of staff training with in-house courses for the whole staff, thereby both reducing costs and ensuring greater participation
- the upskilling of individual staff in order for them to become SLEs and LLEs alongside other leading roles in the local community (and nationally) in order that we are able to offer support to other schools
- implementation of recommendations from external and internal audits alongside those from any valid external source such as SMRA reports

#### **The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in QEGS Blackburn Academy Trust for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

#### **Capacity to Handle Risk**

The Trustee Body has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Trustee Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Trustee Body.

#### **The Risk and Control Framework**

The 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 Trustee Body;
- regular reviews by the finance, HR and site committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;

## QEGS Blackburn Academy Trust

### Governance Report (continued)

- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

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

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

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

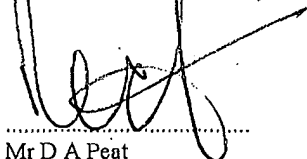
#### Review of Effectiveness

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

- the work of the Trustee Body
- the work of the external auditor
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework

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

Approved by order of the members of the Trustee body on 13 December 2021 and signed on its behalf by:



Mr D A Peat  
Chairman, Governor and Trustee



Mrs C Y Gammon  
Accounting Officer

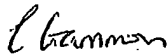
## QEGS Blackburn Academy Trust

### Statement on Regularity, Propriety and Compliance

As Accounting Officer of QEGS Blackburn Academy Trust I have considered my responsibility to notify the academy trust Governing Body and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the academy trust Governing Body are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2020.

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



Mrs C Y Gammon  
Accounting Officer

## QEGS Blackburn Academy Trust

### Statement of Trustees' Responsibilities

The Trustees (who 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 Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

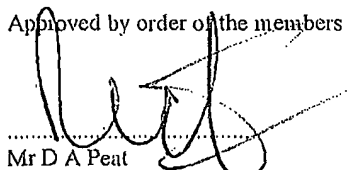
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.


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

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

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

Approved by order of the members of the Board on 13 December 2021 and signed on its behalf by:

  
Mr D A Peat  
Governor and trustee

  
Mrs C Y Gammon (ex-officio)  
Governor and trustee

## **QEGS Blackburn Academy Trust**

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

#### **Opinion**

We have audited the financial statements of QEGS Blackburn Academy Trust "the academy trust" for the year ended 31 August 2021, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2021 and of its incoming resources and application of resources, including income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the academy's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

#### **Other information**

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

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

## **QEGS Blackburn Academy Trust**

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

We have nothing to report in this regard.

#### **Opinion on other matters prescribed by the Companies Act 2006**

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

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

#### **Matters on which we are required to report by exception**

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

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

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

#### **Responsibilities of Trustees**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 20, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:



## **QEGS Blackburn Academy Trust**

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

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- we identified the laws and regulations applicable to the academy through discussions with trustees and other management, and from our knowledge and experience of the academy sector.
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the academy, including the Companies Act 2006, the Charities Act 2011, and the Academies Accounts Direction 2020 to 2021 and Academies Financial Handbook 2020, both issued by the Education and Skills Funding Agency.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence.
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the academy's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud.
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures on material balances for which robust, substantive analytical procedures have been undertaken to identify any unusual or unexpected relationships.
- tested journal entries to identify unusual transactions.
- investigated the rationale behind significant or unusual transactions.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

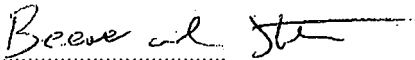
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Use of our report**

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

**QEGS Blackburn Academy Trust**

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

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

Suite 9b  
The Beehive Lions Drive  
Shadsworth Business Park  
Blackburn  
Lancashire  
BB1 2QS

Date: 13/12/21.....

## **QEGS Blackburn Academy Trust**

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

In accordance with the terms of our engagement letter dated and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by QEGS Blackburn Academy Trust during the period 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The Accounting Officer is responsible, under the requirements of the Governing Body's funding agreement with the Secretary of State for Education dated and the Academies Financial Handbook extant from 1 September 2020, 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 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from 1 September 2020 to 31 August 2021 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 2020 to 2021 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Review and testing of financial systems of internal control
- Sample testing of transactions
- Discussions with management

#### **Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

**QEGS Blackburn Academy Trust**

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

*Beever & Struthers*

Mark Bradley BA FCA

For and on behalf of Beever and Struthers, Chartered Accountants

Suite 9b

The Beehive Lions Drive

Shadsworth Business Park

Blackburn

Lancashire

BB1 2QS

Date: 13/12/21

# QEGS Blackburn Academy Trust

## Statement of Financial Activities for the Year Ended 31 August 2021 (including Income and Expenditure Account)

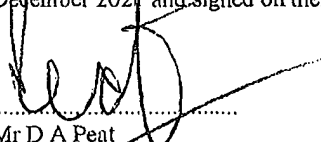
	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2020/21 Total £	2019/20 Total £
<b>Income and endowments from:</b>						
Donations and capital grants	2	158,707	-	(75,250)	83,457	1,162,928
<i>Charitable activities:</i>						
Funding for the Academy trust's educational operations	3	301,451	6,923,993	-	7,225,444	7,206,541
Other trading activities	4	47,693	4,200	-	51,893	55,291
Investments	5	-	-	-	-	131
Total		507,851	6,928,193	(75,250)	7,360,794	8,424,891
<b>Expenditure on:</b>						
<i>Charitable activities:</i>						
Academy trust educational operations	7	451,155	7,257,959	375,583	8,084,697	7,887,840
Net income/(expenditure)		56,696	(329,766)	(450,833)	(723,903)	537,051
Transfers between funds		(25,514)	25,514	-	-	-
<b>Other recognised gains and losses</b>						
Actuarial gains on defined benefit pension schemes	24	-	263,000	-	263,000	(277,000)
Net movement in funds/(deficit)		31,182	(41,252)	(450,833)	(460,903)	260,051
<b>Reconciliation of funds</b>						
Total (deficit)/funds brought forward at 1 September 2020		-	(2,164,006)	17,488,603	15,324,597	15,064,546
Total funds/(deficit) carried forward at 31 August 2021		31,182	(2,205,258)	17,037,770	14,863,694	15,324,597

# QEGS Blackburn Academy Trust

(Registration number: 8331789 (England and Wales))  
Balance Sheet as at 31 August 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	11	17,120,384	16,791,296
<b>Current assets</b>			
Debtors	12	185,973	1,168,214
Cash at bank and in hand		<u>515,908</u>	<u>125,596</u>
		701,881	1,293,810
<b>Liabilities</b>			
Creditors: Amounts falling due within one year	13	<u>(535,421)</u>	<u>(468,260)</u>
<b>Net current assets</b>		<u>166,460</u>	<u>825,550</u>
<b>Total assets less current liabilities</b>		17,286,844	17,616,846
Creditors: Amounts falling due after more than one year	14	<u>(132,150)</u>	<u>(21,249)</u>
<b>Net assets excluding pension liability</b>		17,154,694	17,595,597
Defined benefit pension scheme liability	24	<u>(2,291,000)</u>	<u>(2,271,000)</u>
<b>Total net assets including pension liability</b>		<u>14,863,694</u>	<u>15,324,597</u>
<b>Funds of the Academy:</b>			
<b>Restricted funds</b>			
Restricted general fund		85,742	106,994
Restricted fixed asset fund		17,037,770	17,488,603
Restricted pension fund		<u>(2,291,000)</u>	<u>(2,271,000)</u>
		14,832,512	15,324,597
<b>Unrestricted funds</b>			
Unrestricted general fund		<u>31,182</u>	<u>-</u>
<b>Total funds</b>		<u>14,863,694</u>	<u>15,324,597</u>

The financial statements on pages 27 to 49 were approved by the Trustees, and authorised for issue on 13 December 2021 and signed on their behalf by:

  
Mr D A Peat  
Governor and trustee

# **QEGS Blackburn Academy Trust**

## **Statement of Cash Flows for the Year Ended 31 August 2021**

	Note	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	18	1,024,343	62,546
<b>Cash flows from investing activities</b>	20	(757,018)	(188,586)
<b>Cash flows from financing activities</b>	19	<u>122,987</u>	<u>(4,369)</u>
<b>Change in cash and cash equivalents in the year</b>		390,312	(130,409)
Cash and cash equivalents at 1 September		<u>125,596</u>	<u>256,005</u>
Cash and cash equivalents at 31 August	21	<u><u>515,908</u></u>	<u><u>125,596</u></u>

## **QEGS Blackburn Academy Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2021**

#### **1 Accounting policies**

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

##### **Basis of preparation**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

##### **Going concern**

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

##### **Income**

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

##### **Grants**

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are spent on capital projects in line with the terms and conditions of the grant. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

##### **Sponsorship income**

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



## QEGS Blackburn Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 1 Accounting policies (continued)

##### *Donations*

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

##### *Other income*

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

##### **Expenditure**

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

All resources expended are inclusive of irrecoverable VAT.

##### *Expenditure on raising funds*

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

##### *Charitable activities*

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

## QEGS Blackburn Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 1 Accounting policies (continued)

##### Tangible fixed assets

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

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

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

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

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

Asset class	Depreciation method and rate
Long leasehold land	Over life of the lease (125 years)
Long leasehold buildings	Over life of the lease (125 years)
Improvements to long leasehold buildings	10%/5% straight line
Fixtures, fittings and equipment	20% straight line
ICT equipment	33% straight line
Motor Vehicles	25% straight line

##### Liabilities

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

##### Leased assets

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

##### Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

## **QEGS Blackburn Academy Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)**

#### **1 Accounting policies (continued)**

##### **Pension benefits**

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

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

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

##### **Financial Instruments**

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 12. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 13. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

## **QEGS Blackburn Academy Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)**

#### **1 Accounting policies (continued)**

##### **Fund accounting**

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

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

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

##### **Critical accounting estimates and areas of judgement**

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

##### ***Critical accounting estimates and assumptions***

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

##### ***Critical areas of judgement***

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

##### **Agency accounting**

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA 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 0% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 26.

# QEGS Blackburn Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

### 2 Donations and capital grants

	Unrestricted funds £	Restricted fixed asset funds £	2020/21 Total £	2019/20 Total £
Capital grants	-	(105,335)	(105,335)	875,928
Other donations	158,707	30,085	188,792	287,000
	<u>158,707</u>	<u>(75,250)</u>	<u>83,457</u>	<u>1,162,928</u>

### 3 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	2020/21 Total £	2019/20 Total £
<b>DfE/ESFA revenue grants</b>				
General annual grant (GAG)	-	5,835,190	5,835,190	5,551,284
Other DfE/ESFA grants	-	487,192	487,192	444,397
Pupil Premium	-	312,853	312,853	321,972
	<u>-</u>	<u>6,635,235</u>	<u>6,635,235</u>	<u>6,317,653</u>
<b>Other government grants</b>				
Local Authority Grants	-	25,057	25,057	40,212
LA SEN	7,500	84,756	92,256	28,709
	<u>7,500</u>	<u>109,813</u>	<u>117,313</u>	<u>68,921</u>
<b>Exceptional government funding</b>				
Exceptional Funding Grant Covid 19	65,168	122,377	187,545	254,217
<b>Non-government grants and other income</b>				
Catering Income	229,106	-	229,106	244,174
Transport Income	(6,553)	-	(6,553)	78,953
Trips Income	-	30,753	30,753	90,128
Q Plus Income	2,652	-	2,652	9,735
Music Tuition	3,578	-	3,578	18,556
Other Income	-	25,815	25,815	11,408
	<u>228,783</u>	<u>56,568</u>	<u>285,351</u>	<u>452,954</u>
<b>Total grants</b>	<u>301,451</u>	<u>6,923,993</u>	<u>7,225,444</u>	<u>7,093,745</u>

# QEGS Blackburn Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

### 4 Other trading activities

	Unrestricted funds £	Restricted funds £	2020/21 Total £	2019/20 Total £
Hire of facilities	<u>47,693</u>	<u>4,200</u>	<u>51,893</u>	<u>55,291</u>

### 5 Investment income

	Unrestricted funds £	2020/21 Total £	2019/20 Total £
Short term deposits	<u>-</u>	<u>-</u>	<u>131</u>

### 6 Expenditure

Non Pay Expenditure					
	Staff costs £	Premises £	Other costs £	2020/21 Total £	2019/20 Total £
<b>Academy's educational operations</b>					
Direct costs	4,851,372	352,680	255,269	5,459,321	5,163,982
Allocated support costs	<u>1,452,041</u>	<u>575,966</u>	<u>597,369</u>	<u>2,625,376</u>	<u>2,723,858</u>
	<u>6,303,413</u>	<u>928,646</u>	<u>852,638</u>	<u>8,084,697</u>	<u>7,887,840</u>

### 7 Charitable activities

	2020/21 £	2019/20 £
Direct costs - educational operations	5,459,321	5,163,982
Support costs - educational operations	<u>2,625,376</u>	<u>2,723,858</u>
	<u>8,084,697</u>	<u>7,887,840</u>

# QEGS Blackburn Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

### 7 Charitable activities (continued)

	Educational operations £	2020/21 Total £	2019/20 Total £
<b>Analysis of support costs</b>			
Support staff costs	1,452,041	1,452,041	1,512,244
Depreciation	-	-	294,988
Premises costs	575,966	575,966	609,314
Other support costs	597,369	597,369	307,312
<b>Total support costs</b>	<b>2,625,376</b>	<b>2,625,376</b>	<b>2,723,858</b>

### 8 Staff

#### Staff costs

	2020/21 £	2019/20 £
<b>Staff costs during the year were:</b>		
Wages and salaries	4,593,020	4,404,264
Social security costs	463,511	433,772
Operating costs of defined benefit pension schemes	1,097,187	1,105,468
	6,153,718	5,943,504
Supply staff costs	149,695	23,180
Staff restructuring costs	-	8,395
	<b>6,303,413</b>	<b>5,975,079</b>

	2020 £
<b>Staff restructuring costs comprise:</b>	
Severance payments	8,395

#### Staff numbers

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

	2020/21 No	2019/20 No
<b>Charitable Activities</b>		
Teachers	83	81
Administration and support	105	96
Management	7	7
	<b>195</b>	<b>184</b>

## QEGS Blackburn Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 8 Staff (continued)

##### Higher paid staff

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

	2021 No	2020 No
£60,001 - £70,000	3	3
£70,001 - £80,000	1	-
£100,001 - £110,000	-	1
£110,001 - £120,000	<u>1</u>	<u>-</u>

##### Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £597,346 (2020: £572,208).

#### 9 Related party transactions - trustees' remuneration and expenses

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

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

#### 10 Trustees' and officers' insurance

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



# QEGS Blackburn Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

### 11 Tangible fixed assets

	Leasehold land and buildings £	ICT equipment £	Fixtures, Fittings & Equipment £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 September 2020	17,802,177	260,527	86,075	37,191	18,185,970
Additions	651,683	-	-	30,085	681,768
At 31 August 2021	18,453,860	260,527	86,075	67,276	18,867,738
<b>Depreciation</b>					
At 1 September 2020	1,140,865	160,385	77,563	15,861	1,394,674
Charge for the year	292,331	39,442	6,276	14,631	352,680
At 31 August 2021	1,433,196	199,827	83,839	30,492	1,747,354
<b>Net book value</b>					
At 31 August 2021	17,020,664	60,700	2,236	36,784	17,120,384
At 31 August 2020	16,661,312	100,142	8,512	21,330	16,791,296

### 12 Debtors

	2021 £	2020 £
Trade debtors	-	23,110
VAT recoverable	23,993	3,675
Other debtors	11,847	61,473
Prepayments and accrued income	144,798	1,013,766
Queen Elizabeth's Grammar School Blackburn Limited	5,335	66,190
	<u>185,973</u>	<u>1,168,214</u>

### 13 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	224,198	100,967
Other taxation and social security	101,291	90,881
16 - 19 Bursary Creditor	10,073	-
Capital Improvement Funding Loan	16,336	4,250
Other creditors	146,679	141,795
Accruals and deferred income	36,844	130,367
	<u>535,421</u>	<u>468,260</u>

# QEGS Blackburn Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

### 14 Creditors: amounts falling due after one year

	2021 £	2020 £
Capital Improvement Funding Loan	<u>132,150</u>	<u>21,249</u>

### 15 Funds

	Balance at 1 September 2020 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2021 £
<b>Restricted general funds</b>					
GAG	14,471	5,835,190	(5,789,433)	25,514	85,742
Pupil Premium	-	312,854	(312,854)	-	-
Other Grants	43,605	778,636	(822,241)	-	-
Donations and Capital Grants	-	(2,687)	2,687	-	-
Other Trading Activities	<u>48,918</u>	<u>4,200</u>	<u>(53,118)</u>	<u>-</u>	<u>-</u>
	<u>106,994</u>	<u>6,928,193</u>	<u>(6,974,959)</u>	<u>25,514</u>	<u>85,742</u>
<b>Restricted fixed asset funds</b>					
Transfer from Queen Elizabeth's Grammar School Blackburn Limited	14,360,269	-	(120,547)	-	14,239,722
DfE/EFA capital Grants	3,035,618	(75,250)	(162,320)	-	2,798,048
Capital donations	28,348	-	(28,348)	-	-
Capital expenditure from GAG	<u>64,368</u>	<u>-</u>	<u>(64,368)</u>	<u>-</u>	<u>-</u>
	<u>17,488,603</u>	<u>(75,250)</u>	<u>(375,583)</u>	<u>-</u>	<u>17,037,770</u>
<b>Restricted pension funds</b>					
Pension	<u>(2,271,000)</u>	<u>-</u>	<u>(283,000)</u>	<u>263,000</u>	<u>(2,291,000)</u>
<b>Total restricted funds</b>	<u>15,324,597</u>	<u>6,852,943</u>	<u>(7,633,542)</u>	<u>288,514</u>	<u>14,832,512</u>
<b>Unrestricted funds</b>					
Unrestricted general funds	<u>-</u>	<u>507,851</u>	<u>(451,155)</u>	<u>(25,514)</u>	<u>31,182</u>
<b>Total funds</b>	<u><u>15,324,597</u></u>	<u><u>7,360,794</u></u>	<u><u>(8,084,697)</u></u>	<u><u>263,000</u></u>	<u><u>14,863,694</u></u>

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

# QEGS Blackburn Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

### 15 Funds (continued)

	Balance at 1 September 2019	Incoming resources	Resources expended	Gains, losses and transfers	Balance at 31 August 2020
	£	£	£	£	£
<b>Restricted general funds</b>					
GAG	(183,920)	5,551,284	(5,306,204)	(46,688)	14,472
Pupil Premium	16,058	321,972	(338,030)	-	-
Other Grants	183,397	963,556	(1,074,908)	(28,440)	43,605
Donations and Capital Grants	-	-	-	-	-
Other Trading Activities	10,910	90,128	(52,120)	-	48,918
	<u>26,445</u>	<u>6,926,940</u>	<u>(6,771,262)</u>	<u>(75,128)</u>	<u>106,995</u>
<b>Restricted fixed asset funds</b>					
Transfer from Queen Elizabeth's Grammar School Blackburn Limited	14,480,816	-	(120,547)	-	14,360,269
DfE/EFA Capital Grants	2,274,701	875,928	(131,306)	16,295	3,035,618
Capital donations	28,347	-	-	-	28,347
Capital expenditure from GAG	23,237	-	(43,134)	84,265	64,368
	<u>16,807,101</u>	<u>875,928</u>	<u>(294,987)</u>	<u>100,560</u>	<u>17,488,602</u>
<b>Restricted pension funds</b>					
Pension	(1,769,000)	-	(225,000)	(277,000)	(2,271,000)
<b>Total restricted funds</b>	<u>15,064,546</u>	<u>7,802,868</u>	<u>(7,291,249)</u>	<u>(251,568)</u>	<u>15,324,597</u>
<b>Unrestricted funds</b>					
Unrestricted general funds	-	622,023	(596,591)	(25,432)	-
<b>Total funds</b>	<u>15,064,546</u>	<u>8,424,891</u>	<u>(7,887,840)</u>	<u>(277,000)</u>	<u>15,324,597</u>

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

## QEGS Blackburn Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 15 Funds (continued)

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

Pupil Premium Funding is spent on enhancing the education of eligible pupils in accordance with the conditions.

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 2021.

The trust is carrying a net surplus of £85,743 on restricted general funds (excluding pension reserve). This year the pupil numbers in all age groups were above target and therefore there was no abatement order provisions were required. The trustees have prepared a three year business plan which shows the trust maintaining a surplus in subsequent years.

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

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

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

#### 16 Analysis of net assets between funds

Fund balances at 31 August 2021 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	17,120,384	17,120,384
Current assets	31,182	670,700	-	701,882
Current liabilities	-	(535,421)	-	(535,421)
Creditors over 1 year	-	(132,150)	-	(132,150)
Pension scheme liability	-	(2,291,000)	-	(2,291,000)
Total net assets	<u>31,182</u>	<u>(2,287,871)</u>	<u>17,120,384</u>	<u>14,863,695</u>

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

# QEGS Blackburn Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

### 16 Analysis of net assets between funds (continued)

	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	16,791,296	16,791,296
Current assets	1,293,810	-	1,293,810
Current liabilities	(468,260)	-	(468,260)
Creditors over 1 year	(21,249)	-	(21,249)
Pension scheme liability	(2,271,000)	-	(2,271,000)
Total net assets	<u>(1,466,699)</u>	<u>16,791,296</u>	<u>15,324,597</u>

### 17 Financial Commitments

#### Operating leases

At 31 August 2021 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2021 £	2020 £
Amounts due within one year	6,828	6,828
Amounts due between one and five years	18,117	23,568
Amounts due after five years	-	1,377
	<u>24,945</u>	<u>31,773</u>

### 18 Reconciliation of net (expenditure)/income to net cash inflow/(outflow) from operating activities

	2020/21 £	2019/20 £
Net (expenditure)/income	(723,903)	537,051
Depreciation	352,680	294,988
Capital grants from DfE and other capital income	75,250	(875,928)
Interest receivable	-	(131)
Defined benefit pension scheme cost less contributions payable	244,000	196,000
Defined benefit pension scheme finance cost	39,000	29,000
Decrease in debtors	982,241	58,821
Increase/(decrease) in creditors	55,075	(177,255)
Net cash provided by Operating Activities	<u>1,024,343</u>	<u>62,546</u>

## QEGS Blackburn Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 19 Cash flows from financing activities

	2020/21 £	2019/20 £
Repayments of borrowing	-	(4,500)
Cash inflows from new borrowing	122,987	131
Net cash provided by/(used in) financing activities	<u>122,987</u>	<u>(4,369)</u>

#### 20 Cash flows from investing activities

	2020/21 £	2019/20 £
Purchase of tangible fixed assets	(681,768)	(391,096)
Capital grants from DfE Group	-	202,510
Capital funding received from sponsors and others	(75,250)	-
Net cash used in investing activities	<u>(757,018)</u>	<u>(188,586)</u>

#### 21 Analysis of cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	515,908	125,596
Total cash and cash equivalents	<u>515,908</u>	<u>125,596</u>

#### 22 Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash	125,596	390,312	515,908
Loans falling due within one year	(4,250)	(12,086)	(16,336)
Loans falling due after more than one year	(21,249)	(110,901)	(132,150)
	<u>(25,499)</u>	<u>(122,987)</u>	<u>(148,486)</u>
Total	<u>100,097</u>	<u>267,325</u>	<u>367,422</u>

#### 23 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.

## QEGS Blackburn Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 24 Pension and similar obligations

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £107,357 (2020: £86,526) were payable to the schemes at 31 August 2021 and are included within creditors.

#### Teachers' Pension Scheme

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

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

#### Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. Assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the period amounted to £717,798 (2020: £666,359).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

## QEGS Blackburn Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 24 Pension 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 31 August 2021 was £260,000 (2020: £280,597), of which employer's contributions totalled £195,000 (2020: £228,660) and employees' contributions totalled £65,000 (2020: £51,937). The agreed contribution rates for future years are 17.8 per cent for employers and 5.5 - 12.5 per cent for employees.

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

##### Principal actuarial assumptions

	2021 %	2020 %
Rate of increase in salaries	4.20	3.90
Rate of increase for pensions in payment/inflation	2.80	2.50
Discount rate for scheme liabilities	1.70	1.80
Inflation assumptions (CPI)	<u>2.70</u>	<u>2.40</u>

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

	2021	2020
<b>Retiring today</b>		
Males retiring today	22.40	22.30
Females retiring today	25.10	25.00
<b>Retiring in 20 years</b>		
Males retiring in 20 years	23.90	23.80
Females retiring in 20 years	<u>26.90</u>	<u>26.80</u>

##### Sensitivity analysis

	2021 £
Discount rate +0.1%	-148,000.00
Discount rate -0.1%	151,000.00
Mortality assumption – 1 year increase	284,000.00
Mortality assumption – 1 year decrease	-275,000.00
CPI rate +0.1%	150,000.00
CPI rate -0.1%	<u>-147,000.00</u>

The academy trust's share of the assets in the scheme were:



## QEGS Blackburn Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 24 Pension and similar obligations (continued)

	2021	2020
	£	£
Equities	3,262,000	2,530,000
Other bonds	342,000	383,000
Property	646,000	755,000
Cash and other liquid assets	136,000	100,000
Other	<u>2,074,000</u>	<u>1,781,000</u>
Total market value of assets	<u>6,460,000</u>	<u>5,549,000</u>

The actual return on scheme assets was £783,000 (2020: £45,000).

# QEGS Blackburn Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

### 24 Pension and similar obligations (continued)

#### Amounts recognised in the statement of financial activities

	2020/21 £	2019/20 £
Current service cost (net of employee contributions)	433,000	182,000
Past service cost	-	8,000
Interest income	(101,000)	(98,000)
Interest cost	140,000	127,000
Admin expenses	6,000	6,000
Total amount recognized in the SOFA	<u>478,000</u>	<u>225,000</u>

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

	2020/21 £
At start of period	7,820,000
Current service cost	433,000
Interest cost	140,000
Employee contributions	65,000
Actuarial (gain)/loss	(168,000)
Losses or gains on curtailments	587,000
Benefits paid	<u>(126,000)</u>
At 31 August	<u>8,751,000</u>

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

	2020/21 £
At start of period	5,549,000
Interest income	101,000
Actuarial gain/(loss)	682,000
Employer contributions	195,000
Employee contributions	65,000
Benefits paid	(126,000)
Effect of non-routine settlements	<u>(6,000)</u>
At 31 August	<u>6,460,000</u>

### 25 Related party transactions

## **QEGS Blackburn Academy Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)**

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

Certain Trustees of the charity during the year were also Trustees of the Queen Elizabeth's Grammar School Blackburn Limited. During the year charity received donations from Queen Elizabeth's Grammar School Blackburn Limited amounting to £158,707 (2020: £395,000). At 31 August 2021 Queen Elizabeth's Grammar School Blackburn Limited owed £5,335 (2020: £66,190) to the charity.

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

#### **26 Agency arrangements**

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2021 the academy trust received £16,930 and disbursed £18,173 from the fund. An amount of £10,073 is included in other creditors relating to undistributed funds that is repayable to ESFA.