

Company Registration No. 07701920 (England and Wales)

**PRIMARY QUEST MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2020**

PRIMARY QUEST MULTI-ACADEMY TRUST

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PRIMARY QUEST MULTI-ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

Dr I. Marshall (Chair of Trustees) *#
Mr S. Dean (CEO and Headteacher) *#
Mr S. Lawrence *
Mr S. Allin *
Mr D. Berrisford #
Ms A. Ettridge #
Mr M. Fuller *
Rev J. Longuet-Higgins #
Mr C. Pumfrey #
Mr K. Jollans *

* members of the Finance and General Purposes Committee
members of the Curriculum and Standards Committee

Members

Mrs R. Howie
Mr P. Nolan
Mrs S. Vickery
Mrs R. Scott-Ward
Mr P. Gardner

Senior management team

- CEO and Headteacher	Mr S. Dean
- Headteacher	Mr J. Tibbles
- Headteacher	Mrs S. Smith
- Headteacher	Mr S. Millington
- Deputy Head/Headteacher	Miss L. Coldrick

Company registration number

07701920 (England and Wales)

Registered office

Wetherleigh Drive
Highnam
Gloucestershire
GL2 8LW

Academies operated

Highnam C of E Primary Academy
Staunton & Corse C of E Academy
Redmarley C of E Primary Academy
Hartpury C of E Primary Academy

Location

Highnam, Gloucestershire
Staunton, Gloucestershire
Redmarley, Gloucestershire
Hartpury, Gloucestershire

Headteacher

Mr S. Dean & Miss L. Coldrick
Mr J. Tibbles
Mrs S. Smith
Mr S. Millington

Independent auditor

Pitt Godden & Taylor LLP
Unit 3 Ambrose House
Meteor Court
Barnett Way
Barnwood
Gloucester
GL4 3GG

PRIMARY QUEST MULTI-ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Lloyds Bank plc
19 Eastgate Street
Gloucester
GL1 1NU

PRIMARY QUEST MULTI-ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their annual report together with the accounts and auditor's report of the Multi Academy Trust (MAT) for the year 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

History

Primary Quest Multi-Academy Trust is made up of four local primary schools:

- Hartpury
- Highnam
- Redmarley
- Staunton and Corse

The four primary schools formed the MAT on the 1st July 2019.

There are currently over 500 pupils attending the PQ schools.

The MAT is a Church of England Trust and works closely with local incumbents and church family workers.

The Primary Quest website address is: (www.primaryquest.co.uk).

Primary Quest twitter account is @PrimaryQuEST.

Stephen Dean is the CEO of the Primary Quest MAT

Rachelle Ayland is the MAT Business Manager

Sarah Smith is the Head of School Improvement

Structure, governance and management

Constitution

The MAT 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 MAT. The charitable company is known as Primary Quest Multi-Academy Trust.

The Trustees act as the Trustees for the charitable activities of the MAT and are also the directors of the charitable company for the purposes of company law. Details of Trustees who served throughout the year are included in the reference and administrative details on page 1.

Members' liability

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

Trustees' indemnities

Subject to the provisions of the Companies Act, every Trustee or other officer of the MAT shall be indemnified out of the assets of the MAT against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the MAT.

Method of recruitment and appointment or election of Trustees

The number of Trustees shall be not less than three or more than 10. Trustees are appointed under the terms of the MAT's Articles of Association as follows:

- Five Foundation (Church of England) Trustees
- Five non-foundation Trustees

The term of office for any Trustee shall be between two-four years. The CEO and MAT Business Manager are in attendance at MAT Board meetings. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be reappointed or re-elected.

PRIMARY QUEST MULTI-ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Policies and procedures adopted for the induction and training of Trustees

The training and induction provided for new Trustees will depend on their existing experience. Where necessary an induction will provide training on charity and educational legal and financial matters. All new Trustees are given a tour of the schools and the chance to meet with staff and pupils.

The initial local induction covers the workings and responsibilities of the Board of Trustees including some familiarisation with safeguarding, policies, procedures, minutes, accounts, budgets, plans and other documents needed to undertake the role as Trustee and director of the MAT. New Trustees are then asked to attend a one-day induction course for new school Trustees provided by Gloucestershire County Council. Subsequent training is provided either for all the Board of Trustees or for individuals depending on their need and role.

Organisational structure

The MAT has established a management structure to enable its efficient running. The structure consists of two levels: the Trustees and the executive team who include: the CEO, MAT Business Manager, Head of School Improvement and the MAT head teachers.

The Board of Trustees is aware of its responsibilities to approve the strategic direction and objectives of the MAT and monitor its progress towards them. Trustees, including the CEO, are responsible for setting general policy, adopting an annual plan and budget, monitoring the MAT by use of budgets, monitoring and evaluating pupil progress and making major decisions about the direction of the MAT, including capital expenditure and senior staff appointments. The Board of Trustees has approved a scheme of delegation which sets out a statement on the system of internal control, responsibilities, standing orders, and a scheme of delegation and terms of reference.

Board of Trustees – responsible for the strategic direction of the MAT, the Board of Trustees handles its business via two committees: The curriculum and standards committee deals with all matters relating to teaching and learning including behaviour and attendance and the finance and general purposes committee deals with all other matters including finance, audit and risk, staffing, health and safety/premises.

CEO – also a member of the Board of Trustees who provides strategic direction and is responsible for the implementation of policy.

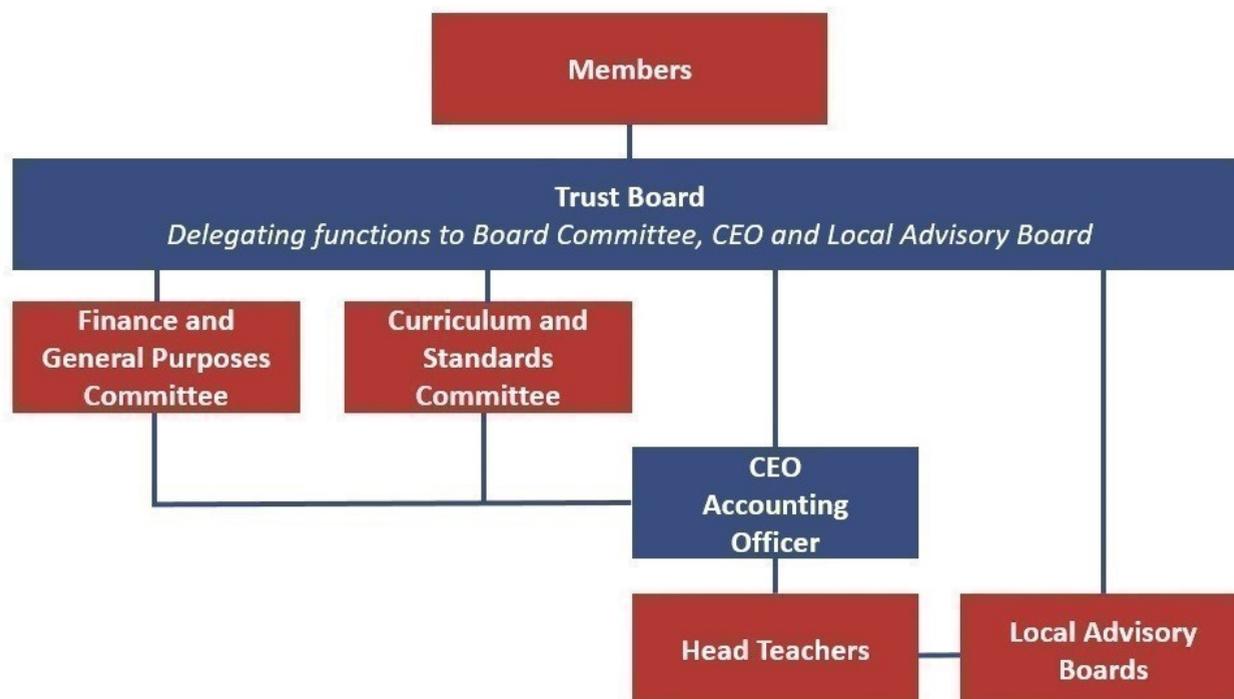
Staff leadership structure – provide direction for the curriculum, teaching and learning, pupil/staff development and inclusion.

PRIMARY QUEST MULTI-ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

As of 1 September 2019 the governance structure is as follows:



Key management personnel remuneration

The annual performance of the CEO is considered by two trained Trustees appointed by the Board of Trustees. In addition an experienced MAT Improvement Advisor was appointed to add even more to the impartial assessment of the CEO. The CEO and the MAT Improvement Advisor complete the performance management of the headteachers in the MAT with contributions from the chairs of the local advisor boards for each academy. The performance review was carried out in accordance with statutory requirements and considered both the agreed SMART objectives for the past year and set new ones for the current year. The result of the performance review was communicated to the Board of Trustees and to the GPC

The Pay committee (appointed by the Board of Trustees) considered all teaching staff, received evidence from them and from the headteachers and made pay recommendations to the GPC on the basis of individual performance.

Principle activities

The principle activity of the MAT is to advance, for the public benefit, education in the villages of Highnam, Staunton and Corse, Redmarley and Hartpury and the surrounding areas by maintaining and operating academies in those villages.

Objectives and activities

Objects and aims

The principal object and activity of the Charitable Company is the operation of academies to provide education in and around the villages of Highnam, Staunton and Corse, Redmarley and Hartpury in Gloucestershire. In accordance with the articles of association the MAT has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the academies, the catchment area from which the students are drawn and that the curriculum should be broad and appropriately balanced.

PRIMARY QUEST MULTI-ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

OUR ACADEMY VISION

Primary Quality, Education, Standards and Teaching...

enabling pupils and adults to flourish
within a caring Christian environment.

1. To deliver sustainable, outstanding educational learning opportunities for all within the Trust.
2. To use the experience and expertise within Primary Quest to work alongside other academies to support improvement.
3. 'Together in LIFE, Flourishing Through LIFE, Faith for LIFE'

LIFE refers to the fullness of life spoken about by Jesus in John 10.10.

"I have come that they may have life, and have it to the full".

The Gloucester Diocese **LIFE** vision highlights: Leadership, Imagination, Faith and Engagement.

Together in LIFE - *generous sharing develops us*

Flourishing through LIFE - *the love of learning transforms us*

Faith for LIFE - *the teaching of Jesus gives us an example to follow for our lives*

Through high quality teaching we aim to foster:

- A high level of English and Maths and an enquiring mind eager to learn more each day;
- Independence, flexibility and the ability to co-operate with others;
- Imagination and creative expression through a range of media;
- Conscientious young citizens who are tolerant and respect others' values;
- Pride in achievement and a desire to succeed;
- A care and concern for the people around us;
- Effective links between the school, the child's home and the community which promote aspiration and high expectations;
- Equality of opportunity for all.

Objectives, strategies and activities

The main objectives of the MAT during the year ended 31 August 2020 are summarised below:

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

PRIMARY QUEST MULTI-ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Below are the headlines from the full MAT Development Plan. It outlines specific areas and the work to be undertaken in 2020-21 with the aim of pupils achieving these goals and to maintain and improve our Academy's high standards.

The MAT aims to maintain and improve upon standards achieved in 2019/20 by:

- Enhancing the Primary Quest curriculum offer
- Developing the role of subject leaders
- Improving the provision of the Early Years Foundation Stage in each setting
- Ensuring the well-being of pupils and staff

Public benefit

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

STRATEGIC REPORT

Summary of achievements

The MAT has continued to make pleasing progress in the year ended 31 August 2020 to deliver sustainable, outstanding, educational learning opportunities for all within our community. The Company, Primary Quest Multi-Academy Trust, has continued to lead to additional learning opportunities for our children (e.g. maths enrichment), additional support and professional development for staff (e.g. subject leaders working together and creating resources such as subject leader portfolios of moderated work) and is attracting additional INSET support from our MAT Improvement Advisor. The headteachers meet fortnightly and Key Performance Indicators are collated at the end of each calendar month. During the COVID 19 pandemic the team worked well to provide provision for key worker pupils and welcomed classes: Reception, Year 1 and Year 6 for Term 6.

We have maintained high standards in terms of pupil progress (accredited by our MAT Improvement Advisor) both academically and in terms of the wider curriculum, such as in sport, art, performance and confidence.

We acknowledge the help and support of the Parent Teacher Association (PTA) who work so hard to raise money to provide extra activities, fun and materials to enrich the lives of our pupils. This year the PTA's support was put towards a variety of new equipment and opportunities. In addition, we thank the many parental and other volunteers who come to help in school or in other ways.

Future Plans

The Academy aims to maintain and improve upon standards achieved in 2019/20 by:

- The role of subject leaders
- Developing Maths Mastery
- Focus on Higher Standard / Greater Depth across all subjects
- Reading
- Pupil and Staff well-being
- Change of PAN for Staunton and Corse from 18 to 15 (2021/2022).
- Proposed PAN change at Redmarley from 12 to 15 (2022/2023)
- Introduction of a pre-school at Redmarley Primary Trust (October 2020)
- Explore sponsor school status for the MAT to formally support other local schools / academies.

PRIMARY QUEST MULTI-ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Achievements and performance

The MAT Improvement Plan (ADP) for 2019-2020 included steps to further improve the standard of teaching by lesson observations and discussion. The progress that has been made was acknowledged by the MAT Improvement Advisor. The Plan also outlined the preparations required for the introduction of the new National Curriculum from September 2015. As a MAT, we are not obliged to follow all of the National Curriculum. However, by and large, this will be followed although the MAT is making sure that it includes a variety of elements, which make it most suitable for the needs of our pupils.

The MAT is always looking to build on the foundations of our outstanding Ofsted performance. Our constant evolution and progress has been recognised by external appraisal over the past year. This year we will be working with our MAT Improvement Advisor to improve the provision for our pupils. The strong vision of the leadership team contributed to the well-being of all members of the MAT. This endorsement recognised the ethos of the MAT, which makes a major contribution towards our excellent teaching and learning. At the heart of our MAT is the whole pupil and not 'just' developing their academic achievements.

The MAT continues to host the Gloucestershire County Council NQT programme and provides additional training opportunities for other local schools. Additionally we have provided shared CPD for all teaching assistants within the Primary Quest Multi-Academy Trust structure and additional training implemented across the schools. CPD provision this year saw high quality training by leading education specialists Jane Considine (English) and Gareth Metcalfe (Maths).

Other achievements include: The Fairtrade award, Music mark, International Schools Award and the Gold Games Mark.

This year, Scott Lawrence chaired the General Purposes Committee, David Berrisford is Chair of the MAT Improvement Committee as well as Vice-Chair of the Board of Trustees. The Board of Trustees continues to provide important skills, experience and expertise. There is ever increasing trust and mutual support within the MAT including the sharing of financial data and educational attainment and progress. The Trustees have been keen to encourage senior leadership teams to work together to lighten the load of all headteachers and to ensure best practice is shared across academies for the benefit of our pupils.

Collaboration and excellent relationships with our partner academies has flourished under the Primary Quest Multi-Academy Trust banner. This has benefitted both pupils and staff. This is a potential growth area over the next few years. This year saw a number of joint ventures curtailed by the COVID pandemic however a new sports event was held for pupils in Years 3-6 at Hartpury College. Additional Trust online opportunities included the Maths 24 challenge.

Performance is measured against the aim of giving all our pupils the opportunity to reach their full potential. This is illustrated by pupil achievement in national assessments and tests at the end of Key Stage 1 (Year 2 - age 7) and Key Stage 2 (Year 6 - age 11) and by the achievement of pupils at the end of Reception (age 5). Children made good progress across the Trust although Key Stage Two tests didn't take place due to the pandemic.

Equally importantly, children enjoyed school and took part enthusiastically in all activities. We had another busy year with pupils entering a variety of sporting tournaments. One MAT academy has been part of an Erasmus+ Project. Highnam is linked with schools in: Croatia, Lithuania, Poland, Spain and Turkey. There have been 5 mobilities so far: Teacher planning – Turkey. Two teachers and four pupils to Lithuania (March), Two teachers and four pupils to Poland (May), Two teachers and four pupils to Croatia (October). Sadly, the UK mobility had to be cancelled due to the COVID pandemic.

These experiences have been invaluable to help develop the global awareness of our pupils. There is also a strong link with a school in Mozambique and we have supported iReach Africa the charity to aid local families with a water pump and relief support following the cyclone.

PRIMARY QUEST MULTI-ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Going concern

After making appropriate enquiries and considering carefully the implications of the COVID pandemic, the Board of Trustees has a reasonable expectation that the MAT has adequate resources to continue in operational existence for the foreseeable future. For this reason the Board of Trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

Financial review

The MAT was formed on 30 June 2019, when three other academies were transferred into the existing single academy trust. For those three academies, only two months operations are reflected in the comparative figures. For Highnam C of E Primary Academy Trust, the existing academy, twelve months operations are reflected in the comparative figures. The current year's figures include a full year's operations for all four academies.

This financial year, the MAT received £2,567,000 (2019 £5,637,000) of income from grants, donations and activities for generating funds. This included donations on the transfer of academies in and on conversion of £nil (2019 £4,321,000). It incurred costs of £3,070,000 (2019 £1,489,000) on educational operations, governance costs and pension charges recognising a deficit of £503,000 (2019 surplus £4,148,000). At 31 August 2020, the MAT carried forward £5,815,000 (2019 £6,318,000) including £234,000 (2019 £146,000) of general funds, £138,000 (2019 £209,000) of restricted funds, £6,379,000 (2019 £6,547,000) fixed assets funds less £936,000 (2019 £584,000) pension funds deficit.

Most of the MAT's income is obtained from central government in the form of recurrent grants the use of which is restricted to particular purposes. The grants received during the year and the associated expenditure are shown as restricted funds in the statement of financial activities.

The MAT also received grants for fixed assets. In accordance with the Charities Statement of Recommended Practice "Accounting for Reporting by Charities" (Charities SORP 2019), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

The running costs of the MAT have been as expected for the size of the MAT and age of buildings. Under the Charities SORP 2019 it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided to support staff to a restricted fund. This results in reducing reserves shown in the total funds of the MAT. It should be noted that this does not present the MAT with any current liquidity problems.

Reserves policy

The Finance and General Purposes Committee has agreed the Reserves Policy for the MAT and this is reported to the Governing Body. The level of reserves held takes into account the forecasts for income and expenditure for the current and future years, taking into account the reliability of each source of income and planned activity. The level of reserves is kept under review during the year, including when the level rises or falls and to determine if any corrective action is required. The minimum reserves to be held under the policy is: Highnam £60,000, Staunton & Corse £30,000, Redmarley £15,000 and Hartpur £30,000.

The MAT believes that the funding received in any one year should be used to support the children on roll at the time unless there is a specific project which will require the accumulation of funding over more than one year. The MAT considers £135,000 (2019 £135,000) of restricted and unrestricted income funds, in any one year, to be prudent bearing in mind the cuts in education funding which are likely to continue for some years. Benchmarking this level against other schools/academies in Gloucestershire suggests this is very similar on average to others, given the size of the MAT. Reserves at the end of the period amounted to £5,815,000 (2019 £6,318,000). The reserves at the end of the period were split: Restricted reserves £138,000, restricted reserves requiring the disposal of fixed assets to realise £6,379,000, pension reserve (£936,000) and unrestricted reserves £234,000 (£38,000 of which requires the disposal of fixed assets to realise).

PRIMARY QUEST MULTI-ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Investment policy

Any surplus income is held with the MAT's designated bank accounts with Lloyds Bank and accrues interest at the designated rate. The MAT does not invest funds elsewhere or enter into any schemes e.g. equity bonds. It does not have sufficient reserves to enter into any long term secured investments.

Principal risks and uncertainties

Risk management forms part of the institution's internal control and corporate governance arrangements. The principal risks are reputational, operational, financial and legal. The Trustees have implemented a system to assess risks that the MAT faces, especially in operational areas (such as policies in relation to teaching, health and safety and school trips) and in relation to the control of finances.

The MAT takes responsibility for overseeing risk management within the institution as a whole and this is carried out through the Finance and General Purposes Committee. Key indicators are identified and monitored on a regular basis. For example, the financial risks are mitigated by the system of internal controls including regular internal audit and scrutiny of the budget and accounts by the Finance and General Purposes Committee. All data is available to all trustees and a financial report is included in the minutes of the Finance and General Purposes Committee which are reported to the full governing body. In addition there is the annual external audit. This mixture of internal and external assessment of risk is present in other areas including Health and Safety. Site inspection by the appointed trustee is backed up by an annual external health and safety audit. All recommendations to mitigate risks are implemented and reported to the governing body. As a consequence of actions taken to reduce their impact, the final risk levels are considered to be low.

Plans for future periods

Highnam C of E Primary Trust	Hartpury C of E Primary Trust	Redmarley C of E Primary Trust	Staunton and Corse C of E Primary Trust
Review of 19/20			
<ul style="list-style-type: none"> • Updates to the Hub / Staff room • New Computing equipment purchased • Updates to Forest School area • Access points to include ramps 	<ul style="list-style-type: none"> Update to learning environments Updates to Forest School areas Replace part of the Year KS2 skylight. Upgrade to Wi-Fi points 	<ul style="list-style-type: none"> Creation of new intervention room Creation of outdoor learning spaces and reorder classrooms Improve office area and paint offices 	<ul style="list-style-type: none"> Update to learning environments Improve corridor spaces and entrance area. Creation of a new intervention room near to Year 5/6.
Next Steps:			
<ul style="list-style-type: none"> • Update Year 5/6 classes • Repair part of the Homelodge building. 	<ul style="list-style-type: none"> Replace part of the KS1 skylight. Add a hygiene suite to the school. 	<ul style="list-style-type: none"> Provide a fourth classroom. 	<ul style="list-style-type: none"> Repair the roof Explore a new building for the nursery / pre-school.

COVID 19 Pandemic

The four academies closed to all pupils on Friday 20th March due to the COVID pandemic. For the next two weeks key worker hubs were provided for the pupils of the MAT at two sites: Staunton and Corse and Highnam.

For the two weeks of the Easter holidays this provision moved to one site and to Hartpury Primary School. A rota of support was provided for the pupils by the staff from all four academies. This provision continued into Term 5 from Hartpury for two weeks before splitting again for the rest of Term 5 to Hartpury and Highnam.

During this time staff supported the key worker pupils alongside providing remote learning for the pupils working from home. Redmarley used Google Classrooms and the other academies used Seesaw to provide home learning for the pupils. Additional pupil support was provided through phone calls, sharing of technology and online reading sessions.

PRIMARY QUEST MULTI-ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Pupils in Reception, Year 1 and Year 6 returned to school for Term 6. The pupils were in bubbles of 15 pupils. The MAT risk assessments were in place to ensure controls in place for pupil and staff returns. Staggered drop off and pick-ups and staggered lunchtimes were put in place at each site. The induction procedure for our new Reception pupils was altered to provide resources online for parents.

All pupils returned to school in September following the MAT COVID pandemic risk assessments.

Auditor

In so far 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.

A resolution proposing that Pitt Godden & Taylor LLP be reappointed as auditor of the charitable company will be put to the members.

The trustees' report was approved by order of the Board of Trustees, as the company directors, on and signed on its behalf by:

.....
Dr I. Marshall

Chair of Trustees

PRIMARY QUEST MULTI-ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2020

Scope of responsibility

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

As Trustees, we have reviewed and taken account of the guidance in DfE's governance handbook and competency framework for governance.

The Board of Trustees has delegated the day-to-day responsibility to the CEO and headteacher, 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 Primary Quest Multi-Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the statement of Trustees' responsibilities. The Board of Trustees has formally met 6 times during the year (24 September 2019, 21 October 2019, 16 December 2019, 10 February 2020, 18 May 2020, 13 July 2020).

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustees	Meetings attended	Out of possible
Dr I. Marshall (Chair of Trustees)	6	6
Mr S. Dean (CEO and Headteacher)	6	6
Mr S. Lawrence	4	6
Mr S. Allin	4	6
Mr D. Berrisford	6	6
Ms A. Ettridge	4	6
Mr M. Fuller	2	6
Rev J. Longuet-Higgins	6	6
Mr C. Pumfrey	5	6
Mr K. Jollans	6	6

Changes to the Board of Trustees

There were no changes to the Board of Trustees during the year.

Governance reviews

The Governing Body met 6 times during the year. The governors monitored the performance of the MAT through visits and reports from the MAT Improvement Advisor, by studying data, visiting the schools and questioning members of the senior leadership team, staff, pupils and parents.

The Finance and General Purposes Committee has spent a considerable amount of time discussing the financial position of the MAT arising from unfunded cost pressures and the consultation stage of a National Funding Formula.

The Finance and General Purposes Committee is a sub-committee of the main Board of Trustees. It effectively met 4 times during the year (7 October 2019, 20 January 2020 and 7 July 2020 as a committee and 18 May 2020 as part of Board of Trustees meeting).

PRIMARY QUEST MULTI-ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Dr I. Marshall (Chair of Trustees)	4	4
Mr S. Dean (CEO and Headteacher)	4	4
Mr S. Lawrence	4	4
Mr S. Allin	3	4
Mr M. Fuller	4	4
Mr K. Jollans	4	4

The Curriculum and Standards Committee monitored the Academy Development Plan in its various iterations during the year. The main areas were Teaching and Learning, Personal Growth and well-being and Collaboration, community and communication. Nearly all the main targets for the year were achieved. The welfare of our staff is very important and discussions were had about workload and staff morale.

The Curriculum and Standards Committee is a sub-committee of the main Board of Trustees. It effectively met 4 times during the year (7 October 2019 and 20 January 2020 as a committee and 18 May 2020 and 13 July 2020 as part of Board of Trustees meeting).

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Dr I. Marshall (Chair of Trustees)	4	4
Mr S. Dean (CEO and Headteacher)	4	4
Mr D. Berrisford	4	4
Ms A. Ettridge	2	4
Rev J. Longuet-Higgins	4	4
Mr C. Pumfrey	2	4

Review of value for money

As accounting officer the CEO and headteacher has responsibility for ensuring that the MAT 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 MAT's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the MAT has delivered improved value for money during the year by:

Targeted Improvement

The MAT concise and achievable Academy Development Plan, which is constantly reviewed throughout the year and monitored by the MAT governors.

The MAT aims to maintain and improve upon standards achieved in 2019/20 by:

- Developing the role of the Multi-Academy Trust
- The Curriculum
- The role of subject leaders
- Developing Maths Mastery
- Focus on Higher Standard / Greater Depth across all subjects
- Reading
- Pupil and Staff well-being

PRIMARY QUEST MULTI-ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Collaboration

All academies in the MAT have continued to work closely together to ensure staff CPD. The headteachers and SLT meet regularly to plan exciting events for the pupils and to provide support where required. This year we held a special event at Hartpury College as well as online events for pupils during lockdown.

Finance

In line with the MAT's Finance Policy, all spending above £3,000 is approved by Trustees. The responsible officer carries out regular checks to safeguard financial procedures and provides a detailed report to the Academy Trust with recommendations to improve operations.

The CEO/headteachers/MAT business manager/local administrators review all services and contracts prior to agreement and there are many examples of suppliers being changed to secure best value for money.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of MAT's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Primary Quest Multi-Academy Trust for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the MAT is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the MAT's significant risks that has been in place for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

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

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

The Governing Body has considered the need for specific internal audit function and has decided to appoint Matthew Fuller as internal auditor. His role includes giving advice on financial matters and performing a range of checks on the MAT's financial systems including testing of payroll systems, purchase systems and testing of control account and bank reconciliations. On a termly basis, he reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

We confirm that the internal audit function has been delivered in line with the EFA's requirements. There have been no material control issues arising from the internal audit reports produced since his appointment to the date of the approval of the financial statements.

PRIMARY QUEST MULTI-ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Review of effectiveness

As accounting officer, the CEO and headteacher 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 internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the MAT who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the Board of Trustees on and signed on its behalf by:

Dr I. Marshall
Chair of Trustees

Mr S. Dean
CEO and Headteacher

PRIMARY QUEST MULTI-ACADEMY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2020

As accounting officer of Primary Quest Multi-Academy Trust I have considered my responsibility to notify the MAT Board of Trustees 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 MAT, under the funding agreement in place between the MAT 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 2019.

I confirm that I and the MAT's Board of Trustees are able to identify any material irregular or improper use of funds by the MAT, or material non-compliance with the terms and conditions of funding under the MAT's funding agreement and the Academies Financial Handbook 2019.

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

Mr S. Dean
Accounting Officer

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PRIMARY QUEST MULTI-ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2020

The trustees (who are also the directors of Primary Quest Multi-Academy Trust for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Academies Accounts Direction 2019 to 2020 published by the Education & 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 then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; 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 accounts 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 that 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 accounts may differ from legislation in other jurisdictions.

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

Dr I. Marshall
Chair of Trustees

PRIMARY QUEST MULTI-ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRIMARY QUEST MULTI-ACADEMY TRUST

FOR THE YEAR ENDED 31 AUGUST 2020

Opinion

We have audited the financial statements of Primary Quest Multi-Academy Trust for the year ended 31 August 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 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 charitable company's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020.

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 MAT in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. 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.

We have nothing to report in this regard.

PRIMARY QUEST MULTI-ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRIMARY QUEST MULTI-ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Opinions 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 including the incorporated strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the MAT and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report, including the incorporated strategic report.

We have nothing to report in respect of the following matters in relation to which 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, 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 MAT'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 charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

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

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

PRIMARY QUEST MULTI-ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRIMARY QUEST MULTI-ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Use of our report

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

Claire Bishop FCCA ACA (Senior Statutory Auditor)
for and on behalf of Pitt Godden & Taylor LLP

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Chartered Accountants
Statutory Auditor

Unit 3 Ambrose House
Meteor Court
Barnett Way
Barnwood
Gloucester
GL4 3GG

PRIMARY QUEST MULTI-ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO PRIMARY QUEST MULTI-ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2020

In accordance with the terms of our engagement letter dated 28 August 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Primary Quest Multi-Academy Trust during the period 1 September 2019 to 31 August 2020 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 Primary Quest Multi-Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Primary Quest Multi-Academy Trust and 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 Primary Quest Multi-Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Primary Quest Multi-Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Primary Quest Multi-Academy Trust's funding agreement with the Secretary of State for Education dated 17 August 2011 and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 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 2019 to 2020 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 MAT's income and expenditure.

The work undertaken to draw to our conclusion includes:

- a review of the objectives and activities of the MAT, with reference to the income streams and other information available to us as auditors of the MAT.
- testing of a sample of grants received and other income streams.
- testing of a sample of payments to suppliers and other third parties.
- testing of a sample of payroll payments to staff
- evaluating the internal control procedures and reporting lines and testing as appropriate.
- reviewing the minutes of meetings of the Governing Body and other evidence made available to us, relevant to our consideration of regularity.

PRIMARY QUEST MULTI-ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO PRIMARY QUEST MULTI-ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

Pitt Godden & Taylor LLP
Unit 3 Ambrose House
Meteor Court
Barnett Way
Barnwood
Gloucester
GL4 3GG

Dated:

PRIMARY QUEST MULTI-ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted funds £000's	Restricted funds: General £000's	Fixed asset £000's	Total 2020 £000's	Total 2019 £000's
Income and endowments from:						
Donations and capital grants	3	-	18	10	28	36
Donations - transfer from local authority on conversion		-	-	-	-	1,465
Donations - transfer of existing academy into the trust		-	-	-	-	2,856
Charitable activities:						
- Funding for educational operations	4	63	2,460	-	2,523	1,263
Other trading activities	5	16	-	-	16	17
Total		<u>79</u>	<u>2,478</u>	<u>10</u>	<u>2,567</u>	<u>5,637</u>
Expenditure on:						
Charitable activities:						
- Educational operations	8	23	2,595	202	2,820	1,385
Total	6	<u>23</u>	<u>2,595</u>	<u>202</u>	<u>2,820</u>	<u>1,385</u>
Net income/(expenditure)		56	(117)	(192)	(253)	4,252
Transfers between funds	17	32	(56)	24	-	-
Other recognised gains/(losses)						
Actuarial losses on defined benefit pension schemes	18	-	(250)	-	(250)	(104)
Net movement in funds		88	(423)	(168)	(503)	4,148
Reconciliation of funds						
Total funds brought forward		146	(375)	6,547	6,318	2,170
Total funds carried forward		<u>234</u>	<u>(798)</u>	<u>6,379</u>	<u>5,815</u>	<u>6,318</u>

The MAT was formed on 30 June 2019, when three other academies were transferred into the existing single academy trust. For those three academies, only two months operations are reflected in the comparative figures. For Highnam C of E Primary Academy Trust, the existing academy, twelve months operations are reflected in the comparative figures. The current year's figures include a full year's operations for all four academies.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2016. Net movements in funds also constitutes total comprehensive income, as all gains and losses are included in the statement of financial activities.

The above activities derive from continuing operations.

PRIMARY QUEST MULTI-ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

Comparative year information Year ended 31 August 2019	Notes	Unrestricted funds £000's	Restricted funds: General Fixed asset £000's £000's		Total 2019 £000's
Income and endowments from:					
Donations and capital grants	3	-	35	1	36
Donations - transfer from local authority on conversion		-	59	1,406	1,465
Donations - transfer of existing academy into the trust		14	(171)	3,013	2,856
Charitable activities:					
- Funding for educational operations	4	23	1,240	-	1,263
Other trading activities	5	17	-	-	17
Total		<u>54</u>	<u>1,163</u>	<u>4,420</u>	<u>5,637</u>
Expenditure on:					
Charitable activities:					
- Educational operations	8	14	1,261	110	1,385
Total	6	<u>14</u>	<u>1,261</u>	<u>110</u>	<u>1,385</u>
Net income/(expenditure)		40	(98)	4,310	4,252
Transfers between funds	17	-	(40)	40	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	18	-	(104)	-	(104)
Net movement in funds		40	(242)	4,350	4,148
Reconciliation of funds					
Total funds brought forward		106	(133)	2,197	2,170
Total funds carried forward		<u>146</u>	<u>(375)</u>	<u>6,547</u>	<u>6,318</u>

PRIMARY QUEST MULTI-ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2020

	Notes	2020 £000's	2019 £000's
Fixed assets			
Tangible assets	12	6,417	6,547
Current assets			
Debtors	14	64	69
Cash at bank and in hand		453	446
		<u>517</u>	<u>515</u>
Current liabilities			
Creditors: amounts falling due within one year	15	(183)	(160)
Net current assets		334	355
Net assets excluding pension liability		6,751	6,902
Defined benefit pension scheme liability	18	(936)	(584)
Total net assets		<u>5,815</u>	<u>6,318</u>
Funds of the MAT:			
Restricted funds	17		
- Fixed asset funds		6,379	6,547
- Restricted income funds		138	209
- Pension reserve		(936)	(584)
Total restricted funds		<u>5,581</u>	<u>6,172</u>
Unrestricted income funds	17	234	146
Total funds		<u>5,815</u>	<u>6,318</u>

The financial statements on pages 23 to 46 were approved by the Trustees and authorised for issue on and are signed on their behalf by:

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Dr I. Marshall
Chair of Trustees

Company Number 07701920

PRIMARY QUEST MULTI-ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £000's	2019 £000's
Cash flows from operating activities			
Net cash provided by operating activities	20	72	108
Cash funds transferred on conversion		-	224
		<u>72</u>	<u>332</u>
Cash flows from investing activities			
Capital grants from DfE Group		10	1
Purchase of tangible fixed assets		<u>(75)</u>	<u>(95)</u>
Net cash used in investing activities		(65)	(94)
		<u>7</u>	<u>238</u>
Net increase in cash and cash equivalents in the reporting period			
Cash and cash equivalents at beginning of the year		446	208
Cash and cash equivalents at end of the year		<u>453</u>	<u>446</u>

PRIMARY QUEST MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

Primary Quest Multi-Academy Trust is a charitable company incorporated in England and Wales. The registered office is Wetherleigh Drive, Highnam, Gloucestershire, GL2 8LW.

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

1.1 Basis of preparation

The financial statements of the MAT, 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 financial statements 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 2019 to 2020 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Primary Quest Multi-Academy Trust meets the definition of a public benefit entity under FRS 102.

The financial accounts are prepared in sterling, which is the functional currency of the company. Monetary amounts in these accounts are rounded to the nearest £000.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. They have considered carefully the potential effects of the Covid-19 pandemic in this assessment. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts and have concluded that the MAT has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the MAT's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Income

All incoming resources are recognised when the MAT 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 period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

PRIMARY QUEST MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

Sponsorship income

Sponsorship income provided to the MAT which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

Donations

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

Other income

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

1.4 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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Charitable activities

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

1.5 Tangible fixed assets and depreciation

Assets costing more than £500 are capitalised.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the MAT's depreciation policy.

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on leasehold land. Depreciation is provided on other tangible fixed assets at rates calculated to write off the cost of each asset, less its estimated residual value, over its expected useful life, as follows:

Long leasehold property	2% straight line
Property improvements	10% straight line
Computer equipment	25% straight line
Fixtures and fittings	25% straight line
Motor vehicles	25% straight line

PRIMARY QUEST MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

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.

1.6 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 MAT anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods of services it must provide.

1.7 Leased assets

Rentals payable under operating leases are charged against income on a straight-line basis over the period of the lease.

1.8 Financial instruments

The MAT only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the MAT 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. Prepayments are not financial instruments.

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

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. 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.

1.9 Taxation

The MAT 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 MAT 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.

1.10 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the MAT 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. The TPS is a multi-employer scheme with no underlying assets to assign between employers. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

PRIMARY QUEST MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the MAT 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 net income or expenditure 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.

1.11 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education and the Education Funding Agency.

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

1.12 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks and other short term liquid investments.

PRIMARY QUEST MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

2 Critical accounting estimates and areas of judgement

Accounting 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 MAT 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 estimates and underlying assumptions for depreciation are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period or in the period of revision and future periods, if the revision affects both current and future periods. The carrying amounts of fixed assets are disclosed in note 12.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. 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.

3 Donations and capital grants

	Unrestricted funds £000's	Restricted funds £000's	Total 2020 £000's	Total 2019 £000's
PTFA	-	18	18	21
Capital grants	-	10	10	1
Other donations	-	-	-	14
	<hr/>	<hr/>	<hr/>	<hr/>
	-	28	28	36
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

PRIMARY QUEST MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

4 Funding for the MAT's educational operations

	Unrestricted funds £000's	Restricted funds £000's	Total 2020 £000's	Total 2019 £000's
DfE / ESFA grants				
General annual grant (GAG)	-	2,136	2,136	963
Other DfE group grants	-	282	282	233
	—	—	—	—
	-	2,418	2,418	1,196
	====	====	====	====
Other funding				
Other incoming resources	63	42	105	67
	====	====	====	====
Total funding	63	2,460	2,523	1,263
	====	====	====	====

The MAT has been eligible to claim additional funding in year from government support schemes in response to the Coronavirus outbreak. Included in DfE/ESFA grants above is restricted income of £7,292 (2019 £nil), in respect of Coronavirus exceptional support. This covers expenditure on physical Coronavirus safety measures, additional cleaning and free school meals and these costs are included in notes 6 and 8 to the financial statements.

5 Other trading activities

	Unrestricted funds £000's	Restricted funds £000's	Total 2020 £000's	Total 2019 £000's
Rental income	15	-	15	16
Other income	1	-	1	1
	—	—	—	—
	16	-	16	17
	====	====	====	====

6 Expenditure

	Staff costs £000's	Non Pay Expenditure		Total 2020 £000's	Total 2019 £000's
		Premises £000's	Other £000's		
Academy's educational operations					
- Direct costs	1,751	205	174	2,130	1,000
- Allocated support costs	258	53	379	690	385
	—	—	—	—	—
	2,009	258	553	2,820	1,385
	====	====	====	====	====

PRIMARY QUEST MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

6 Expenditure (Continued)

Net income/(expenditure) for the year includes:	2020 £000's	2019 £000's
Fees payable to auditor for audit services	16	5
Operating lease rentals	3	1
Depreciation of tangible fixed assets	205	110
Net interest on defined benefit pension liability	13	5
	<u> </u>	<u> </u>

7 Central services

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

- human resources;
- administration services;
- financial and audit services;
- CEO services and
- website operation

The MAT charges for these services on the following basis:

- 7% of the GAG

The amounts charged during the year were as follows:

	2020 £000's	2019 £000's
Highnam C of E Primary Academy	59	-
Staunton & Corse C of E Academy	34	11
Redmarley C of E Primary Academy	25	9
Hartpury C of E Primary Academy	51	10
	<u> </u>	<u> </u>
	169	30
	<u> </u>	<u> </u>

8 Charitable activities

	Unrestricted funds £000's	Restricted funds £000's	Total 2020 £000's	Total 2019 £000's
Direct costs - educational operations	2	2,128	2,130	999
Support costs - educational operations	21	669	690	386
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	23	2,797	2,820	1,385
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

PRIMARY QUEST MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

8 Charitable activities

(Continued)

Analysis of costs	2020	2019
	£000's	£000's
Direct costs		
Wages and salaries	1,751	801
Staff development	16	-
Depreciation	205	110
Educational supplies	54	46
Other direct costs	104	42
	<u>2,130</u>	<u>999</u>
Support costs		
Wages and salaries	258	94
Other services	51	45
Free school meals and catering contracts	81	49
Maintenance of premises and equipment	53	23
Cleaning	58	27
Energy costs	27	9
Rent and rates	19	9
Insurance	15	3
Local authority traded services	63	25
MAT conversion costs	-	74
Pension finance cost	13	5
Other support costs	35	17
Governance costs	17	6
	<u>690</u>	<u>386</u>

MAT conversion costs in 2019 included £21,467 legal costs.

PRIMARY QUEST MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

9 Staff

Staff costs

Staff costs during the year were:

	2020 £000's	2019 £000's
Wages and salaries	1,460	684
Social security costs	112	48
Pension costs	433	161
	<u>2,005</u>	<u>893</u>
Staff costs - employees	2,005	893
Staff development and other staff costs	20	2
	<u>2,025</u>	<u>895</u>
Total staff expenditure	<u><u>2,025</u></u>	<u><u>895</u></u>

Staff numbers

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

	2020 Number	2019 Number
Teachers	28	30
Administration and support	69	60
Management	4	4
	<u>101</u>	<u>94</u>
	<u><u>101</u></u>	<u><u>94</u></u>

Higher paid staff

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

	2020 Number	2019 Number
In the band £60,000 to £70,000	1	1
	<u><u>1</u></u>	<u><u>1</u></u>

Key management personnel

The key management personnel of the MAT 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 MAT was £370,776 (2019 £113,269).

PRIMARY QUEST MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

10 Trustees' remuneration and expenses

The CEO and headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of CEO and headteacher and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments from the academy in respect of their role as Trustees.

The value of Trustees' remuneration was as follows:

S. Dean, CEO and headteacher:

Remuneration £65,000 - £70,000 (2019 £60,000 - £65,000)

Employer's pension contribution paid £15,000 - £20,000 (2019 £10,000 - £15,000)

During the year no trustee received any reimbursement of expenses.

Other related party transactions involving the Trustees are set out within the related parties note.

11 Insurance for Trustees and officers

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

12 Tangible fixed assets

	Long leasehold property £000's	Property improvements £000's	Computer equipment £000's	Fixtures and fittings £000's	Motor vehicles £000's	Total £000's
Cost						
At 1 September 2019	6,203	579	133	204	-	7,119
Additions	-	38	28	7	2	75
At 31 August 2020	6,203	617	161	211	2	7,194
Depreciation						
At 1 September 2019	260	122	85	105	-	572
Charge for the year	92	60	20	32	1	205
At 31 August 2020	352	182	105	137	1	777
Net book value						
At 31 August 2020	5,851	435	56	74	1	6,417
At 31 August 2019	5,943	457	48	99	-	6,547

Included in long leasehold property is leasehold land at a valuation of £1,600,524 (2019 £1,600,524) which is not depreciated.

PRIMARY QUEST MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

13 Financial instruments

	2020 £000's	2019 £000's
Carrying amount of financial assets		
Debt instruments measured at amortised cost	12	18
	=====	=====
Carrying amount of financial liabilities		
Measured at amortised cost	58	50
	=====	=====

14 Debtors

	2020 £000's	2019 £000's
Trade debtors	10	11
VAT recoverable	2	7
Prepayments and accrued income	52	51
	-----	-----
	64	69
	=====	=====

15 Creditors: amounts falling due within one year

	2020 £000's	2019 £000's
Trade creditors	20	25
Other taxation and social security	28	33
Other creditors	38	25
Accruals and deferred income	97	77
	-----	-----
	183	160
	=====	=====

16 Deferred income

	2020 £000's	2019 £000's
Deferred income is included within:		
Creditors due within one year	67	47
	=====	=====
Deferred income at 1 September 2019	47	23
Released from previous years	(47)	(23)
Resources deferred in the year	67	47
	-----	-----
Deferred income at 31 August 2020	67	47
	=====	=====

Deferred income relates to: GAG rates £nil (2019 £3,540), infant free school meals £43,054 (2019 £36,964), school trips £nil (2019 £1,885), SEN funding £11,755 (2018 £4,344) and DFC grant £12,633 (2019 £nil).

PRIMARY QUEST MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

17 Funds

	Balance at 1 September 2019 £000's	Income £000's	Expenditure £000's	Gains, losses and transfers £000's	Balance at 31 August 2020 £000's
Restricted general funds					
General Annual Grant (GAG)	4	2,136	(2,131)	(9)	-
Other DfE / ESFA grants	77	282	(264)	36	131
Other restricted funds	128	60	(98)	(83)	7
Pension reserve	(584)	-	(102)	(250)	(936)
	<u>(375)</u>	<u>2,478</u>	<u>(2,595)</u>	<u>(306)</u>	<u>(798)</u>
Restricted fixed asset funds					
Inherited on conversion	1,406	-	(43)	-	1,363
DfE group capital grants	5,106	10	(152)	24	4,988
Private sector capital sponsorship	35	-	(7)	-	28
	<u>6,547</u>	<u>10</u>	<u>(202)</u>	<u>24</u>	<u>6,379</u>
Total restricted funds	<u>6,172</u>	<u>2,488</u>	<u>(2,797)</u>	<u>(282)</u>	<u>5,581</u>
Unrestricted funds					
General funds	146	79	(21)	(8)	196
Fixed asset funds	-	-	(2)	40	38
	<u>146</u>	<u>79</u>	<u>(23)</u>	<u>32</u>	<u>234</u>
Total funds	<u>6,318</u>	<u>2,567</u>	<u>(2,820)</u>	<u>(250)</u>	<u>5,815</u>

PRIMARY QUEST MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

17 Funds

(Continued)

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

General annual grant

Funds from the Education Funding Agency for the provision of education, in line with the funding agreement.

Under the funding agreement with the Secretary of State, the MAT was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2020.

Other DfE/EFA grants

Other funds provided by the DfE/EFA for particular purposes within the Academy's educational operations.

Pupil premium

Additional funds from the Educational Funding Agency to support their disadvantaged pupils and close the attainment gap between them and their peers. This is allocated for every pupil who receives free school meals.

Capital grants

These consist of grants to be used as per the individual terms of agreement and for specific capital projects applied for.

Other grants

These are funds and grants received from the local authority and other institutions for use on specific educational projects.

Other income

These consist of income from all other sources to be used primarily for the Academy's educational operations.

Pension reserve

Being the fund in relation to the defined benefit pension scheme liability included in the balance sheet. The fund is in deficit given the nature of the liability, however, this is not payable immediately.

PRIMARY QUEST MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

17 Funds

(Continued)

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

	Balance at 1 September 2018 £000's	Income £000's	Expenditure £000's	Gains, losses and transfers £000's	Balance at 31 August 2019 £000's
Restricted general funds					
General Annual Grant (GAG)	-	963	(919)	(40)	4
Other DfE / ESFA grants	12	302	(237)	-	77
Other restricted funds	-	201	(73)	-	128
Pension reserve	(145)	(303)	(32)	(104)	(584)
	<u>(133)</u>	<u>1,163</u>	<u>(1,261)</u>	<u>(144)</u>	<u>(375)</u>
Restricted fixed asset funds					
Transfer on conversion	-	1,406	-	-	1,406
DfE group capital grants	2,173	3,003	(110)	40	5,106
Private sector capital sponsorship	24	11	-	-	35
	<u>2,197</u>	<u>4,420</u>	<u>(110)</u>	<u>40</u>	<u>6,547</u>
Total restricted funds	<u>2,064</u>	<u>5,583</u>	<u>(1,371)</u>	<u>(104)</u>	<u>6,172</u>
Unrestricted funds					
General funds	106	54	(14)	-	146
	<u>106</u>	<u>54</u>	<u>(14)</u>	<u>-</u>	<u>146</u>
Total funds	<u>2,170</u>	<u>5,637</u>	<u>(1,385)</u>	<u>(104)</u>	<u>6,318</u>

Total funds analysis by academy

	2020 £000's	2019 £000's
Fund balances at 31 August 2020 were allocated as follows:		
Highnam C of E Primary Academy	155	154
Staunton & Corse C of E Academy	74	63
Redmarley C of E Primary Academy	60	28
Hartpury C of E Primary Academy	69	110
Central services	14	-
	<u>372</u>	<u>355</u>
Total before fixed assets fund and pension reserve	372	355
Restricted fixed asset fund	6,379	6,547
Pension reserve	(936)	(584)
	<u>5,815</u>	<u>6,318</u>
Total funds	5,815	6,318

PRIMARY QUEST MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

17 Funds

(Continued)

Total cost analysis by academy

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

	Teaching and educational support staff £000's	Other support staff costs £000's	Educational supplies £000's	Other costs excluding depreciation £000's	Total 2020 £000's	Total 2019 £000's
Highnam C of E Primary Academy	715	84	26	203	1,028	1,060
Staunton & Corse C of E Academy	391	80	15	132	618	80
Redmarley C of E Primary Academy	278	40	5	99	422	54
Hartpury C of E Primary Academy	367	54	12	114	547	81
	<u>1,751</u>	<u>258</u>	<u>58</u>	<u>548</u>	<u>2,615</u>	<u>1,275</u>

18 Pension and similar obligations

The MAT'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 Gloucestershire County Council. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2019.

Contributions amounting to £38,385 (2019 £24,757) were payable to the schemes at 31 August 2020 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

PRIMARY QUEST MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

18 Pension and similar obligations

(Continued)

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% employer administration charge)
- 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. The 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 pension costs paid to the TPS in the period amounted to £343,969 (2019 £91,040).

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 MAT has accounted for its contributions to the scheme as if it were a defined contribution scheme. The MAT has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 26.5-27.9% for employers and 6.3% for employees.

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

Total contributions made	2020 £000's	2019 £000's
Employer's contributions	130	43
Employees' contributions	26	10
Total contributions	<u>156</u>	<u>53</u>

PRIMARY QUEST MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

18 Pension and similar obligations	(Continued)	
Principal actuarial assumptions	2020	2019
	%	%
Rate of increase in salaries	2.50 - 2.60	2.60
Rate of increase for pensions in payment/inflation	2.20 - 2.30	2.30
Discount rate for scheme liabilities	1.70	1.80
	<u> </u>	<u> </u>
The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:		
	2020	2019
	Years	Years
Retiring today		
- Males	21.70	21.50
- Females	23.90	23.70
Retiring in 20 years		
- Males	22.40	22.30
- Females	25.30	25.00
	<u> </u>	<u> </u>
Scheme liabilities would have been affected by changes in assumptions as follows:		
	2020	2019
	£000's	£000's
0.5% decrease in Real Discount Rate	253	184
0.5% increase in Salary Increase Rate	21	24
0.5% increase in Pension Increase Rate	227	157
	<u> </u>	<u> </u>
Defined benefit pension scheme net liability		
Scheme assets	1,237	1,029
Scheme obligations	(2,173)	(1,613)
	<u> </u>	<u> </u>
Net liability	(936)	(584)
	<u> </u>	<u> </u>
The MAT's share of the assets in the scheme		
	2020	2019
	Fair value	Fair value
	£000's	£000's
Equities	816	669
Bonds	285	258
Property	99	82
Other assets	37	20
	<u> </u>	<u> </u>
Total market value of assets	1,237	1,029
	<u> </u>	<u> </u>

The actual return on scheme assets was £58,000 (2019: £28,000).

PRIMARY QUEST MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

18 Pension and similar obligations

(Continued)

Amount recognised in the Statement of Financial Activities	2020 £000's	2019 £000's
Current service cost	219	69
Past service cost	-	1
Interest income	(21)	(12)
Interest cost	34	17
	<u>232</u>	<u>75</u>
Total operating charge	<u>232</u>	<u>75</u>
Changes in the present value of defined benefit obligations		2020 £000's
At 1 September 2019		1,613
Current service cost		219
Interest cost		34
Employee contributions		26
Actuarial loss		287
Benefits paid		(6)
		<u>2,173</u>
At 31 August 2020		<u>2,173</u>
Changes in the fair value of the MAT's share of scheme assets		2020 £000's
At 1 September 2019		1,029
Interest income		21
Actuarial gain		37
Employer contributions		130
Employee contributions		26
Benefits paid		(6)
		<u>1,237</u>
At 31 August 2020		<u>1,237</u>

PRIMARY QUEST MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

19 Analysis of net assets between funds

	Unrestricted Funds £000's	Restricted funds: General Fixed asset £000's £000's		Endowment Funds £000's	Total Funds £000's
Fund balances at 31 August 2020 are represented by:					
Tangible fixed assets	38	-	6,379	-	6,417
Current assets	379	138	-	-	517
Creditors falling due within one year	(183)	-	-	-	(183)
Defined benefit pension liability	-	(936)	-	-	(936)
Total net assets	<u>234</u>	<u>(798)</u>	<u>6,379</u>	<u>-</u>	<u>5,815</u>

	Unrestricted Funds £000's	Restricted funds: General Fixed asset £000's £000's		Endowment Funds £000's	Total Funds £000's
Fund balances at 31 August 2019 are represented by:					
Tangible fixed assets	-	-	6,547	-	6,547
Current assets	306	209	-	-	515
Creditors falling due within one year	(160)	-	-	-	(160)
Defined benefit pension liability	-	(584)	-	-	(584)
Total net assets	<u>146</u>	<u>(375)</u>	<u>6,547</u>	<u>-</u>	<u>6,318</u>

20 Reconciliation of net (expenditure)/income to net cash flow from operating activities

	2020 £000's	2019 £000's
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(253)	4,252
Adjusted for:		
Net surplus on conversion to academy	-	(1,465)
Net surplus on transfer of academy in the trust	-	(2,856)
Capital grants from DfE and other capital income	(10)	(1)
Defined benefit pension costs less contributions payable	89	27
Defined benefit pension scheme finance cost	13	5
Depreciation of tangible fixed assets	205	110
Decrease/(increase) in debtors	5	(34)
Increase in creditors	23	89
Stocks, debtors and creditors transferred on conversion	-	(19)
Net cash provided by operating activities	<u>72</u>	<u>108</u>

PRIMARY QUEST MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

21 Analysis of changes in net funds

	1 September 2019 £000's	Cash flows £000's	31 August 2020 £000's
Cash	446	7	453

22 Commitments under operating leases

At 31 August 2020 the total of the MAT's future minimum lease payments under non-cancellable operating leases was:

	2020 £000's	2019 £000's
Amounts due within one year	3	7
Amounts due in two and five years	4	7
	<u>7</u>	<u>14</u>

Total future minimum lease payments receivable, under non-cancellable operating leases were: amounts due within one year £nil (2018 £8,550).

23 Related party transactions

Owing to the nature of the MAT's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the MAT has an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the MAT's financial regulations and normal procurement procedures relating to connected and related party transactions.

24 Controlling party

The MAT is controlled by the board of trustees, which includes the CEO and headteacher.

25 Company limited by guarantee

The MAT is a company limited by guarantee and does not have a share capital.

26 Members' liability

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