

Company Registration No. 07701920 (England and Wales)

**PRIMARY QUEST MULTI-ACADEMY TRUST
(FORMERLY HIGHNAM C OF E PRIMARY ACADEMY)**

(A COMPANY LIMITED BY GUARANTEE)

**ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2019**

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) *#
Miss E. Coldrick (Resigned 30 June 2019) #
Mr S. Lawrence *
Mr M. Howard (Resigned 24 September 2018)
Mr P. Perks #
Mr P. Sargent (Resigned 28 February 2019) #
Mr S. Allin *
Mr P. Warren (Resigned 30 June 2019) #
Mrs R. Orchard (Resigned 30 June 2019) #
Mr D. Berrisford (Appointed 1 July 2019)
Ms A. Ettridge (Appointed 1 July 2019)
Mr M. Fuller (Appointed 1 July 2019)
Rev J. Longuet-Higgins (Appointed 1 July 2019)
Mr C. Pumfrey (Appointed 1 July 2019)
Ms L. Hanbury (Appointed 31 March 2019 and resigned 30 June 2019)
Mr K. Jollans (Appointed 1 July 2019)

* 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

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
Mr J. Tibbles
Mrs S. Smith
Mr S. Millington

PRIMARY QUEST MULTI-ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Independent auditor

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

Bankers

Lloyds Bank plc
19 Eastgate Street
Gloucester
GL1 1NU

PRIMARY QUEST MULTI-ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Primary Quest Multi-Academy Trust (MAT) for the period 1 September 2018 to 31 August 2019. The Trustees confirm that the Annual Report and financial statements of the MAT comply with the current statutory requirements, the requirements of the MAT's governing document and the provisions of the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)).

History

Highnam Primary Academy is a co-educational day school for children aged between 4 and 11 years. It is a Church of England Voluntary Controlled School with 203 pupils on roll. The School moved into the present building in 1981 to serve the growing village of Highnam which is three miles from the centre of Gloucester, to the west of the River Severn. Approximately two thirds of our pupils live in the village while the remainder travel up to 15 miles to attend the School. There are seven classes in the main building organised into four junior and three infant (including reception). All pupils are taught in single age classes. There are two rooms for special needs / music / small groups and our playgroup occupies an additional room in an adjacent building but is run independently. Links with the playgroup are strong and relationships excellent. The School has excellent facilities including a well-equipped hall, ICT suite and a large playground and sports field. The classrooms are stimulating and purposeful providing a safe, happy, caring and well-ordered environment which is conducive to learning.

The School has always recognised and appreciated the partnership we have between children, parents, staff, trustees and the community. The children are polite, very well behaved, are keen to learn and a joy to teach. One of the ways in which children contribute to their school is via the school council, elected annually. Standards have been consistently very high over the years for all children, whatever their ability. Our last Ofsted inspection (2008) gave us a consistently outstanding grading across all assessments as did the SIAS (Diocesan) inspection. 'Pupils flourish in this oasis of educational excellence where high standards permeate all aspects of school life' reported Ofsted and agreed with a parent that 'there are some talented, dedicated teachers and support staff at Highnam who should be congratulated for their achievements' (Ofsted 2008). The 'pupils' superb behaviour' was noted as was 'the infectious buzz of enthusiasm' epitomised by a pupil who said 'I really, really love learning' and others joined in spontaneously, 'in this school it is cool to learn!' (Ofsted 2008). In addition Highnam has been a Beacon School, an Investor in People and now we have awards for Healthy School status, Activemark, Eco School, Artsmark, the Sainbury's Games Mark, International Schools Award and the BECTA ICT Mark.

Teachers contribute to music, drama, sporting and other activities including environment and art and run a variety of school teams including football, tag rugby, netball and cricket. These and a wide range of other enrichment activities form an important addition to the curriculum. The School has an active Parent Teacher Association which organises activities on a regular basis and provides significant funds to support school projects. Our parents are supportive, helpful and appreciative and many come into school to help out on a voluntary basis.

In July 2010 the headteacher and Trustees began to consider the advantages of moving to Academy status. This was discussed with children, staff, parents and members of the local community. As an Academy the School would be able to choose where to target its scarce resources, decide which services were required and obtain best value, and have more freedom over the curriculum to meet the needs of our children. All groups were supportive of Academy conversion and this took place on 1 August 2011. Being an Academy has allowed local decisions to be made in the best interests of our pupils.

Highnam has always worked closely with a number of schools in the area as well as being part of the Tewkesbury District Partnership (40 schools). In parallel with discussions with all our stakeholders about Academy conversion, we considered the merits of joining with other schools. It was clear that the benefits of Academy status could be maximised by pooling our resources, education, financial and human.

PRIMARY QUEST MULTI-ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

From August 2011 we established a formal collaboration with Redmarley and Staunton and Corse after working with them over the previous year to convert to academies at the same time as Highnam.

On 30 June 2019, the operations, assets and liabilities of Staunton and Corse C of E Academy, Redmarley C of E Primary Academy and Hartpury C of E Primary Academy were transferred in to the Academy Trust, to join those of Highnam C of E Academy Trust, to form Primary Quest Multi-Academy Trust (the 'MAT').

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 12. Trustees are appointed under the terms of the MAT's articles of association as follows:

- The CEO as an ex officio Trustee.
- A staff Trustee.
- The incumbent as an ex officio foundation Trustee.
- Up to two additional foundation (Church of England) Trustees.
- A minimum of two parent Trustees.
- Up to two community Trustees.
- Up to two co-opted Trustees.
- Any additional Trustees appointed by the Secretary of State for Education.

The term of office for any trustee shall be four years. The headteacher's term of office runs parallel with their contract of employment. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be reappointed or re-elected.

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 academies and the chance to meet with staff and pupils.

PRIMARY QUEST MULTI-ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

The initial local induction covers the workings and responsibilities of the Board of Trustees including some familiarisation with 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

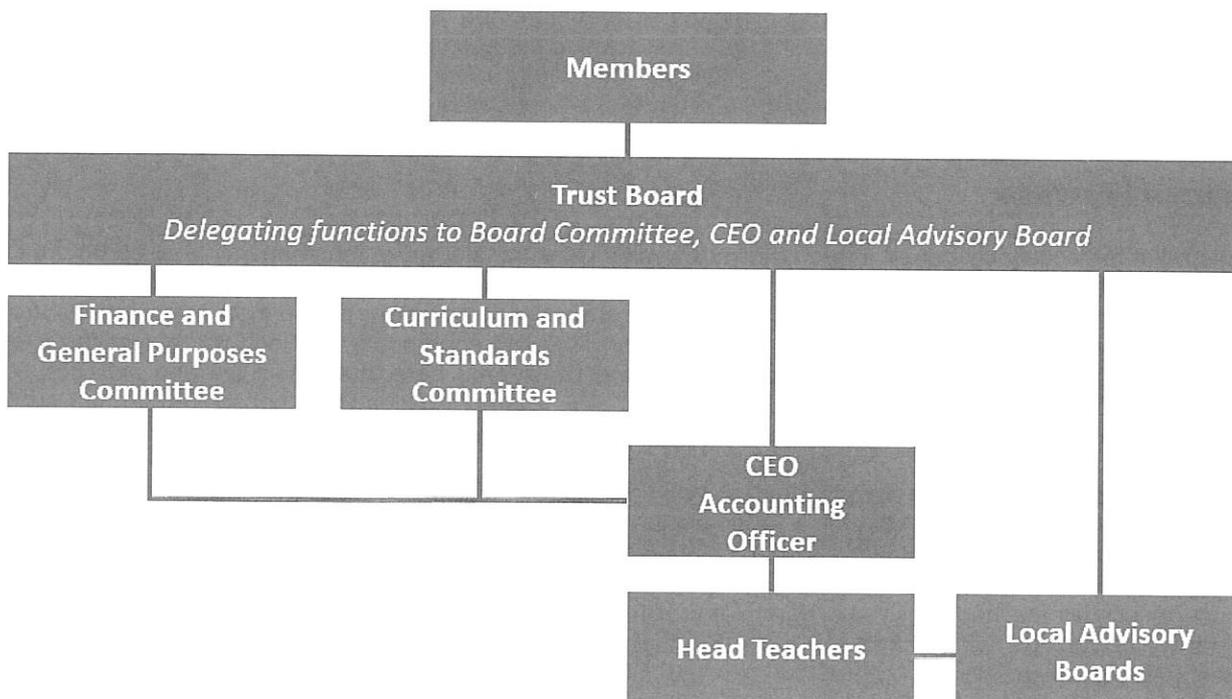
The Board of Trustees is aware of its responsibilities to approve the strategic direction and objectives of the MAT and monitor its progress towards them. Trustees, including the CEO, are responsible for setting general policy, adopting an annual plan and budget, monitoring the MAT by use of budgets, 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.

As of 30 June 2019 the governance structure is as follows:



PRIMARY QUEST MULTI-ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Key management personnel remuneration

The annual performance of the CEO and headteachers is considered by two trained Trustees appointed by the Governing Body and the Chair. In addition an experienced External Education Partner was appointed to add even more to the impartial assessment of the CEO and headteachers. 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 Governing Body and to the General Purposes Committee to consider the implications for the CEO and headteachers' salary.

The Pay Committee of three governors (appointed by the Governing Body) considered all teaching staff, received evidence from them and from the headteachers and made pay recommendations to the General Purposes Committee 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.

Connected organisations including related party relationships

Highnam Academy collaborated closely with two other Academies, Redmarley and Staunton and Corse. This has brought advantages from the sharing of expertise, developing staff, additional learning opportunities for children and the ability to afford an academy business manager to reduce the administrative burden on the headteacher. On 30 June 2019, the operations, assets and liabilities of Staunton and Corse C of E Academy, Redmarley C of E Primary Academy and Hartpury C of E Primary Academy were transferred in to the Academy Trust, to join those of Highnam C of E Academy Trust, to form the MAT.

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 academy trust 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.

OUR ACADEMY VISION

As has been previously described, three other academies were transferred to the academy trust on 30 June 2019. For those three academies, only two months operations have been reflected in these MAT financial statements. For Highnam C of E Primary Academy Trust, the existing academy, twelve months operations are reflected in these MAT financial statements. It is, therefore, thought appropriate, that only the objectives and activities of Highnam C of E Primary Academy Trust are considered here, the objectives and activities of Staunton and Corse C of E Academy and Redmarley C of E Primary Academy are considered in their own financial statements, which are available from the respective academy.

At Highnam Academy children learn within a safe, caring and disciplined environment. Staff focus on providing the highest possible standards of education and upon enthusing pupils with a love of learning. Through creative, broad and balanced experiences we inspire confidence and celebrate the uniqueness and successes of all. Christian values underpin our community, and we utilise these alongside a culture of mutual respect, to ensure the happiness and personal growth of each individual. By working in partnership with families we nurture the whole child and provide a firm basis for our pupils to develop into responsible and fulfilled members of society.

Learning Motto: Children with Confidence

PRIMARY QUEST MULTI-ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

We chose Children with Confidence as our learning motto because we see confidence as a vital ingredient for living – the confidence not to be anxious, the confidence that makes aggression unnecessary, the confidence to reach out to others.



Our Curriculum Vision is:

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;
- 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 Academy during the year ended 31 August 2019 are summarised below:

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

Below are the headlines from the full Academy Development Plan. It outlines specific areas and the work to be undertaken in 2019-20 with the aim of pupils achieving these goals and to maintain and improve our Academy's high standards.

PRIMARY QUEST MULTI-ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

The Academy aims to maintain and improve upon standards achieved in 2018/19 by:

- The Highnam Curriculum
- The role of subject leaders
- Developing Maths Mastery
- Focus on Higher Standard / Greater Depth across all subjects
- Reading
- Mental Health Champions Award

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.

Summary of achievements

The Academy has continued to make outstanding progress in the year ended 31 August 2019 to deliver sustainable, outstanding, educational learning opportunities for all within our community. The Company, Primary QuEST, 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 Academy Improvement Advisor. This year the three schools were joined by a fourth and we work closely together. The headteachers meet fortnightly and Key Performance Indicators are collated at the end of each calendar month.

We have maintained high standards in terms of pupil progress (accredited by our school improvement partner) 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 who work so hard to raise money to provide extra activities, fun and materials to enrich the lives of our pupils. This year nearly £6,000 was raised to support the school and 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 2018/19 by:

- The Highnam Curriculum
- The role of subject leaders
- Developing Maths Mastery
- Focus on Higher Standard / Greater Depth across all subjects
- Reading
- Mental Health Champions Award
- Pupil and Staff well-being

Achievements and performance

The Academy Improvement Plan (ADP) for 2018-2019 included steps to further improve the standard of teaching by lesson observations and discussion. The progress that has been made was acknowledged by the Academy Improvement Advisor. The Plan also outlined the preparations required for the introduction of the new National Curriculum from September 2015. As an academy, we are not obliged to follow all of the National Curriculum. However, by and large, this will be followed although the Academy is making sure that it includes a variety of elements, which make it most suitable for the needs of our pupils. This year we were the 2nd school in the County to have a SIAMS inspection under the new framework. We were pleased to receive a 'good' rating overall which acknowledged the positive Christian environment evident in the school.

PRIMARY QUEST MULTI-ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

The Academy 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 a new External Advisor who spoke highly about the Academy on his first visit. The strong vision of the leadership team contributed to the well-being of all members of the Academy. This endorsement recognised the ethos of the Academy which makes a major contribution towards our excellent teaching and learning. At the heart of our Academy is the whole pupil and not 'just' developing their academic achievements.

The sporting life of the Academy has continued to be plentiful and of a very high standard, supported by the new Primary Schools Sports Premium funding. With this, support staff had access to CPD to improve the quality of PE lessons throughout the Academy. Among a range of other initiatives was the appointment of a School Sports Co-ordinator who has encouraged wider participation in sporting activities. The girls' teams have been successful in football, hockey and cricket and the football team achieved 3rd place in the National Schools' Finals in Birmingham. Once again, we had two residential: one to the Wilderness Centre with Year 4 and one to Butlins (in Somerset) for Year 6.

The Academy continues to host the Gloucestershire County Council NQT programme and provides additional training opportunities for Primary QuEST schools and other local schools. Additionally we have provided shared CPD for all teaching assistants within the Primary QuEST structure and additional training implemented across the school. The Basic Skills mark assessment was renewed for another year and the school was awarded the Gold Mark for Sport and PE provision in school.

This year, Scott Lawrence chaired the Finance and General Purposes Committee, Paul Warren is Chair of the Curriculum and Standards Committee as well as Vice-Chair of the Governing Body. The Governing body continues to provide important skills, experience and expertise. There is ever increasing trust and mutual support within Primary Quest including the sharing of financial data and educational attainment and progress. The Governors 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, Staunton & Corse and Redmarley, within the framework of Primary QuEST, has benefitted both pupils and staff. This is a potential growth area over the next few years. This year saw a special outdoor day for Year 3/4 at TRAC adventure centre, a PE Event for Key Stage 1 pupils and regular staff meetings.

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 Academy as shown in the following tables:

Key Stage 2 – Attainment of Pupils

Subject	National	Highnam	Difference with national
Reading	73	87	+14%
Writing	78	93	+15%
Maths	79	97	+18%
GPS	79	97	+19%
Combined	65%	87	+22%

PRIMARY QUEST MULTI-ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Key Stage 2 – Higher Level Results

Subject	National	Highnam	Difference with national
Reading	27	40	+13%
Writing	20	23	+3%
Maths	27	50	+23%
Combined	11	17	+6%

Subject	National	School	Difference
Reading	104	108	+4
Maths	105	108	+3
GPS	106	110	+4

Key Stage 1 – Attainment of Pupils

Subject	Reading	Writing	Maths
Working At	80	77	87
Working Below	20	23	13

Year 1 – Phonics Screening

80% of pupils in Year 1 passed the phonics screening test.

Foundation Stage – Attainment of Pupils

This table shows the percentage of children working securely in literacy and maths (deemed to be a good level of development) in the Foundation Stage at the end of Reception Year.

	Academy
Good Level of Development	73%
Individual strands	Reading 73% Writing 73% Number - 90% Shape and Space – 93%

PRIMARY QUEST MULTI-ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Equally importantly, children enjoyed school and took part enthusiastically in all activities. We had another busy year with pupils entering rugby, football, netball, cricket and tennis tournaments. The Year 5 & 6 pupils enjoyed a residential trip to Butlins in Minehead and our Creative Curriculum allowed pupils to enjoy and participate in a very wide range of learning opportunities. During the year we held a number of Parental Information Evenings and over 40 parents attended. Over 485 now follow the school on Twitter and the residential Blog helped 'hits' on the School Website to over 5,000 during July this year. The school app has been well received and over 125 users get regular updates from the school this way.

This year the Academy has been part of an Erasmus+ Project. Highnam is linked with schools in: Croatia, Lithuania, Poland, Spain and Turkey. There have been 4 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). 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.

Going concern

After making appropriate enquiries, 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

As has been previously described, three other academies were transferred to the academy trust on 30 June 2019. For those three academies, only two months operations have been reflected in these MAT financial statements. For Highnam C of E Primary Academy Trust, the existing academy, twelve months operations are reflected in these MAT financial statements. This should be taken into account when comparing the current year's results with the previous year's.

This financial year, the MAT received £5,637,000 (2018 £1,037,000) of income from grants, donations and activities for generating funds. This included donations on the transfer of academies in and on conversion of £4,321,000 (2018 £nil). It incurred costs of £1,385,000 (2018 £1,010,000) on educational operations, governance costs and pension charges recognising a surplus of £4,148,000 (2018 £81,000). At 31 August 2019, the academy trust carried forward £6,318,000 (2018 £2,170,000) including £146,000 (2018 £106,000) of general funds, £209,000 (2018 £12,000) of restricted funds, £6,547,000 (2018 £2,197,000) fixed assets less £584,000 (2018 £145,000) 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" (SORP2015), 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 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. The employer contributions are currently being assessed and it is expected that they will increase to bring a further reduction in this pension deficit in future although this may not be achieved until stock market investment values start to recover.

PRIMARY QUEST MULTI-ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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 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 £300,000 (2018 £100,000) 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 £6,318,000 (2018 £2,170,000).

The reserves at the end of the period were split: Restricted reserves £209,000, restricted reserves requiring the disposal of fixed assets to realise £6,547,000, pension reserve (£584,000) and unrestricted reserves £146,000.

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 trust 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 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.

PRIMARY QUEST MULTI-ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Plans for future periods

Highnam C of E Primary Academy	Hartpury C of E Primary Academy	Redmarley C of E Primary Academy	Staunton and Corse C of E Primary Academy
Review of 18/19			
<ul style="list-style-type: none"> • Updates to the Hub / Staff room • New Computing equipment purchased • Updates to Forest School area 	<ul style="list-style-type: none"> • Update to learning environments • Updates to Forest School areas 	<ul style="list-style-type: none"> • Creation of new intervention room • Creation of outdoor learning spaces and reorder classrooms 	<ul style="list-style-type: none"> • Update to learning environments • Improve corridor spaces and entrance area.
Next Steps:			
<ul style="list-style-type: none"> • Update Year 5/6 classes • Hall floor • Access points to include ramps 	<ul style="list-style-type: none"> • Upgrade to Wi-Fi points • Complete security fencing around the school field. 	<ul style="list-style-type: none"> • Improve office area and paint offices 	<ul style="list-style-type: none"> • Creation of a new intervention room near to Year 5/6.

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 16/12/19 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 2019

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.

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 4 times during the year (26 September 2018, 21 November 2018, 27 February 2019, 8 May 2019).

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)	4	4
Mr S. Dean (CEO and Headteacher)	4	4
Miss E. Coldrick (Resigned 30 June 2019)	4	4
Mr S. Lawrence	4	4
Mr M. Howard (Resigned 24 September 2018)	0	0
Mr P. Perks	2	4
Mr P. Sargent (Resigned 28 February 2019)	3	3
Mr S. Allin	3	4
Mr P. Warren (Resigned 30 June 2019)	4	4
Mrs R. Orchard (Resigned 30 June 2019)	2	4
Mr D. Berrisford (Appointed 1 July 2019)	0	0
Ms A. Ettridge (Appointed 1 July 2019)	0	0
Mr M. Fuller (Appointed 1 July 2019)	0	0
Rev J. Longuet-Higgins (Appointed 1 July 2019)	0	0
Mr C. Pumfrey (Appointed 1 July 2019)	0	0
Ms L. Hanbury (Appointed 31 March 2019 and resigned 30 June 2019)	2	2
Mr K. Jollans (Appointed 1 July 2019)	0	0

Changes to the Board of Trustees

The formation of a multi academy trust, during the year, has led to a number of changes in trustees. Miss E. Coldrick, Mr M. Howard, Mr P. Sargent, Mr P. Warren and Mrs R. Orchard resigned from the board and the board welcomed Mr D. Berrisford, Ms A. Ettridge, Mr M. Fuller, Rev J. Longuet-Higgins and Mr C. Pumfrey as new trustees.

Governance reviews

The Governing Body met five times during the year. The Governors monitored the performance of the Academy Trust through visits and reports from an external Improvement Partner, by studying data, visiting the Academies and questioning members of the senior leadership team, staff, pupils and parents.

PRIMARY QUEST MULTI-ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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 met 4 times during the year (7 November 2018, 6 February 2019, 1 May 2019, 19 June 2019).

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	2	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 including the successful introduction of Accelerated Reader and the new Phonics scheme. One very pleasing finding from the GHLL survey was that nearly all our pupils are confident and happy at school most of the time, above the average for Gloucestershire schools. 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 met 3 times during the year (7 November 2018, 1 May 2019 and 19 June 2019).

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Dr I. Marshall (Chair of Trustees)	3	3
Mr S. Dean (CEO and Headteacher)	3	3
Miss E. Coldrick (Resigned 30 June 2019)	3	3
Mr P. Perks	3	3
Mr P. Sargent (Resigned 28 February 2019)	1	1
Mr P. Warren (Resigned 30 June 2019)	2	3
Mrs R. Orchard (Resigned 30 June 2019)	3	3

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 Academy governors.

PRIMARY QUEST MULTI-ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

The MAT aims to maintain and improve upon standards achieved in 2018/19 by:

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

Collaboration

We have continued to work closely with our partner academies 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 the Primary QuEST TRAC day for pupils in Year 3/4 along with sports events, a STEM challenge and the popular Young Voices Concert.

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 and headteacher/school business manager/secretary 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 2018 to 31 August 2019 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 2018 to 31 August 2019 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.

PRIMARY QUEST MULTI-ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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.

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 16/12/19 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 2019

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 2018.

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 2018.

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

16th December 2019

PRIMARY QUEST MULTI-ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2019

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 2018 to 2019 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 2015 and the Academies Accounts Direction 2018 to 2019;
- 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 16/12/19 and signed on its behalf by:



Dr I. Marshall
Chair of Trustees



Mr S. Dean
CEO and Headteacher

PRIMARY QUEST MULTI-ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2019

Opinion

We have audited the financial statements of Primary Quest Multi-Academy Trust for the year ended 31 August 2019 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 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & 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 2019 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 2015 and the Academies Accounts Direction 2018 to 2019.

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 2019

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.

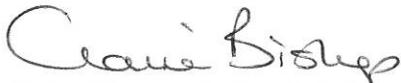
PRIMARY QUEST MULTI-ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2019

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 (Senior Statutory Auditor)
for and on behalf of Pitt Godden & Taylor LLP

16th December 2019

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 & SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2019

In accordance with the terms of our engagement letter dated 28 August 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, 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 2018 to 31 August 2019 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 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 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 2018 to 2019 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 & SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Claire Bishop

Reporting Accountant

Pitt Godden & Taylor LLP

Unit 3 Ambrose House

Meteor Court

Barnett Way

Barnwood

Gloucester

GL4 3GG

Dated: *16th December 2019*

PRIMARY QUEST MULTI-ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Unrestricted Funds £000's	Restricted funds: General Fixed asset £000's £000's		Total 2019 £000's	Total 2018 £000's
Income and endowments from:						
Donations and capital grants	3	-	35	1	36	118
Donations - transfer from local authority on conversion	26	-	59	1,406	1,465	-
Donations - transfer of existing academies into the trust	27	14	(171)	3,013	2,856	-
Charitable activities:						
- Funding for educational operations	4	23	1,240	-	1,263	902
Other trading activities	5	17	-	-	17	17
Total		<u>54</u>	<u>1,163</u>	<u>4,420</u>	<u>5,637</u>	<u>1,037</u>
Expenditure on:						
Charitable activities:						
- Educational operations	8	14	1,261	110	1,385	1,010
Total	6	<u>14</u>	<u>1,261</u>	<u>110</u>	<u>1,385</u>	<u>1,010</u>
Net income/(expenditure)		40	(98)	4,310	4,252	27
Transfers between funds	17	-	(40)	40	-	-
Other recognised gains/(losses)						
Actuarial (losses)/gains on defined benefit pension schemes	18	-	(104)	-	(104)	54
Net movement in funds		40	(242)	4,350	4,148	81
Reconciliation of funds						
Total funds brought forward		106	(133)	2,197	2,170	2,089
Total funds carried forward		<u>146</u>	<u>(375)</u>	<u>6,547</u>	<u>6,318</u>	<u>2,170</u>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2016. Net movement 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 2019

Comparative year information Year ended 31 August 2018	Notes	Unrestricted Funds £000's	Restricted funds: General	Fixed asset £000's	Total 2018 £000's
Income and endowments from:					
Donations and capital grants	3	-	2	116	118
Charitable activities:					
- Funding for educational operations	4	15	887	-	902
Other trading activities	5	17	-	-	17
Total		<u>32</u>	<u>889</u>	<u>116</u>	<u>1,037</u>
Expenditure on:					
Charitable activities:					
- Educational operations	8	12	910	88	1,010
Total	6	<u>12</u>	<u>910</u>	<u>88</u>	<u>1,010</u>
Net income/(expenditure)		20	(21)	28	27
Transfers between funds	17	(12)	(11)	23	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	18	-	54	-	54
Net movement in funds		8	22	51	81
Reconciliation of funds					
Total funds brought forward		<u>98</u>	<u>(155)</u>	<u>2,146</u>	<u>2,089</u>
Total funds carried forward		<u>106</u>	<u>(133)</u>	<u>2,197</u>	<u>2,170</u>

PRIMARY QUEST MULTI-ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2019

	Notes	2019 £000's	2018 £000's
Fixed assets			
Tangible assets	12	6,547	2,143
Current assets			
Debtors	14	69	35
Cash at bank and in hand		446	208
		<u>515</u>	<u>243</u>
Current liabilities			
Creditors: amounts falling due within one year	15	(160)	(71)
Net current assets		<u>355</u>	<u>172</u>
Net assets excluding pension liability		6,902	2,315
Defined benefit pension scheme liability	18	(584)	(145)
Total net assets		<u>6,318</u>	<u>2,170</u>
Funds of the MAT:			
Restricted funds	17		
- Fixed asset funds		6,547	2,197
- Restricted income funds		209	12
- Pension reserve		(584)	(145)
Total restricted funds		<u>6,172</u>	<u>2,064</u>
Unrestricted income funds	17	146	106
Total funds		<u>6,318</u>	<u>2,170</u>

The financial statements on pages 25 to 50 were approved by the Trustees and authorised for issue on 16/12/19 and are signed on their behalf by:



Dr I. Marshall
Chair of Trustees



Mr S. Dean
CEO and Headteacher

Company Number 07701920

PRIMARY QUEST MULTI-ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £000's	2018 £000's	2018 £000's
Cash flows from operating activities				
Net cash provided by operating activities	21		108	33
Cash funds transferred on conversion			224	-
			<u>332</u>	<u>33</u>
Cash flows from investing activities				
Capital grants from DfE Group		1	49	
Capital funding received from sponsors and others		-	67	
Purchase of tangible fixed assets		(95)	(85)	
		<u></u>	<u>(94)</u>	<u>31</u>
Net cash (used in)/provided by investing activities				
			<u>238</u>	<u>64</u>
Net increase in cash and cash equivalents in the reporting period				
Cash and cash equivalents at beginning of the year			208	144
			<u>446</u>	<u>208</u>
Cash and cash equivalents at end of the year			<u><u>446</u></u>	<u><u>208</u></u>

PRIMARY QUEST MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

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 2018 to 2019 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 i.e. 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. 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 Transfers of existing academies into the academy trust and conversion to an academy

The transfer in of existing academies into the MAT and the conversion from a state maintained school, to an academy, involved the transfer of identifiable assets and liabilities and the operation of the academies/school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred into the MAT, on the transfer in from Staunton and Corse C of E Academy and Redmarley C of E Primary Academy and on conversion from Hartpury C of E Primary School have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer of existing academies into the trust and Donations - transfer from local authority on conversion, in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in notes 26 and 27.

1.4 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.

PRIMARY QUEST MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

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.

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.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges 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.

PRIMARY QUEST MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

1.6 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

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.

1.7 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 or services it must provide.

1.8 Leased assets

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

1.9 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.

PRIMARY QUEST MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

1.10 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.

1.11 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.

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 operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.12 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.

1.13 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 2019

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 2019. 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 2019 £000's	Total 2018 £000's
PTFA	-	21	21	2
Capital grants	-	1	1	116
Other donations	-	14	14	-
	<u>-</u>	<u>36</u>	<u>36</u>	<u>118</u>
	<u><u>-</u></u>	<u><u>36</u></u>	<u><u>36</u></u>	<u><u>118</u></u>

PRIMARY QUEST MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

4 Funding for the MAT's educational operations

	Unrestricted funds £000's	Restricted funds £000's	Total 2019 £000's	Total 2018 £000's
DfE / ESFA grants				
General annual grant (GAG)	-	963	963	745
Other DfE group grants	-	233	233	100
	-	1,196	1,196	845
Other government grants				
Local authority grants	-	-	-	2
Other funding				
Other incoming resources	23	44	67	55
Total funding	23	1,240	1,263	902

5 Other trading activities

	Unrestricted funds £000's	Restricted funds £000's	Total 2019 £000's	Total 2018 £000's
Rental income	16	-	16	14
Other income	1	-	1	3
	17	-	17	17

6 Expenditure

	Staff costs £000's	Non Pay Expenditure Premises £000's		Other £000's	Total 2019 £000's	Total 2018 £000's
Academy's educational operations						
- Direct costs	801	110	138		1,049	793
- Allocated support costs	94	23	219		336	217
	895	133	357		1,385	1,010

PRIMARY QUEST MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

6 Expenditure (Continued)

Net income/(expenditure) for the year includes:	2019 £000's	2018 £000's
Fees payable to auditor for audit services	5	5
Operating lease rentals	1	1
Depreciation of tangible fixed assets	110	88
Net interest on defined benefit pension liability	5	5
	<u>5</u>	<u>5</u>

7 Central services

Due to the proximity of the MAT set up to the year end, few central services have been recharged to the academies. Those that have been, relate to the period prior to set up, when preparations were being made by all the academies for the MAT set up. Such recharges are included below.

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

- human resources;

The MAT charges for these services on the following basis:

- time-apportioned

The amounts charged during the year were as follows:

	2019 £000's	2018 £000's
Highnam C of E Primary Academy	-	-
Staunton & Corse C of E Academy	11	-
Redmarley C of E Primary Academy	9	-
Hartpury C of E Primary Academy	10	-
	<u>30</u>	<u>-</u>

8 Charitable activities

	Unrestricted funds £000's	Restricted funds £000's	Total 2019 £000's	Total 2018 £000's
Direct costs - educational operations	14	1,035	1,049	793
Support costs - educational operations	-	336	336	217
	<u>14</u>	<u>1,371</u>	<u>1,385</u>	<u>1,010</u>

PRIMARY QUEST MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

8 Charitable activities

(Continued)

Analysis of costs	2019 £000's	2018 £000's
Direct costs		
Wages and salaries	801	604
Depreciation	110	88
Educational supplies	47	24
Free school meals and catering contracts	49	45
Other direct costs	42	32
	<u>1,049</u>	<u>793</u>
Support costs		
Wages and salaries	94	84
Other services	44	35
Maintenance of premises and equipment	23	14
Cleaning	27	23
Energy costs	9	6
Rent and rates	9	8
Insurance	3	8
Local authority traded services	25	18
MAT conversion costs	74	-
Pension finance cost	5	5
Other support costs	17	9
Governance costs	6	7
	<u>336</u>	<u>217</u>

9 Staff

Staff costs

Staff costs during the year were:

	2019 £000's	2018 £000's
Wages and salaries	684	515
Social security costs	48	40
Pension costs	161	128
	<u>893</u>	<u>683</u>
Amounts paid to employees		
	<u>893</u>	<u>683</u>
Amounts paid to staff	893	683
Staff development and other staff costs	2	5
	<u>895</u>	<u>688</u>

PRIMARY QUEST MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

9 Staff (Continued)

Staff numbers

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

	2019 Number	2018 Number
Teachers	15	13
Administration and support	35	25
Management	2	1
	<u>52</u>	<u>39</u>

Higher paid staff

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

	2019 Number	2018 Number
In the band £60,000 to £70,000	1	-

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) received by key management personnel for their services to the MAT was £113,269 (2018 £136,328).

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 £60,000 - £65,000 (2018 £55,000 - £60,000)

Employer's pension contribution paid £5,000 - £10,000 (2018 £5,000 - £10,000)

E. Coldrick, staff trustee:

Remuneration £45,000 - £50,000 (2017 £45,000 - £50,000)

Employer's pension contribution paid £5,000 - £10,000 (2018 £5,000 - £10,000)

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.

PRIMARY QUEST MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

11 Trustees and officers insurance

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	Total £000's
Cost					
At 1 September 2018	2,085	321	90	109	2,605
Transfer on conversion	1,316	43	14	33	1,406
Transfer of existing academy into the academy trust	2,802	145	12	54	3,013
Additions	-	70	17	8	95
At 31 August 2019	6,203	579	133	204	7,119
Depreciation					
At 1 September 2018	219	81	75	87	462
Charge for the year	41	41	10	18	110
At 31 August 2019	260	122	85	105	572
Net book value					
At 31 August 2019	5,943	457	48	99	6,547
At 31 August 2018	1,866	240	15	22	2,143

Included in long leasehold property is leasehold land at a valuation of £1,600,524 (2018 £542,014) which is not depreciated.

Long leasehold properties transferred in from other academy trusts, were transferred in at fair value, based on a valuation conducted by the EFSA in July/August 2016. This value effectively became their cost in the Academy Trust.

Long leasehold properties transferred on conversion, were transferred in at fair value. The fair value is a Trustees value, based on their knowledge of the value of other academy properties, similar in size and nature, within the Academy Trust. No other valuations were available. This value effectively became their cost in the Academy Trust.

The Trustees have decided not to have formal valuations done, as the cost of such a valuation would be onerous compared with the additional benefit derived by the users of the financial statements.

PRIMARY QUEST MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

13 Financial instruments	2019 £000's	2018 £000's
Carrying amount of financial assets		
Debt instruments measured at amortised cost	18	16
	=====	=====
Carrying amount of financial liabilities		
Measured at amortised cost	50	30
	=====	=====
14 Debtors	2019 £000's	2018 £000's
Trade debtors	11	2
VAT recoverable	7	14
Prepayments and accrued income	51	19
	-----	-----
	69	35
	=====	=====
15 Creditors: amounts falling due within one year	2019 £000's	2018 £000's
Trade creditors	25	17
Other taxation and social security	33	11
Other creditors	25	13
Accruals and deferred income	77	30
	-----	-----
	160	71
	=====	=====
16 Deferred income	2019 £000's	2018 £000's
Deferred income is included within:		
Creditors due within one year	47	23
	=====	=====
Deferred income at 1 September 2018	23	24
Released from previous years	(23)	(24)
Amounts deferred in the year	47	23
	-----	-----
Deferred income at 31 August 2019	47	23
	=====	=====

Deferred income relates to: GAG rates £3,540 (2018 £1,648), infant free school meals £36,964 (2018 £19,884), school trips £1,885 (2018 £1,630) and SEN funding £4,344 (2018 £nil).

PRIMARY QUEST MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

17 Funds

	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					
Inherited 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
Total funds	<u>2,170</u>	<u>5,637</u>	<u>(1,385)</u>	<u>(104)</u>	<u>6,318</u>

PRIMARY QUEST MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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 2019.

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 2019

17 Funds

(Continued)

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

	Balance at 1 September 2017 £000's	Income £000's	Expenditure £000's	Gains, losses and transfers £000's	Balance at 31 August 2018 £000's
Restricted general funds					
General Annual Grant (GAG)	-	745	(734)	(11)	-
Other DfE / ESFA grants	10	100	(98)	-	12
Other government grants	-	2	(2)	-	-
Other restricted funds	-	42	(42)	-	-
Pension reserve	(165)	-	(34)	54	(145)
	<u>(155)</u>	<u>889</u>	<u>(910)</u>	<u>43</u>	<u>(133)</u>
Restricted fixed asset funds					
DfE group capital grants	2,119	116	(88)	26	2,173
Private sector capital sponsorship	27	-	-	(3)	24
	<u>2,146</u>	<u>116</u>	<u>(88)</u>	<u>23</u>	<u>2,197</u>
Total restricted funds	<u>1,991</u>	<u>1,005</u>	<u>(998)</u>	<u>66</u>	<u>2,064</u>
Unrestricted funds					
General funds	98	32	(12)	(12)	106
	<u>98</u>	<u>32</u>	<u>(12)</u>	<u>(12)</u>	<u>106</u>
Total funds	<u>2,089</u>	<u>1,037</u>	<u>(1,010)</u>	<u>54</u>	<u>2,170</u>

Total funds analysis by academy

	2019 £000's	2018 £000's
Fund balances at 31 August 2019 were allocated as follows:		
Highnam C of E Primary Academy	154	118
Staunton & Corse C of E Academy	63	-
Redmarley C of E Primary Academy	28	-
Hartpury C of E Primary Academy	110	-
	<u>355</u>	<u>118</u>
Total before fixed assets fund and pension reserve	355	118
Restricted fixed asset fund	6,547	2,197
Pension reserve	(584)	(145)
	<u>6,318</u>	<u>2,170</u>
Total funds	<u>6,318</u>	<u>2,170</u>

PRIMARY QUEST MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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 2019 £000's	Total 2018 £000's
Highnam C of E Primary Academy	648	77	39	296	1,060	922
Staunton & Corse C of E Academy	58	7	3	12	80	-
Redmarley C of E Primary Academy	37	5	-	12	54	-
Hartpury C of E Primary Academy	59	5	3	14	81	-
	<u>802</u>	<u>94</u>	<u>45</u>	<u>334</u>	<u>1,275</u>	<u>922</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 2012, and that of the LGPS related to the period ended 31 March 2016.

Contributions amounting to £24,757 (2018 £12,570) were payable to the schemes at 31 August 2019 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

PRIMARY QUEST MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

The key elements of the valuation and subsequent consultation are:

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

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to the TPS in the period amounted to £91,040 (2018 £61,746).

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 a 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 26.9% - 30.1% for employers and 6.3% for employees.

As described in note 26 the LGPS obligation relates to the employees of the MAT, including the employees of existing academies transferred into the MAT and those transferred as part of the conversion from the maintained school and new employees who joined the scheme in the period. The obligation in respect of employees of existing academies transferred in and those who transferred on conversion, represents their cumulative service at both the predecessor academy/school and the MAT at the balance sheet date.

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.

PRIMARY QUEST MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

18 Pension and similar obligations

(Continued)

Total contributions made	2019 £000's	2018 £000's
Employer's contributions	43	37
Employees' contributions	10	9
	<u> </u>	<u> </u>
Total contributions	53	46
	<u> </u>	<u> </u>
Principal actuarial assumptions	2019	2018
	%	%
Rate of increase in salaries	2.60	2.70
Rate of increase for pensions in payment/inflation	2.30	2.40
Discount rate for scheme liabilities	1.80	2.80
	<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:

	2019 Years	2018 Years
Retiring today		
- Males	21.50	22.40
- Females	23.70	24.60
Retiring in 20 years		
- Males	22.30	24.00
- Females	25.00	26.40
	<u> </u>	<u> </u>

Scheme liabilities would have been affected by changes in assumptions as follows:

	2019 £000's	2018 £000's
0.5% decrease in Real Discount Rate	184	73
0.5% increase in Salary Increase Rate	24	12
Mortality assumption + 1 year	58	22
0.5% increase in Pension Increase Rate	157	60
	<u> </u>	<u> </u>

Defined benefit pension scheme net liability

Scheme assets	1,029	411
Scheme obligations	(1,613)	(556)
	<u> </u>	<u> </u>
Net liability	(584)	(145)
	<u> </u>	<u> </u>

PRIMARY QUEST MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

18 Pension and similar obligations (Continued)

The MAT's share of the assets in the scheme	2019 Fair value £000's	2018 Fair value £000's
Equities	669	284
Bonds	258	86
Property	82	33
Other assets	20	8
	<u>1,029</u>	<u>411</u>

The actual return on scheme assets was £28,000 (2018: £20,000).

Amount recognised in the Statement of Financial Activities	2019 £000's	2018 £000's
Current service cost	69	66
Past service cost	1	-
Interest income	(12)	(9)
Interest cost	17	14
	<u>75</u>	<u>71</u>

Changes in the present value of defined benefit obligations	2019 £000's
At 1 September 2018	556
Obligations acquired on conversion	152
Transferred in on existing academies joining the MAT	693
Current service cost	69
Interest cost	17
Employee contributions	10
Actuarial loss/(gain)	120
Benefits paid	(5)
Past service cost	1
	<u>1,613</u>
At 31 August 2019	<u>1,613</u>

PRIMARY QUEST MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

18 Pension and similar obligations

(Continued)

Changes in the fair value of the MAT's share of scheme assets

	2019 £000's
At 1 September 2018	411
Assets acquired on conversion	94
Transferred in on existing academies joining the MAT	448
Interest income	12
Actuarial gain	16
Employer contributions	43
Employee contributions	10
Benefits paid	(5)
	<hr/>
At 31 August 2019	1,029
	<hr/> <hr/>

19 Analysis of net assets between funds

	Unrestricted Funds £000's	Restricted funds: General £000's	Fixed asset £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)
	<hr/>	<hr/>	<hr/>	<hr/>
Total net assets	146	(375)	6,547	6,318
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

	Unrestricted Funds £000's	Restricted funds: General £000's	Fixed asset £000's	Total Funds £000's
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	2,143	2,143
Current assets	177	12	54	243
Creditors falling due within one year	(71)	-	-	(71)
Defined benefit pension liability	-	(145)	-	(145)
	<hr/>	<hr/>	<hr/>	<hr/>
Total net assets	106	(133)	2,197	2,170
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

20 Controlling party

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

PRIMARY QUEST MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

21 Reconciliation of net income to net cash flow from operating activities

	2019 £000's	2018 £000's
Net income for the reporting period (as per the statement of financial activities)	4,252	27
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	(1)	(116)
Defined benefit pension costs less contributions payable	27	29
Defined benefit pension scheme finance cost	5	5
Depreciation of tangible fixed assets	110	88
(Increase) in debtors	(34)	(9)
Increase in creditors	89	9
Stocks, debtors and creditors transferred on conversion	(19)	-
Net cash provided by operating activities	108	33

22 Company limited by guarantee

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

23 Commitments under operating leases

At 31 August 2019 the total of the MAT's future minimum lease payments under non-cancellable operating leases was:

	2019 £000's	2018 £000's
Amounts due within one year	7	1
Amounts due in two and five years	7	1
	<u>14</u>	<u>2</u>

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

24 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.

During the year expenses totalling £6,000 (2018 £5,000) were paid to Primary QuEST Limited. Primary QuEST Limited is an umbrella company which Highnam C of E Primary Academy participated in.

PRIMARY QUEST MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

25 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he 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.

26 Conversion to an academy

On 30 June 2019, Hartpury C of E Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Primary Quest Multi-Academy Trust from the Gloucestershire County Council Local Authority for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the statement of financial activities as donations – transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

Net assets transferred:				£000's
Leasehold land and buildings				1,316
Other tangible fixed assets				90
Cash				117
Pension scheme deficit				(58)
				<u>1,465</u>
				<u><u>1,465</u></u>
	Unrestricted	Restricted funds:		Total
	Funds	General	Fixed asset	2019
Funds surplus/(deficit) transferred:	£000's	£000's	£000's	£000's
Fixed assets funds	-	-	1,406	1,406
LA budget funds	-	117	-	117
LGPS pension funds	-	(58)	-	(58)
	<u>-</u>	<u>59</u>	<u>1,406</u>	<u>1,465</u>
	<u><u>-</u></u>	<u><u>59</u></u>	<u><u>1,406</u></u>	<u><u>1,465</u></u>

PRIMARY QUEST MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

27 Transfer of existing academies into the MAT

On 30 June 2019, two academies joined the MAT from existing trusts. At the date of the transfer, the operations and assets and liabilities were transferred to the MAT for £nil consideration. Both of the academies joining the trust included a transfer of assets.

The transfers has been accounted for as acquisitions that are in substance gifts. The assets and liabilities transferred were valued at their fair values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the statement of financial activities as donations – transfer of existing academies into the trust.

The following table sets out the fair values of the identifiable assets and liabilities transferred.

Staunton and Corse C of E Academy

On 30 June 2019 Staunton and Corse C of E Academy joined the trust.

Net assets acquired	Value reported by transferring trust £000's	Fair value adjustments £000's	Transfer in recognised £000's
Leasehold land and buildings	1,148	502	1,650
Other tangible fixed assets	56	-	56
Debtors	23	1	24
Creditors and deferred income	(30)	-	(30)
Cash and cash equivalents	62	-	62
Pension scheme	(177)	-	(177)
Total net assets	1,082	503	1,585

Redmarley C of E Primary Academy

On 30 June 2019 Redmarley C of E Primary Academy joined the trust.

Net assets acquired	Value reported by transferring trust £000's	Fair value adjustments £000's	Transfer in recognised £000's
Leasehold land and buildings	713	439	1,152
Other tangible fixed assets	155	-	155
Debtors	15	1	16
Creditors and deferred income	(29)	-	(29)
Cash and cash equivalents	45	-	45
Pension scheme	(68)	-	(68)
Total net assets	831	440	1,271