

**THE QUINTA TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT AND AUDITED ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**Haines Watts**  
Chartered Accountants & Registered Auditors  
157A Ashley Road  
Hale  
Altrincham  
Cheshire  
WA14 2UT

# THE QUINTA TRUST

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# THE QUINTA TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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**Trustees**

Miss T S Walklate  
Mr P J Aston  
Mr J Barlow  
Dr S J Foster  
Mr S D Harrop  
Mrs L E Hurlstone  
Mr J R Jackson  
Mrs T L Plummer-Knight  
Mr D Roberts  
Mr U B Smith  
Mr W Wolstencroft

**Members**

Mr D Roberts  
Miss T S Walklate  
Mr U B Smith

**Senior management team**

- Headteacher
- Deputy headteacher
- Assistant headteacher

Miss T S Walklate  
Mr W Sharpe  
Mrs K Bernard

**Registered office**

Ullswater Road  
Congleton  
Cheshire  
CW12 4LX

**Company registration number** 08787650 (England and Wales)

**Independent auditor**

Haines Watts  
Bridge House  
Ashley Road  
Hale  
Altrincham  
WA14 2UT

**Bankers**

Lloyds Bank plc  
13 Victoria Street  
Crewe  
CW1 2JQ

# THE QUINTA TRUST

## TRUSTEES' REPORT

**FOR THE YEAR ENDED 31 AUGUST 2016**

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The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2015 to 31 August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates an academy for pupils aged 4 to 11 serving an area on the edge of the Cheshire market town of Congleton. It has a pupil capacity of 350 and had a roll of 335 in the school census on 1 October 2015.

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

#### Constitution

The academy trust is a charitable company limited by guarantee (company number: 08787650) and an exempt charity. The company was incorporated on 24 December 2013 and on 1 January 2014 converted to an academy trust. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of The Quinta Trust are also directors of the charitable company for the purposes of company law. The charitable company is known as The Quinta Trust.

Details of the trustees who serve throughout the year are included in the reference and administrative details on page 1 together with details of the company's registered office.

#### 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 have ceased to be a member, such as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

#### Trustees' indemnities

The academy trust has purchased insurance to cover trustees and officers from claims arising from negligent acts, errors or omissions occurring while on academy trust business. The insurance provides cover up to £2,000,000 on any one claim.

#### Method of recruitment and appointment or election of trustees

The members are responsible for the appointment of trustees in line with the constitution as set out in the academy trust's articles of association.

#### 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 induction will provide training on charity, educational, legal and financial matters. All trustees are provided with relevant copies of policies, procedures, minutes, accounts, budgets, plans and any other documents that will support them in carrying out their role as trustees. As the appointment of trustees is not a regular i.e. annual appointment, induction will need to be by necessity informal and tailored to the individual appointed.

#### Organisational structure

The structure of the academy trust consists of three levels: the members, the trustees and the CLT (core leadership team).

The members are responsible for monitoring the general policy, reviewing the annual plan and budget. The members have delegated decision making to the board of trustees and relevant committees and the CLT.

The trustees are responsible for the strategic leadership of the academy trust along with the CLT, approving annual plans and budgets. They are also responsible for monitoring the use of the budget and making major decisions about the direction of the academy trust, capital expenditure and senior staff appointments.

The CLT is made up of the headteacher, the deputy headteacher and the assistant headteacher. The headteacher, who is the accounting officer, controls the academy trust at an executive level implementing policies agreed by the members and trustees and reporting back to them and is responsible for the authorisation of spending within the budget as laid down in the academy's finance manual. The CLT is responsible for the education and curriculum as taught across the academy trust.

# THE QUINTA TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2016**

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The members meet once a year in the Autumn term of the academic year.

The board of trustees meet once in every term of an academic year.

The CLT meet on a fortnightly basis.

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

The academy uses the School Teachers' Pay and Conditions Document (STPCD) to form the basis of The Quinta's Pay Policy. The Quinta purchases HR support from Cheshire East who produce a model pay policy incorporating the STPCD; The Quinta adopts this policy making changes to fit the academy's senior management structure. This is reviewed annually and ratified by the Personnel and Finance Committees; then it is placed before the full board of trustees. Normal practice is to undertake this in the Autumn Term.

### Related parties and other connected charities and organisations

The academy trust has a partnership agreement with the CEGP (Congleton Education Community Partnership) which is a limited charitable not for profit company, renewable every three years. The headteachers of all Congleton schools are directors of this company and one trustee from each school sits on the strategic governing board of this company.

## **Objectives and activities**

### Objectives and aims

#### **Mission statement:**

We are committed to providing a happy, caring and stimulating environment for the children, where they will be encouraged to work, to seek high standards and where they will meet a wide range of quality learning experiences that are enjoyable and will help them to grow into independent and highly motivated learners. We aim to promote a positive learning environment where children are respected and nurtured.

#### **Vision statement:**

To strive for excellence in all we do in school and the wider community.

### Objectives, strategies and activities

The main objectives of the academy trust during the year ending 31 August 2016 are summarised below:

#### Outcomes for children/(including EYFS)

- Put in place the agreed system for sharing entry level attainment from Foundation 1 to Foundation 2. Roll out to all large providers.
- Review and evaluate the impact of targets and marking on learning and achievement in core subjects.
- Enhance teacher understanding of assessment without levels using the revised system.
- Review the current practice for differentiation (formative) and assessment (summative) of Foundation subjects.

#### Quality of teaching (including EYFS)

- Embed the use of outdoor learning area.
- Embed the revised curriculum and further develop pupil independent learning skills.
- Review the effectiveness of the teaching strategies used across literacy and numeracy.
- Evaluate the provision for SEND pupils in light of the new code of practice.

#### Personal development, behaviour and welfare

- To widen and develop children's awareness of other cultures within our local area.
- Re-establish playground areas and rules due to the new layout after the building work.
- To enhance and embed the new PSHCE curriculum through 'Jigsaw' to include an individual record that celebrates the life skills of all pupils

#### Effectiveness of leadership and management

- Using the skills of the board of trustees to enhance their role in school, incorporating moving towards gaining the Governor Mark and building succession planning.
- Enhance the partnership links with MMU with the aim of becoming a leading partnership school.

# THE QUINTA TRUST

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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### Public benefit

The trustees have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charities Commission.

The academy trust promotes education for the benefit of the local community in the West Heath area of Congleton and offers facilities to a variety of local community groups outside the school hours.

### Strategic report

#### Achievements and performance and key performance indicators

Below are the 2016 results for Key Stage 1 and 2. The percentages for 2016 relate how many children attained the 'new' expected standard as a standardised score.

#### Key Stage 1

	Academy	National
Reading	78%	74%
Writing	72%	66%
Maths	72%	73%

#### Key Stage 2

	Academy	National	School Progress (0 was the indicator of expected progress in line with similar schools KS 1 to 2)
Reading	77%	66%	0.4
Writing	81%	74%	0.1
Maths	75%	70%	0.8
Reading, Writing & Maths	63%	53%	

Results in Spelling, Punctuation and Grammar 79% - National 72%

### Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies

### Financial review

Most of the academy trust's income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ending 31 August 2016 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The academy trust also receives grants for fixed assets from the EFA, and from other government bodies. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), such grants are shown in the statement of financial activities as restricted income in the fixed asset fund.

During the year ended 31 August 2016, total expenditure of £1,481,000 was more than covered by recurrent grant funding from the EFA together with other incoming resources. The excess of income over expenditure for the period for the restricted general fund was £81,000 before transfers.

At 31 August 2016 the net book value of fixed assets was £1,980,000. The assets were used exclusively for providing education and the associated support services to the pupils of the academy trust.

# THE QUINTA TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

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Under Accounting Standard FRS102, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided for support staff, to the unrestricted fund. This resulted in the pension fund showing a deficit of £426,000 which has been carried forward to 2017. It should be noted that this does not present a liquidity problem for the academy and that we are reviewing contributions to the pension scheme in order to see a reduction in the pension deficit in future years. If the pension deficit and related charges were taken out, the general restricted fund would show a surplus of £166,000.

#### Reserves policy

The trustees review the reserve levels of the academy trust annually. This review encompasses the nature of income and expenditure stream, the need to match income with commitments and the nature of reserves. The trustees have determined that the appropriate level of free reserves should be equivalent to £25,000. The reason for this is to provide sufficient funds to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The academy trust is also committed to expanding the school; reserves have been accumulated to partly fund the extension of the school hall and allow the school to build additional classrooms allowing the school to go to two form entry. The academy trust's current level of free reserves (total funds less the amount held in fixed assets restricted fund and pension fund) is £166,000 with £182,000 cash funds available.

#### Investment policy

The aim of this policy is to ensure that funds which The Quinta Trust does not immediately need to cover anticipated expenditure are invested in such a way as to maximise income but without risk.

The academy trust will therefore invest surplus cash reserves (should they exist) with the academy trust's high street banker, Lloyds, where capital invested is guaranteed. Should this funding be invested the finance committee will receive a quarterly report on the performance of the investment. Interest incurred will be used for the benefit of children attending The Quinta Trust.

#### Principal risks and uncertainties

The system of internal control (as noted in the academy trust's financial manual procedure) is designed to manage risk to a reasonable level rather than eliminate it, actions to mitigate the risk have been planned for. Principal risks and uncertainties as noted by the trustees are:

- Change in government funding regime.
- Reduction in student numbers through competition, a damaged reputation, low standards or poor OFSTED grading.
- Business continuity in the event of major disaster.
- Loss of key senior staff.
- Long term staff sickness.

Controls put in place to mitigate these risks include:

- Attending conferences relating to change in government funding; reading relevant literature to ensure the trustees and finance committee are as up to date as possible with changes.
- Regular challenges to staff around standards and performance and the academy trust's public profile.
- Have a sound emergency contingency plan in place with financial electronic data held off site.
- Succession planning strategies.
- Sound reserves to cover unexpected long term absence.

#### Plans for future periods

The academy is looking to expand the school to two form entry when opportunity and funding allows this. The areas below have been identified as future development for academic growth in 2016-17:

#### Outcomes for children (including EYFS)

- Evaluate the current practice surrounding summative assessment. From findings, consolidate and tighten current practice or implement fair and robust new system for the new curriculum which all stakeholders have confidence in.
- Embed teacher use of assessment without levels, supported by the implementation of the new targets, reports and foundation subjects assessment.

# THE QUINTA TRUST

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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### Quality of teaching (including EYFS)

- Review and evaluate the consistency and impact of homework.
- To develop a culture of reading with deeper understanding, which impacts on their independent writing.
- Develop mastery and deeper mastery within daily numeracy.
- To foster a growth mind-set culture within the school.

### Personal development, behaviour and welfare

- To widen and develop children's understanding of other cultures within our local area.
- To support children in making informed choices about healthy eating.
- To further promote the school culture where children show respect for themselves, each other and the school environment.

### Effectiveness of leadership and management

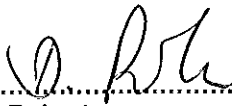
- To review succession planning for leadership in the school.
- To enhance our strong relationship with MMU and develop the relationship with Staffordshire University/Teach Direct.
- Using skills of the board of trustees to enhance their role in school, incorporating moving towards gaining the Governor Mark and building succession planning.

### **Auditor**

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware;
- 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; and
- the auditors, Haines Watts, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

This trustees' report, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on ...20...12.. 2016 and signed on the board's behalf by:

  
.....  
**D Roberts**  
**Chair of trustees**



# THE QUINTA TRUST

## GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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### Scope of responsibility

As trustees we acknowledge we have overall responsibility for ensuring that The Quinta 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 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 The Quinta 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 three times during the year (September 2015 – August 2016). Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
D Roberts (Chairperson/Co-opted/trustee)	3	3
P Aston (Co-opted)	3	3
J Barlow (Co-opted)	3	3
S Foster (Co-opted)	3	3
S Harrop (Parent)	3	3
L Hurleston (Staff)	3	3
R Jackson (Staff)	3	3
T Plummer-Knight (Parent)	3	3
U Smith (Parent/trustee)	3	3
T Walklate (Headteacher/trustee)	3	3
B Woistencoft (Co-opted)	3	3

The leadership and management finance committee is a sub-committee of the main board of trustees. Its purpose is to:

- Prepare the annual financial plan for ratification by the full board of trustees having taken account of the priorities determined by other committees and set down in the School Improvement Plan and OFSTED Action Plan.
- To have authority to vire between headings during the financial year as the need arises, providing this does not result in any overspend at the end of the financial year. The virement limit to be £50,000. Requests above this limit have to be agreed by the full board of trustees.
- To recommend to the full board of trustees the level of financial authority to be delegated to the headteacher for the day to day management of the school and to keep this reviewed annually. The headteacher's limit is to be £15,000. Amounts above this to be referred to the finance committee/whole board of trustees for approval.
- To have authority to agree the use of any sums held in contingency/reserve having regard to the priorities established in the School Improvement Plan and up to a limit of 5% of the revenue budget.
- To receive and review regular monitoring reports from the headteacher and report back to the full board of trustees at their termly meeting(s). To recommend corrective/remedial action where significant variances from planned income/expenditure arise.
- To arrange for an audit/independent examination of all voluntary school funds to take place at least once in every twelve months and to ensure that a certificate of audit/independent examination is presented to the board of trustees and a copy sent to the LA. To ensure, if appropriate, that the academy trust's voluntary funds are registered with the Charity Commission.
- To ensure that appropriate financial regulations, including write offs, are followed carefully within the academy trust and that any recommendations from the audit report are fully implemented.
- To determine in each school year the sum of monies available for expenditure on salaries. If appropriate, to liaise closely with the relevant committee to ensure appropriate levels of finance are available to ensure that teachers are properly rewarded within the structure established by the Schoolteachers' Pay and Conditions Document. This includes liaising over the staff complement and the results of any recommendations resulting from the performance management review.
- The committee will ensure that any facilities operated under the 'Extended School' Regulations will have no net impact on the School Budget Share.

# THE QUINTA TRUST

## GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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- To ensure minutes with decisions and action points are taken at each meeting and circulated promptly to all members of the board of trustees and the clerk to trustees.

Attendance during the year (September 2015 - August 2016) at meetings of the leadership and management finance committee was as follows:

Trustee	Meetings attended	Out of a possible
U Smith (chairperson/parent/trustee)	3	3
D Roberts (co-opted/trustee)	3	3
S Harrop (parent)	3	3
R Jackson (staff)	3	3
T Walklate (headteacher/trustee)	3	3

The audit committee is a sub-committee of the main board of trustees; it is an advisory body with no executive power it can be authorised by the board to investigate any activity within its terms of reference. Its purpose is to:

- review the academy trust's internal and external financial statements and reports to ensure that they reflect best practice;
- discuss with the external auditor the nature and scope of each forthcoming audit and the findings of the audit once completed;
- consider all relevant reports by the responsible officer, any internal auditors or the appointed external auditor, including reports on the academy trust's accounts, achievement of value for money and the response to any management letters;
- monitor the implementation of action to address adverse control findings by the responsible officer, any internal auditors or the appointed external auditor;
- review the effectiveness of the academy trust's internal control system established to ensure that the aims, objectives and key performance targets of the organisation are achieved in the most economic, effective and environmentally preferable manner;
- consider and advise the board of trustees on the academy trust's annual and long-term audit programme, ensuring that the academy trust's internal controls are subject to appropriate independent scrutiny at least in accordance with government standards;
- consider any other matters where requested to do so by the board of trustees; and
- report at least once a year to the board of trustees on the discharge of the above duties.

The board or external auditor did not direct the audit committee to meet during the year (September 2015 - August 2016).

### **Review value for money**

As accounting officer the headteacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayers' resources received.

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by:

### Focus on staffing

We have kept our staffing structure under review and deployed staff efficiently including the identification and use of specific strengths. In 2015-16 due to maternity leave the academy was able to maintain academic standards and save on teaching salaries.

### Focus on individual pupils

The differing needs of pupils, including those requiring one to one support and those requiring more stretch, are monitored and reviewed every term by the leadership team. Resources and staff are placed where needed to ensure all pupils and groups of pupils make good or outstanding progress.

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# THE QUINTA TRUST

## GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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End of key stage results indicate this tracking and use of resources is working:

### Key Stage 1

	Academy	National
Reading	78%	74%
Writing	72%	66%
Maths	72%	73%

### Key Stage 2

	Academy	National	School Progress (0 was the indicator of expected progress in line with similar schools KS 1 to 2)
Reading	77%	66%	0.4
Writing	81%	74%	0.1
Maths	75%	70%	0.8
Reading, Writing & Maths	63%	53%	

Results in Spelling, Punctuation and Grammar 79% - National 72%

### Collaboration

The academy works closely with the two secondary academies and the surrounding primary schools within the Congleton area through the CECP Ltd (Congleton Education Community Partnership Ltd). The CECP meets regularly during the year to share ideas, good practice and how to make good use of CECP funding. Through this partnership we ensure that we are well informed and use economies of scale when appropriate, which include insurance and commissioning of support services of the families and children in our care. The school is also used by several local organisations in after school activities.

### New initiatives

The trust makes changes to its budget to accommodate additional activities whilst living within its means. Through self-evaluation and strong and operational planning we place resources to need, at least annually, using the School Development Plan to drive the initiatives.

### Financial governance and oversight

The trust's systems of financial governance include strong oversight by the trustees and accounting officer supported by the school business manager (SBM). Governors and trustees are advised by the headteacher/SBM and external financial advisor supported by external reports and data. Governors and trustees are well informed and challenge decision makers within the trust on the cost and effectiveness of spending proposals in order to achieve value for money. Governors and trustees receive regular financial information and performance data, they receive and scrutinise the full audit report and accounts and strive to avoid waste by linking spending to self-evaluation, audit and development planning processes. The board aims to be effective overall and seeks to offer prudent and economical administration of the organisation. The board, in particular the finance committee, ensure and oversee the establishment and maintenance of a system of financial governance by adhering to the agreed Academy Manual of Internal Financial Procedures.

### Fit for purpose

Our services and contracts are appraised or renegotiated regularly to get the best mix of quality and effectiveness for the best value. In 2015-16 the school maintenance officer (SMO) has trained to undertake PAT testing, this is a saving to the academy and the SMO can also undertake this role for a charge at other schools thus creating an income. The SMO has also renegotiated other maintenance contracts which have allowed the academy to gain the best contract for good value.

### Benchmarking

The school business manager makes use of available benchmarking of similar organisations to ensure we are receiving the best value for money.

# THE QUINTA TRUST

## GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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### Better income generation

The academy continues to explore ways to generate additional and reliable income with the completion of the building of a community room. The SMO can generate income via PAT testing and the headteacher undertakes SIP and Pupil Premium Reviewer roles at other schools creating an income for the academy.

### Reviewing controls and managing risk

The accounting officer (headteacher) and business manager hold weekly meetings to review income and expenditure. Issues arising from these meetings are reported termly to the finance committee and are reviewed and overseen by the external finance advisor and if deemed necessary by the finance committee and the audit committee. The finance committee act upon reports to them to best utilise spare resources and prevent waste. During 2015/16 the finance committee received reports relating to efficiencies made in maintenance contracts. The trust has just undergone its third audit, the results of which state the trust is running effectively and efficiently.

### **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 academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Quinta Trust for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

### **Capacity to handle risk**

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

### **The risk and control framework**

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

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

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the trustees have appointed Haines Watts, to perform additional checks. The board has also appointed an external RO and external financial advising company to oversee the short and long term planning of the budget. The role of RO changed during 2015-16 when Haines Watts took over this role, the external advisor continued to advise up to 31 August 2016.

The external auditor and RO's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a regular basis, the external auditor, the RO and an external advising finance company report to the board of trustees, through the finance and audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The RO delivered their schedule of work as planned during the year and there were no material control issues identified.

# THE QUINTA TRUST

## GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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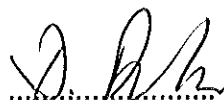
### Review of effectiveness

As accounting officer the 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 responsible officer and external finance company advisors;
- the work of the external auditor;
- the financial management and governance self-assessment process; and
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 20.12.2016 and signed on its behalf by



D Roberts  
Chair of trustees



T S Walklate  
Accounting officer

# THE QUINTA TRUST

## STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

**FOR THE YEAR ENDED 31 AUGUST 2016**

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As accounting officer of The Quinta Trust I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2015.

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



**T S Walklate**  
**Accounting officer**

*20.11.16*

# THE QUINTA TRUST

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2016

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The trustees (who also act as governors for The Quinta Trust and are also the directors of The Quinta Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare accounts for each financial year. Under company law the trustees must not approve the accounts 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 accounts, the trustees are required to:

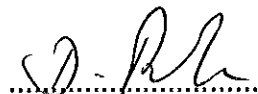
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 EFA/DfE have been applied for the purposes intended.

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

Approved by order of the board of trustees on 20.12.16 and signed on its behalf by:



.....  
D Roberts  
Chair of trustees

# THE QUINTA TRUST

## INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF THE QUINTA TRUST

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We have audited the accounts of The Quinta Trust for the year ended 31 August 2016 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

### Respective responsibilities of trustees and auditors

As explained more fully in the trustees' responsibilities statement set out on page 13, the trustees, who are also the directors of The Quinta Trust for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the trustees' report including the incorporated strategic report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider

### Opinion on accounts

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 2015 to 2016.

### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts.



# THE QUINTA TRUST

## INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF THE QUINTA TRUST (CONTINUED)

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts 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.

*John Whittick*

John Whittick BSc FCA (Senior Statutory Auditor)

for and on behalf of

Haines Watts

Chartered Accountants

Statutory Auditor

Bridge House

Ashley Road

Hale

Altrincham

WA14 2UT

Dated: *20/11/06*

# THE QUINTA TRUST

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE QUINTA TRUST AND THE EDUCATION FUNDING AGENCY

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In accordance with the terms of our engagement letter dated 7 August 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Quinta Trust during the period 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

### **Respective responsibilities of The Quinta Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of The Quinta Trust's funding agreement with the Secretary of State for Education dated 23 December 2013 and the Academies Financial Handbook, extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

# THE QUINTA TRUST

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE QUINTA TRUST AND THE EDUCATION FUNDING AGENCY (CONTINUED)

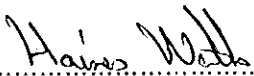
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The work undertaken to draw to our conclusion includes:

- We have carried out an analytical review as part of the consideration of whether general activities of the academy trust are within the academy trust's framework of authorities.
- We have considered the evidence supporting the accounting officer's statement on regularity, propriety and compliance and have evaluated the general control environment of the academy trust and extended the procedures required for financial statements to include regularity.
- We have assessed and tested a sample of the specific control activities over regularity of a particular activity. In performing sample testing of expenditure, we have considered whether the activity is permissible within the academy trust's framework of authorities. We confirm that each item tested has been appropriately authorised in accordance with the academy trust's delegated authorities and that the internal delegations have been approved by the board of trustees, and conform to the limits set by the Department for Education.
- Formal representations have been obtained from the board of trustees and the accounting officer acknowledging their responsibilities including disclosing all non-compliance with laws and regulations specific to the authorising framework, access to accounting records, provision of information and explanations, and other matters where direct evidence is not available.
- In performing sample testing of expenditure, we have reviewed against specific terms of grant funding within the funding agreement. We have reviewed the list of suppliers and have considered whether supplies are from related parties and have reviewed minutes for evidence of declaration of interest, and whether or not there was involvement in the decision to order from this supplier.
- We have performed sample testing of other income and tested whether activities are permitted within the academy trust's charitable objects.

### 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 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

  
.....

**Haines Watts**  
**Reporting Accountant**

Dated:  .....

# THE QUINTA TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	Unrestricted Funds £000	Restricted funds: General £000	Fixed asset £000	Total 2016 £000	Total 2015 £000
<b>Income and endowments from:</b>						
Donations and capital grants	2	7	-	152	159	412
Charitable activities:						
- Funding for educational operations	3	-	1,281	-	1,281	1,213
Other trading activities	4	110	12	-	122	102
<b>Total income and endowments</b>		<u>117</u>	<u>1,293</u>	<u>152</u>	<u>1,562</u>	<u>1,727</u>
<b>Expenditure on:</b>						
Charitable activities:						
- Educational operations	6	154	1,278	49	1,481	1,356
<b>Total expenditure</b>	5	<u>154</u>	<u>1,278</u>	<u>49</u>	<u>1,481</u>	<u>1,356</u>
<b>Net Income/(expenditure)</b>		(37)	15	103	81	371
Transfers between funds		7	103	(110)	-	-
<b>Other recognised gains and losses</b>						
Actuarial gains/(losses) on defined benefit pension schemes	16	-	(149)	-	(149)	(1)
<b>Net movement in funds</b>		<u>(30)</u>	<u>(31)</u>	<u>(7)</u>	<u>(68)</u>	<u>370</u>
<b>Reconciliation of funds</b>						
Total funds brought forward		30	(229)	1,987	1,788	1,418
Total funds carried forward		<u>-</u>	<u>(260)</u>	<u>1,980</u>	<u>1,720</u>	<u>1,788</u>

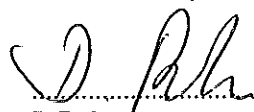
# THE QUINTA TRUST

## BALANCE SHEET

AS AT 31 AUGUST 2016

	Notes	2016 £000	2015 £000
<b>Fixed assets</b>			
Tangible assets	10	1,980	1,987
<b>Current assets</b>			
Debtors	11	35	35
Cash at bank and in hand		182	104
		<u>217</u>	<u>139</u>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	12	(51)	(79)
<b>Net current assets</b>		<u>166</u>	<u>60</u>
<b>Net assets excluding pension liability</b>		<u>2,146</u>	<u>2,047</u>
Defined benefit pension liability	16	(426)	(259)
<b>Net assets</b>		<u>1,720</u>	<u>1,788</u>
<b>Funds of the academy trust:</b>			
<b>Restricted funds</b>	14		
- Fixed asset funds		1,980	1,987
- Restricted income funds		166	30
- Pension reserve		(426)	(259)
<b>Total restricted funds</b>		<u>1,720</u>	<u>1,758</u>
<b>Unrestricted income funds</b>	14	<u>-</u>	<u>30</u>
<b>Total funds</b>		<u>1,720</u>	<u>1,788</u>

The accounts were approved by the board of trustees and authorised for issue on 20.12.16 and are signed on its behalf by:



D Roberts  
Chair of trustees

Company Number 08787650

# THE QUINTA TRUST

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2016

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	Notes	2016 £000	£000	2015 £000	£000
<b>Cash flows from operating activities</b>					
Net cash provided by (used in) operating activities	17		(32)		80
<b>Cash flows from investing activities</b>					
Capital grants from DfE and EFA		152		394	
Capital funding from sponsors and others		-		10	
Payments to acquire tangible fixed assets		(42)		(443)	
			110		(39)
<b>Change in cash and cash equivalents in the reporting period</b>			78		41
Cash and cash equivalents at 1 September 2015			104		63
<b>Cash and cash equivalents at 31 August 2016</b>			182		104

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# THE QUINTA TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2016

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#### 1 Accounting policies

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

##### 1.1 Basis of preparation

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

The Quinta Trust meets the definition of a public benefit entity under FRS 102.

These accounts for the year ended 31 August 2016 are the first accounts of The Quinta Trust prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 September 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 22.

##### 1.2 Going concern

The trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. 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 academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

##### 1.3 Income

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

###### Grants receivable

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of 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 when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

###### Sponsorship income

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

# THE QUINTA TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

---

#### 1 Accounting policies

##### Donations

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

##### Other income

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

##### Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

#### 1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

##### Expenditure on raising funds

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

##### Charitable activities

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



# THE QUINTA TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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### 1 Accounting policies

#### 1.5 Tangible fixed assets and depreciation

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Land and buildings	Buildings - 50 years straight line, Land - nil
Plant and machinery	3 years
Computer equipment	3 years
Fixtures, fittings & equipment	4 years

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

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

#### 1.6 Liabilities

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

#### 1.7 Leasing and hire purchase commitments

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

#### 1.8 Taxation

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

# THE QUINTA TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

---

### 1 Accounting policies

#### 1.9 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 16, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

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

#### 1.10 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency/Department for Education and other 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 Education Funding Agency/Department for Education.

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

# THE QUINTA TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 1 Accounting policies

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 16, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

### 2 Donations and capital grants

	Unrestricted funds £000	Restricted funds £000	Total 2016 £000	Total 2015 £000
Capital grants	-	152	152	404
Other donations	7	-	7	8
	<u>7</u>	<u>152</u>	<u>159</u>	<u>412</u>

The income from donations and capital grants was £159,000 (2015: £412,000) of which £7,000 was unrestricted (2015: £8,000) and £152,000 was restricted fixed assets (2015: £404,000).

### 3 Funding for the academy trust's educational operations

	Unrestricted funds £000	Restricted funds £000	Total 2016 £000	Total 2015 £000
<b>DfE / EFA grants</b>				
General annual grant (GAG)	-	1,175	1,175	1,112
Other DfE / EFA grants	-	99	99	88
	<u>-</u>	<u>1,274</u>	<u>1,274</u>	<u>1,200</u>
<b>Other government grants</b>				
Local authority grants	-	7	7	13
	<u>-</u>	<u>7</u>	<u>7</u>	<u>13</u>
<b>Total funding</b>	<u>-</u>	<u>1,281</u>	<u>1,281</u>	<u>1,213</u>

The income from funding for educational operations was £1,281,000 (2015: £1,213,000) of which £1,281,000 was restricted (2015: £1,213,000).

The academy trust received £7,000 from the local authority in the year being High Needs funding.

There were no unfulfilled conditions or other contingencies relating to the grants in the year.

# THE QUINTA TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 4 Other trading activities

	Unrestricted funds £000	Restricted funds £000	Total 2016 £000	Total 2015 £000
Hire of facilities	12	-	12	-
Catering income	31	-	31	35
Trips	47	-	47	45
Other income	20	12	32	22
	<u>110</u>	<u>12</u>	<u>122</u>	<u>102</u>

The income from other trading activities was £122,000 (2015: £102,000) of which £110,000 was unrestricted (2015: £67,000) and £12,000 was restricted (2015: £35,000).

### 5 Expenditure

	Staff costs £000	Premises & equipment £000	Other costs £000	Total 2016 £000	Total 2015 £000
<b>Academy's educational operations</b>					
- Direct costs	869	44	144	1,057	972
- Allocated support costs	140	32	252	424	384
	<u>1,009</u>	<u>76</u>	<u>396</u>	<u>1,481</u>	<u>1,356</u>
<b>Total expenditure</b>	<u>1,009</u>	<u>76</u>	<u>396</u>	<u>1,481</u>	<u>1,356</u>

Net income/(expenditure) for the year includes:

	2016 £000	2015 £000
Fees payable to auditor for:		
- Audit	6	6
- Other services	4	1
Operating lease rentals	13	6
Depreciation of tangible fixed assets	49	45
	<u>69</u>	<u>58</u>

### 6 Charitable activities

	Unrestricted funds £000	Restricted funds £000	Total 2016 £000	Total 2015 £000
Direct costs - educational operations	63	994	1,057	972
Support costs - educational operations	91	333	424	384
	<u>154</u>	<u>1,327</u>	<u>1,481</u>	<u>1,356</u>

# THE QUINTA TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 6 Charitable activities

The expenditure on educational operations was £1,481,000 (2015: £1,356,000) of which £154,000 was unrestricted (2015: £51,000), £1,278,000 was restricted (2015: £1,260,000) and £49,000 was restricted fixed assets (2015: £45,000).

<b>Analysis of costs</b>	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
<b>Direct costs</b>		
Teaching and educational support staff costs	858	768
Staff development	11	9
Depreciation and amortisation	44	41
Technology costs	16	11
Educational supplies and services	128	143
	<u>1,057</u>	<u>972</u>
<b>Support costs</b>		
Support staff costs	140	126
Depreciation and amortisation	5	4
Maintenance of premises and equipment	27	42
Cleaning	8	8
Energy costs	13	14
Rent and rates	16	13
Insurance	25	21
Security and transport	1	3
Catering	91	62
Interest on pension deficit	10	9
Other support costs	55	63
Governance costs	33	19
	<u>424</u>	<u>384</u>

### 7 Staff costs

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	786	724
Social security costs	55	46
Operating costs of defined benefit pension schemes	145	120
	<u>986</u>	<u>890</u>
Staff costs		
Supply staff costs	12	4
Staff development and other staff costs	11	9
	<u>23</u>	<u>13</u>
Total staff expenditure	<u>1,009</u>	<u>903</u>

# THE QUINTA TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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### 7 Staff costs

#### Staff numbers

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

	2016 Number	2015 Number
Teachers	17	18
Administration and support	27	23
Management	3	3
	<u>47</u>	<u>44</u>

#### Higher paid staff

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

	2016 Number	2015 Number
£60,001 - £70,000	<u>1</u>	<u>-</u>

#### Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £150,000 (2015: £148,000).

### 8 Trustees' remuneration and expenses

The headteacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff, and not in respect of their services as trustees. Other trustees did not receive any payments from the academy trust in respect of their role as trustees. During the year, no travel and subsistence payments were reimbursed to trustees (2015: £nil).

The value of trustees' remuneration was as follows:

T Walklate (headteacher and trustee)	£60,001 - £65,000	(2015: £55,001 - £60,000)
L Hurlstone (staff trustee)	£20,001 - £25,000	(2015: £15,001 - £20,000)
J Jackson (staff trustee)	£40,001 - £45,000	(2015: £40,001 - £45,000)

The value of trustees pension contributions was as follows:

T Walklate (headteacher and trustee)	£10,001 - £15,000	(2015: £10,001 - £15,000)
L Hurlstone (staff trustee)	£1 - £5,000	(2015: £1 - £5,000)
J Jackson (staff trustee)	£5,001 - £10,000	(2015: £5,001 - £10,000)

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

# THE QUINTA TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 9 Trustees and officers insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £2,000,000 on any one claim. The cost for this is included in the total insurance costs.

### 10 Tangible fixed assets

	Land and buildings	Plant and machinery	Computer equipment	Fixtures, fittings & equipment	Assets under construction	Total
	£000	£000	£000	£000	£000	£000
<b>Cost</b>						
At 1 September 2015	2,019	3	18	11	-	2,051
Additions	6	-	11	-	25	42
At 31 August 2016	2,025	3	29	11	25	2,093
<b>Depreciation</b>						
At 1 September 2015	53	2	6	3	-	64
Charge for the year	35	1	10	3	-	49
At 31 August 2016	88	3	16	6	-	113
<b>Net book value</b>						
At 31 August 2016	1,937	-	13	5	25	1,980
At 31 August 2015	1,966	1	12	8	-	1,987

### 11 Debtors

	2016 £000	2015 £000
VAT recoverable	14	9
Other debtors	-	4
Prepayments and accrued income	21	22
	35	35

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

	2016 £000	2015 £000
Trade creditors	5	33
Accruals and deferred income	46	46
	51	79

# THE QUINTA TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

<b>13</b>	<b>Deferred income</b>	<b>2016</b>	<b>2015</b>
		<b>£000</b>	<b>£000</b>
	Deferred income is included within:		
	Creditors due within one year	34	38
		<u>          </u>	<u>          </u>
	Deferred income at 1 September 2015	38	27
	Released from previous years	(38)	(27)
	Amounts deferred in the year	34	38
		<u>          </u>	<u>          </u>
	<b>Deferred income at 31 August 2016</b>	<u>          </u>	<u>          </u>

At the balance sheet date the academy trust was holding funds in advance for school trips and school meals grant income.

<b>14</b>	<b>Funds</b>				
		<b>Balance at 1</b>	<b>Incoming</b>	<b>Resources</b>	<b>Gains, losses</b>
		<b>September</b>	<b>resources</b>	<b>expended</b>	<b>&amp; transfers</b>
		<b>2015</b>			<b>Balance at 31</b>
		<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
	<b>Restricted general funds</b>				
	General Annual Grant	30	1,175	(1,142)	(13)
	Other DfE / EFA grants	-	99	(99)	116
	Other government grants	-	7	(7)	-
	Other restricted funds	-	12	(12)	-
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	Funds excluding pensions	30	1,293	(1,260)	103
	Pension reserve	(259)	-	(18)	(149)
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
		(229)	1,293	(1,278)	(46)
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	<b>Restricted fixed asset funds</b>				
	DfE / EFA capital grants	443	152	(49)	(110)
	Inherited funds	1,544	-	-	-
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
		1,987	152	(49)	(110)
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	<b>Total restricted funds</b>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
		1,758	1,445	(1,327)	(156)
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	<b>Unrestricted funds</b>				
	General funds	30	117	(154)	7
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	<b>Total funds</b>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
		1,788	1,562	(1,481)	(149)
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>



# THE QUINTA TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

#### 14 Funds

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

Restricted general funds are those resources that have been designated restricted by the grant provider in meeting the objectives of the academy.

Restricted fixed asset funds are those funds relating to the long term assets of the academy used in delivering the objectives of the academy.

Unrestricted funds are those funds to which the board of trustees may use in the pursuance of the academy's objectives and are expendable at the discretion of the trustees.

A transfer of £7,000 has been made between restricted and unrestricted reserves to cover the deficit on unrestricted reserves.

£116,000 has been transferred to Other DfE/EFA grants for CIF funding received in the year towards the hall and classroom's extension currently under construction.

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

#### 15 Analysis of net assets between funds

	Unrestricted Funds £000	Restricted funds: General £000	Fixed asset £000	Total 2016 £000
<b>Fund balances at 31 August 2016 are represented by:</b>				
Tangible fixed assets	-	-	1,980	1,980
Current assets	-	217	-	217
Creditors falling due within one year	-	(51)	-	(51)
Defined benefit pension liability	-	(426)	-	(426)
	<u>-</u>	<u>(260)</u>	<u>1,980</u>	<u>1,720</u>

#### 16 Pensions and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Cheshire West and Chester Council. Both are 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 of the LGPS 31 March 2013.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

# THE QUINTA TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

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#### 16 Pensions and similar obligations

##### Teachers' Pension Scheme

###### Introduction

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

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

###### Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

The key elements of the valuation and subsequent consultation are:

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

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

The pension costs paid to the TPS in the period amounted to £85,000 (2015: £71,000).

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

# THE QUINTA TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

#### 16 Pensions and similar obligations

##### Local Government Pension Scheme

The LGPS is a funded defined-benefit 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 yet to be determined. The estimated value of employer contributions for the forthcoming year is £52,000.

Total contributions made	2016 £000	2015 £000
Employer's contributions	52	41
Employees' contributions	13	10
Total contributions	<u>65</u>	<u>51</u>

Principal actuarial assumptions	2016 %	2015 %
Rate of increases in salaries	3.1	3.5
Rate of increase for pensions in payment	2.1	2.6
Discount rate	2.0	3.7
Expected return on assets	<u>2.0</u>	<u>3.7</u>

##### Sensitivity analysis

Change in assumptions at 31 August 2016	Approximate % increase to employer liability	Approximate monetary amount £000
0.5% decrease in real discount rate	12%	94
1 year increase in member life expectancy	3%	23
0.5% increase in the salary increase rate	7%	33
0.5% increase in the pension increase rate	7%	58

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

	2016 Years	2015 Years
Retiring today		
- Males	22.3	22.3
- Females	24.4	24.4
Retiring in 20 years		
- Males	24.1	24.1
- Females	<u>26.7</u>	<u>26.7</u>

# THE QUINTA TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 16 Pensions and similar obligations

#### The academy trust's share of the assets in the scheme

	2016 Fair value £000	2015 Fair value £000
Equities	275	166
Bonds	53	42
Property	24	21
Other assets	-	7
	<u>352</u>	<u>236</u>

#### Actual return on scheme assets - gain/(loss)

51	11
<u>51</u>	<u>11</u>

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

	2016 £000	2015 £000
Current service cost (net of employee contributions)	60	49
Net interest cost	10	9
	<u>70</u>	<u>58</u>

#### Changes in the present value of defined benefit obligations

	2016 £000	2015 £000
Obligations at 1 September 2015	495	415
Current service cost	60	49
Interest cost	20	16
Employee contributions	13	10
Actuarial loss	190	5
	<u>778</u>	<u>495</u>
At 31 August 2016	778	495

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

	2016 £000	2015 £000
Assets at 1 September 2015	236	174
Interest income	10	7
Return on plan assets (excluding amounts included in net interest): Actuarial gain	41	4
Employer contributions	52	41
Employee contributions	13	10
	<u>352</u>	<u>236</u>
At 31 August 2016	352	236

# THE QUINTA TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 17 Reconciliation of net income to net cash flows from operating activities

	2016	2015
	£000	£000
Net income for the reporting period	81	371
Adjusted for:		
Capital grants from DfE/EFA and other capital income	(152)	(404)
Defined benefit pension costs less contributions payable	8	8
Defined benefit pension net finance cost/(income)	10	9
Depreciation of tangible fixed assets	49	45
(Increase)/decrease in debtors	-	6
Increase/(decrease) in creditors	(28)	45
<b>Net cash used in operating activities</b>	<b>(32)</b>	<b>80</b>

### 18 Commitments under operating leases

At 31 August 2016 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2016	2015
	£000	£000
Amounts due within one year	16	6
Amounts due in two and five years	15	-
	<u>31</u>	<u>6</u>

### 19 Capital commitments

	2016	2015
	£000	£000
Expenditure contracted for but not provided in the accounts	267	-

Capital commitments at 31 August 2016 relate to committed expenditure in respect of the classroom and hall extension.

### 20 Related party transactions

Owing to the nature of the academy trust'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 trustees have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures. The following related party transactions took place in the period of account.

During the period, Congleton Education Community Partnership has invoiced the academy trust £13,452 for educational services provided.

Miss T S Walklate is a director of both The Quinta Trust and Congleton Education Community Partnership. No amounts were outstanding at the period end. In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2015. The services purchased are considered to be at cost and are considered to be value for money for the academy trust.

# THE QUINTA TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 21 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.

### 22 Reconciliations on adoption of FRS 102

#### Reconciliation of funds for the previous financial period

		1 September 2014 £000	31 August 2015 £000
	Notes		
Funds as reported under previous UK GAAP		1,418	1,788
Adjustments arising from transition to FRS 102:			
Change in recognition of LGPS interest cost	1	-	4
Change in actuarial loss	1	-	(4)
Funds reported under FRS 102		<u>1,418</u>	<u>1,788</u>

#### Reconciliation of net income for the previous financial period

			2015 £000
	Notes		
Net income as reported under previous UK GAAP			370
Adjustments arising from transition to FRS 102:			
Change in recognition of LGPS interest cost	1		4
Change in actuarial loss	1		(4)
Net income reported under FRS 102			<u>370</u>

#### Notes to reconciliations on adoption of FRS 102

##### 1. Change in recognition in LGPS

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to increase the debit to expense by £4,000 and reduce the debit in other recognised gains and losses in the SoFA by an equivalent amount.