

Registered number: 08696394 (England and Wales)

**QUEEN ELIZABETH'S SCHOOL (WIMBORNE MINSTER)**

(A company limited by guarantee)

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2016**



**QUEEN ELIZABETH'S SCHOOL (WIMBORNE MINSTER)**  
**(A company limited by guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**Members**

D Clark  
Diocese of Salisbury Educational Trust (DSET)  
J Mursell  
H Turner

**Governors**

J Andrews  
R Andrews  
C Batten (appointed 22 March 2016, resigned 1 September 2016)  
C Buller, Staff Governor (appointed 22 March 2016)  
R Cass (appointed 4 October 2016)  
D Clark  
S Collins, Staff Governor (resigned 26 January 2016)  
M Foster  
V Herrick  
L Jackson  
R Jones (resigned 1 September 2016)  
S Jones, Staff Governor  
J McLean (resigned 22 March 2016)  
M McLeman, Head Teacher and Accounting Officer  
P Merchant  
J Mursell  
G Owen  
D Sims  
J Tarrant  
H Turner, Chair of Governors  
E Willis, Staff Governor

**Company registered number**

08696394

**Company name**

Queen Elizabeth's School (Wimborne Minster)

**Principal and registered office**

Blandford Road, Wimborne Minster, Dorset, BH21 4DT

**QUEEN ELIZABETH'S SCHOOL (WIMBORNE MINSTER)**  
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**Advisers (continued)**

**Clerk to Governors**

J Day

**Senior management team**

M McLeman, Head Teacher  
T Farrer, Deputy Head Teacher  
A Banner, Deputy Head Teacher  
K Boyes, Deputy Head Teacher  
J Watson, Deputy Head Teacher  
B Boyes, Assistant Head Teacher  
C Buller, Assistant Head Teacher  
R Burgas, Assistant Head Teacher  
S Dean, Assistant Head Teacher  
G Rusling, Assistant Head Teacher  
M Willis, Assistant Head Teacher  
S Jones, Chief Operating Officer  
S Levy, Chief Financial Officer

**Independent auditors**

James Cowper Kreston, The White Building, 1-4 Cumberland Place, Southampton, Hampshire, SO15 2NP

**Bankers**

Lloyds Bank Plc, 8 Victoria Road, Ferndown, Dorset, BH22 9JB

**Solicitors**

Veal Wasbrough Vizards LLP, Orchard Court, Orchard Lane, Bristol, BS1 5WS

**QUEEN ELIZABETH'S SCHOOL (WIMBORNE MINSTER)**  
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**GOVERNORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

The Governors 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 Governors' report, and a Directors' report under company law.

**OBJECTIVES AND ACTIVITIES**

**Objects and Aims**

The principal object of the Academy, as set out in its Articles of Association, is to:

- advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school with a designated Church of England religious character offering a broad and balanced curriculum (the "Academy") conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship (as required by the Funding Agreement) and having regard to any advice of the Diocesan Board of Education.

The aims of the Academy during the year ended 31 August 2016 are summarised below:

- To provide educational facilities and students between the ages of 13 and 19.
- To provide further educational facilities to the wider community for their benefit.
- To carry out research in educational practice.
- To collaborate with other educational institutions for the benefit of students.
- To collaborate with institutions in the further and higher education sector for student benefit.

**Objectives, Strategies and Activities**

The key priorities for the year are contained in the Academy's Development Plan which is available from the Head Teacher.

The main activities of the Academy for the year ended 31 August 2016 were as follows:

**Leadership and Management**

- To strengthen system leadership across and beyond the school.
- To enhance the leadership team in school.
- To ensure all Staff and Governors are aware of OFSTED specifications for Inspections.

**Student Achievement**

- To improve outcomes for post 16 students.
- To improve outcomes for KS4 students in mathematics.
- To continue to narrow the gap for the most disadvantaged students, including SEN, PP and LAC.

**Teaching and Learning**

- To develop a whole school approach to the development of literacy and numeracy.
- To introduce a new assessment policy.
- To develop a collaborative approach to staff CPD to improve teaching and learning.

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

Behaviour and Safety

- To enhance student achievement by consolidating and developing the work of the House System.
- To develop a new system of praise and reward.
- To consolidate and embed the ACE Card and ACE Festival.

Effectiveness of the Sixth Form

- To improve outcomes for all students at the end of year 12 and Year 13.
- To increase the range of enrichment opportunities for students.
- To implement a broad and financially viable curriculum that meets the needs of students.

**Public Benefit**

The Governors confirm that they have complied with the requirement in the Charities Act 2011 to have due regard to the Charity Commission general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

The Academy aims to advance for the public benefit education in Wimborne Minster and the surrounding area, offering a broad curriculum.

The Academy also allows use of its facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of that community.

**ACHIEVEMENTS AND PERFORMANCE**

**Achievements and Performance**

The Academy is in its second year of operation since conversion on 1 November 2014.

The total number of pupils in the year ended 31 August 2016 was 1,549 but this has increased to 1,584 at the October 2016 census date due to the demand for places at the Academy.

The Academy is committed to continual improvement which is achieved in a number of ways, including improvement planning, review meetings, continual professional development, lesson observations, performance management, self evaluation, data analysis and action planning.

The particular achievements and performance of the Academy during the year ended 31 August 2016 were as follows:

- Record English results at GCSE 85%
- Popularity of school leads to large over-subscription
- EBacc indicator one of the highest in the SW
- Record results in science at GCSE
- Increase in Mathematics results in KS4
- Increase in outcomes in KS5

**Going Concern**

After making appropriate enquiries, the Board of Governors, including all Committees, has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies note of the financial statements.

## **QUEEN ELIZABETH'S SCHOOL (WIMBORNE MINSTER)**

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### **GOVERNORS' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2016**

#### **Strategic report**

The Academy has continued to work on the priorities set out in 2015 approved by the Board of Governors.

The Academy faces a number of principal risks as set out in the 'Principal Risks and Uncertainties' section.

The Academy uses various financial instruments including cash and items such as trade debtors and trade creditors that arise directly from its operations.

The existence of these financial instruments exposes the Academy to a number of financial risks which are described in more detail below.

The main risks arising from the financial statements are cash flow, interest rate risk and credit risk. The Academy seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The school seeks to manage its cash reserves to ensure liabilities are settled as they fall due.

#### **Key Performance Indicators**

Although the Academy's Funding Agreement is not subject to a specific carry forward limit on the amount of GAG funding, the main financial performance indicator is the level of reserves held at the balance sheet date and, in particular, the amount of GAG funding carried forward at the balance sheet date. At 31 August 2016, the balance of the GAG Restricted Fund was £(347,261), which is after a transfer of £1,025 to the Restricted Fixed Asset Fund to fund capital expenditure during the year.

As the majority of the Academy's funding is based on pupil numbers, pupil numbers is also a key performance indicator. As noted above, pupil numbers at the most recent census were 1,584 which is an increase of 35 from the previous census.

Staffing costs are another key performance indicator for the Academy and the percentage of total staff costs to GAG funding for the year was 93.3%, while the percentage of staff costs to total costs was 70.9%.

#### **FINANCIAL REVIEW**

##### **Financial Review**

The majority of the Academy's income is received from the DfE via the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2016 and the associated expenditure of these grants are shown as Restricted Funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the DfE and other organisations and funders and these are shown as Restricted Fixed Asset Funds in the Statement of Financial Activities. The balance of the Restricted Fixed Asset fund is reduced by the depreciation charges on the assets acquired using these funds.

During the year ended 31 August 2016, the total expenditure of £9,474,395 was covered by the recurrent grant funding from the DfE, together with other incoming resources (excluding the net assets transferred on conversion from the Local Authority). The deficit of incoming resources over total expenditure for the year was £1,150,328, this is after £677,200 of depreciation and £220,000 of FRS102 pension adjustments. Removing these results in a revenue deficit of £253,128.

The net book value of fixed assets at 31 August 2016 were £28,314,950, which includes depreciation charges for the year of £677,200.

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

The fixed assets held by the Academy are used exclusively for providing education and associated support services to the pupils of the Academy.

The balance of total funds held at 31 August 2016 were £25,183,840 which comprised of the following:

Restricted Funds (excluding Pension Liability)	£(347,261)
Restricted Pension Liability Fund	£(2,937,000)
Restricted Fixed Asset Fund	£28,327,196
Unrestricted Funds	£140,905

The key financial policies reviewed and adopted during the year included the Financial Procedures and Policies Manual, which lays out the framework for the Academy's financial management, including financial responsibilities of the Board of Governors, Head Teacher, managers, budget holders and other staff, as well as the delegated authorities for spending. The other financial policies reviewed and adopted during the year included the Reserves Policy and the Investment Policy.

#### **Financial and Risk Management Objectives and Policies**

The Academy has prepared a Risk Management Policy, a Risk Register and a Risk Management action plan. These have been discussed by the Governors and include the financial risks to the Academy. The Risk Register and Risk Management Plan are constantly reviewed in light of any new information and formally reviewed annually.

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Governors have implemented a number of systems to assess and minimise those risks, including internal controls. Where significant financial risk still remains, the Governors have ensured the Academy has adequate insurance cover.

Whilst the Academy is currently oversubscribed, risks to revenue funding from a falling roll are small. However, the current freeze on the Governments overall education budget, changes in funding arrangements for special educational needs and the increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

The Governors examine the financial health of the Academy formally every term, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Governors and Finance Committee meetings.

At the balance sheet date, the Academy had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on the Academy's liquidity.

The Governors recognised that the Local Government Pension Scheme deficit represents a significant potential liability to the Academy. However, as the Governors consider the Academy is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

#### **Principal Risks and Uncertainties**

The principal risks and uncertainties facing the Academy are as follows:

##### Financial

The Academy has considerable reliance on continued Government funding through the EFA. In the year, approximately 91.9% of the Academy's incoming resources (excluding amounts transferred on conversion from the Local Authority) was ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.



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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

Failures in governance and / or management

The risk in this area arises from the potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns etc. The Governors continue to review and ensure appropriate measures are in place to mitigate these risks.

Reputational

The continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk, the Governors ensure that pupil success and achievement are closely monitored and reviewed.

Safeguarding and child protection

The Governors continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Staffing

The success of the Academy is reliant on the quality of its staff so the Governors monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds

The Academy has engaged its external auditors to perform a program of work aimed at checking and reviewing the financial systems and records as required by the Academies Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and to develop their skills in this area.

The Academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis.

**Reserves Policy**

The Governors review the reserve levels of the Academy annually. This review encompasses the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves. The Governors also take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

The Governors have determined that the appropriate level of free cash reserves should be approximately £100,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipts of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

The Academy's current level of reserves is £25,183,840 of which £140,905 is free reserves (that is, total funds less the amount held in fixed assets and restricted funds).

The Academy experienced significant growth in pupil numbers during 2015/16 of 4.8% on the previous year. Due to the lagged nature of academy funding The Academy sought in year exceptional growth funding from the EFA to support the academy with the additional in year costs associated with educating the additional students, this was not granted resulting in a deficit. The deficit is currently being supported by repayable deficit funding from the EFA. The Academy has a 3 year business plan in place to monitor and address the current financial situation and return to surplus in a timely manner.

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**Investment Policy**

Adequate cash balances must be maintained to ensure that there are always sufficient funds in the school's current account to cover financial commitments such as payroll and day to day expenses. If there is a surplus of funds after all financial commitments have been considered, this surplus can be invested.

Funds will only be invested following approval of the Finance Committee and Board of Governors.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

The company, which was incorporated on 18 September 2013 and opened as an Academy on 1 November 2014, is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy.

The Governors act as the Trustees for the charitable activities of the Academy and are also the directors of the charitable company for the purposes of company law.

Details of the Governors who served throughout the year, except as noted, are included in the Reference and Administrative Details on page 1.

The company operates one Secondary Academy in Wimborne Minster, Dorset. The Academy has a pupil capacity of 1600 and had a roll of 1584 in the school census on 6 October 2016.

**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.

**Governors' Indemnities**

The Governors benefit from indemnity insurance purchased by the Academy to cover the liability of the Governors arising from negligent acts, errors or commissions occurring whilst on Academy business. The limit of this indemnity is £5,000,000.

**Principal Activities**

The principal activity of the Academy is to advance for the public benefit by maintaining, carrying on, managing and developing a secondary school offering a broad and balanced curriculum.

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**Method of Recruitment and Appointment or Election of Governors**

On 1 November 2014, the members appointed all those Governors that served the predecessor school to be Governors of the newly formed Academy. These Governors were appointed on a term of office that would end when their original term at the predecessor school would have ended, thus ensuring a staggered re election or replacement process.

The Academy shall have the following Governors as set out in its Articles of Association and Funding Agreement:

- up to 4 Governors who are appointed by the Members;
- between 2 and 7 Parent Governors who are elected by the parents of registered pupils at the Academy;
- up to 3 Staff Governors appointed by the Members (provided that the total number of Governors, including the Head Teacher, who are employees of the Academy, does not exceed one third of the total number of Governors);
- up to 5 Foundation Governors, including the rector of Wimborne Minster (the Incumbent);
- up to 2 Co-opted Governors;
- the Head Teacher who is treated for all purposes as being an ex officio Governor.

Governors are appointed for a 4 year period, except that this time limit does not apply to the Head Teacher and incumbent. Subject to remaining eligible to be a particular type of Governor, any Governors can be re appointed or re elected.

When appointing new Governors, the Board of Governors will give consideration to the skills and experience mix of existing Governors in order to ensure the Board of Governors has the necessary skills to contribute fully to the Academy's development.

**Policies and Procedures Adopted for the Induction and Training of Governors**

The training and induction provided for new Governors will depend upon their existing experience but would always include a tour of the Academy and a chance to meet staff and pupils. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents they will need to undertake their role as Governors. As there are normally only two or three new Governors a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by various other organisations as appropriate.

There are a minimum of three Governor training sessions organised each year which includes training sessions to keep the Governors updated on relevant developments impacting on their roles and responsibilities including safeguarding. New Governors have the opportunity to undertake National Governors Association training and all Governors receive regular National Governor Association updates.

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

The governors have implemented a pay policy and established a pay committee, to ensure determinations on pay are in accordance with the policy. Leadership and management personnel pay ranges are determined in accordance with the Individual School Range and other criteria specified in the School Teachers' Pay and Conditions Document.

Pay progression is based on sustained high quality performance in respect of school leadership, management and pupil progress and is subject to a review of performance against performance objectives before any performance points are awarded.

**QUEEN ELIZABETH'S SCHOOL (WIMBORNE MINSTER)**  
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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**Organisational Structure**

The Board of Governors normally meets twice each term. The Board of Governors establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of committees of the Board of Governors and other groups. It receives reports including policies from its committees for ratification. It monitors the activities of the committees through the minutes of their meetings. The Board of Governors may from time to time establish working groups to perform specific tasks over a limited timescale.

There are 5 working committees of the Board of Governors as follows:

- Finance committee
- Learning and achievement committee
- Community and environment committee
- Personnel committee
- Audit committee

Each committee has its own terms of reference detailing the responsibilities discharged to it.

The following decisions are reserved to the full Board of Governors:

- to consider any proposals for changes to the status or constitution of the Academy and its committee structure;
- to appoint or remove the Chair and / or Vice Chair; and
- to appoint and / or consider the performance management of the Head Teacher
- to appoint the Clerk to Governors.

The Governors are responsible for setting general policy, adopting an annual development plan and budget, approving the annual statutory accounts, monitoring the Academy by the use of budgets and other data, and making the major decisions about the direction of the Academy, capital expenditure and staff appointments.

The Governors have devolved the day to day management of the Academy to the Head Teacher and the Senior Leadership Team ('SLT'). The SLT comprises the Head Teacher, Deputy Head Teacher, Assistant Head Teachers, Chief Financial Officer and Chief Operating Officer. The SLT implement the policies laid down by the Governors and report back to them on performance.

**Connected Organisations, including Related Party Relationships**

There are no related parties which either control or significantly influence the decisions and operations of the Academy. There are no sponsors associated with the Academy.

**Risk Management**

The Governors have implemented a system to assess risks that the Academy faces, especially in the operational areas (such as in relation to teaching, health & safety and school trips) and in relation to the control of finances. They have introduced systems, including operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The Academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

**QUEEN ELIZABETH'S SCHOOL (WIMBORNE MINSTER)**

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**GOVERNORS' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2016**

**PLANS FOR FUTURE PERIODS**

The Academy strives to continually improve levels of attainment for all pupils, equipping them with the qualifications, skills and character to follow their chosen pathway, whether it be into further and higher education or employment, as well as promoting the continued professional development of its staff.

The Academy's plans for future periods are:

- Application for Multi- Academy Status
- Apply to open a UTC
- Improve post 16 outcomes.
- Improve outcomes at KS4
- Ensure that Queen Elizabeth's School remains the school of choice for its catchment area

**FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

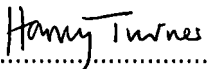
The Academy and its Governors do not act as Custodian Trustees of any other charity.

**DISCLOSURE OF INFORMATION TO AUDITORS**

Each of the persons who are Governors at the time when this Governors' report is approved has confirmed that:

- so far as that Governor is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

This report was approved by order of the Board of Governors as the company directors, on 22.11.16 and signed on its behalf by:

  
.....  
H Turner  
Chair of Governors

**QUEEN ELIZABETH'S SCHOOL (WIMBORNE MINSTER)**  
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**GOVERNANCE STATEMENT**

**SCOPE OF RESPONSIBILITY**

As governors, we acknowledge we have overall responsibility for ensuring that Queen Elizabeth's School (Wimborne Minster) 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 Governors has delegated the day-to-day responsibility to M McLeman (Head Teacher), as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Queen Elizabeth's School (Wimborne Minster) and the Secretary of State for Education. They are also responsible for reporting to the Board of Governors any material weaknesses or breakdowns in internal control.

**GOVERNANCE**

The information on governance included here supplements that described in the Governors' report and in the Statement of Governors' responsibilities. The Board of Governors has formally met 6 times during the year. Attendance during the year at meetings of the Board of Governors was as follows:

Governor	Meetings attended	Out of a possible
J Andrews	1	6
R Andrews	5	6
C Batten (appointed 22 March 2016, resigned 1 September 2016)	1	3
C Buller, Staff Governor (appointed 22 March 2016)	1	3
R Cass (appointed 4 October 2016)	0	0
D Clark	6	6
S Collins, Staff Governor (resigned 26 January 2016)	0	2
M Foster	6	6
V Herrick	4	6
L Jackson	5	6
R Jones (resigned 1 September 2016)	5	6
S Jones, Staff Governor	5	6
J McLean (resigned 22 March 2016)	2	4
M McLeman, Head Teacher and Accounting Officer	5	6
P Merchant	6	6
J Mursell	6	6
G Owen	4	6
D Sims	6	6
J Tarrant	3	6
H Turner, Chair of Governors	6	6
E Willis, Staff Governor (appointed 5 October 2016)	0	0

**QUEEN ELIZABETH'S SCHOOL (WIMBORNE MINSTER)**  
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**GOVERNANCE STATEMENT (continued)**

The Finance Committee is a sub-Committee of the Board of Governors. Its purpose is to provide guidance and assistance to the Board of Governors on all matters related to the finance of the Academy. This includes preparing and approving annual budgets, monitoring financial performance against that budget, reviewing delegated authorities, ensuring all transactions are conducted in accordance with good practice as directed by the EFA, to ensure best value is achieved in all financial transactions. The committee has formally met six times during the year.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
D Clark, Chairman	6	6
H Turner	4	6
M McLeman, Head Teacher and Accounting Officer	4	6
L Jackson	5	6
S Collins (resigned 26 January 2016)	1	2
C Batten (appointed 23 March 2016, resigned 1 September 2016)	1	3

The Audit Committee is also a sub-committee of the main Board of Governors. The Audit Committee was established for the first time in June 2015, following the School's conversion to academy status. The role of the Audit Committee is to maintain an oversight of the Academy Trust's governance, risk management, internal control and value for money framework. It will report its findings annually to the Board of Governors and the Accounting Officer as a critical element of the Academy Trust's annual reporting requirements. The committee has formally met three times during the year.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
R Andrews, Chairman	3	3
M McLeman, Head Teacher and Accounting Officer	3	3
J Andrews	0	3
P Merchant	3	3
J Tarrant	2	3
H Turner	2	3

**Governance Review**

During the year the trust has completed two internal reviews of its governance and internal controls. There were no material or significant outcomes. In addition the Chair of Governors has completed an assessment of the trusts governance including a review of the composition of the board in terms of skills, effectiveness, leadership and impact. This resulted in a number of changes and appointments to the Full Board of Governors and sub-committees.

**QUEEN ELIZABETH'S SCHOOL (WIMBORNE MINSTER)**  
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**GOVERNANCE STATEMENT (continued)**

**REVIEW OF VALUE FOR MONEY**

As Accounting Officer, M McLeman (Head Teacher) has responsibility for ensuring that the Academy 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 Academy's use of its resources has provided good value for money during each academic year, and reports to the Board of Governors where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy has delivered improved value for money during the year by ensuring that Best value supports and influences all management and decision making activities, including:

- Target setting
- Planning for improvement
- Allocating resources to priorities
- Managing implementation
- Monitoring and evaluating the performance of the school
- Managing the performance of staff
- Improving the school environment to ensure it is safe and fit for purpose

Best value principles involve the school and governors reviewing and questioning:

- School performance
- Routines
- Processes

Governors and the Senior Leadership team will challenge assumptions:

- Regularly review and question performance, school routines and processes to ensure they are in line with the School Development Plan.
- Consider if there are better ways to achieve the desired results and if current methods are the most economical, efficient and effective.
- Consider who the stakeholders are and if school aims are in their best interests.
- Question whether procedures are competitive compared with possible alternatives.

During 2015-16 the Academy Trust has delivered the following value for money initiatives:

- **Tendering of the Cleaning and Catering Contracts**  
The Academy undertook a successful retender process for both the cleaning and catering contracts which resulted in reduced cleaning costs and a guaranteed return on the catering contract. The contracts were awarded to new providers and both were able to offer enhanced quality and performance against the existing provider.
- **Lettings/Event Sponsorship**  
The academy explores every opportunity to generate income through the hire of its facilities and has employed a Business Development Manager to maximise this potential. Income is also generated through the sponsorship of events from local business and other stakeholders. The income raised in 2015/16 exceeded projections and was used to support and enhance the educational provision to students.
- **School to School Support**  
Expertise within the Senior Leadership Team has been utilised to support other institutions to raise standards through consultancy support. The academy has been able to offer support in leadership and management, curriculum specialisms, finance and IT.



**QUEEN ELIZABETH'S SCHOOL (WIMBORNE MINSTER)**  
**(A company limited by guarantee)**

**GOVERNANCE STATEMENT (continued)**

**THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy 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 Queen Elizabeth's School (Wimborne Minster) 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 Governors has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy'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 Governors.

**THE RISK AND CONTROL FRAMEWORK**

The Academy'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 Governors;
- regular reviews by the finance 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 Governors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have delegated responsibility to the Chief Financial Officer (CFO) and Chief Operations Officer (COO) to ensure that the School has a suitably qualified professional who is responsible for delivering assurance and performing a range of checks on the Academy Trust's governance, risk & financial systems. The role is discharged by the Risk, Assurance & Compliance Officer (RACO). On a regular basis CFO/COO reports to the Board of Governors, through the audit committee and finance committee on the operation of the systems of control and on the discharge of the Board of Governors' financial responsibilities. The Academy employed James Cowper Kreston to undertake two internal reviews during the year.

**QUEEN ELIZABETH'S SCHOOL (WIMBORNE MINSTER)**  
**(A company limited by guarantee)**

**GOVERNANCE STATEMENT (continued)**

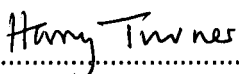
**REVIEW OF EFFECTIVENESS**

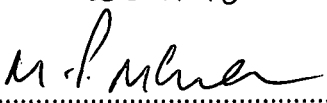
As Accounting Officer, M McLeman (Head Teacher) has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the CFO, COO, RACO and external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy 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 committee & 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 Governors on 22.11.16 and signed on their behalf, by:

  
.....  
**H Turner**  
**Chair of Governors**

  
.....  
**M McLeman**  
**Accounting Officer**

**QUEEN ELIZABETH'S SCHOOL (WIMBORNE MINSTER)**  
**(A company limited by guarantee)**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

As Accounting Officer of Queen Elizabeth's School (Wimborne Minster) I have considered my responsibility to notify the academy trust Board of Governors 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 Board of Governors 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 Governors and EFA.



.....  
**M McLeman**  
**Accounting Officer**

**QUEEN ELIZABETH'S SCHOOL (WIMBORNE MINSTER)**  
**(A company limited by guarantee)**

**STATEMENT OF GOVERNORS' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

The Governors (who act as governors of Queen Elizabeth's School (Wimborne Minster) and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors 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 Governors are required to:

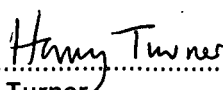
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Governors on 22.11.16 and signed on its behalf by:

  
.....  
H Turner  
Chair of Governors

**QUEEN ELIZABETH'S SCHOOL (WIMBORNE MINSTER)**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF QUEEN ELIZABETH'S SCHOOL (WIMBORNE MINSTER)**

We have audited the financial statements of Queen Elizabeth's School (Wimborne Minster) for the year ended 31 August 2016 which comprise the Statement of Financial Activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, 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" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the Academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy'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 Academy and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

**RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITORS**

As explained more fully in the Governors' responsibilities statement, the Governors (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

**SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

**OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Governors' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

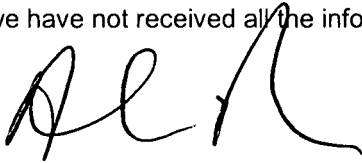
**QUEEN ELIZABETH'S SCHOOL (WIMBORNE MINSTER)**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF QUEEN ELIZABETH'S SCHOOL (WIMBORNE MINSTER)**

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

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



Adrian Rann BSc FCA (Senior Statutory Auditor)

for and on behalf of

**James Cowper Kreston**

Chartered Accountants and Statutory Auditor

The White Building  
1-4 Cumberland Place  
Southampton  
Hampshire  
SO15 2NP

Date: 15/12/16

## **QUEEN ELIZABETH'S SCHOOL (WIMBORNE MINSTER)**

**(A company limited by guarantee)**

### **INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO QUEEN ELIZABETH'S SCHOOL (WIMBORNE MINSTER) AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 15 September 2015 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 Queen Elizabeth's School (Wimborne Minster) during the year 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 Queen Elizabeth's School (Wimborne Minster) and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Queen Elizabeth's School (Wimborne Minster) and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Queen Elizabeth's School (Wimborne Minster) and the EFA, for our work, for this report, or for the conclusion we have formed.

#### **RESPECTIVE RESPONSIBILITIES OF QUEEN ELIZABETH'S SCHOOL (WIMBORNE MINSTER)'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of Queen Elizabeth's School (Wimborne Minster)'s funding agreement with the Secretary of State for Education dated 30 October 2014, 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 year 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 the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the Academy complied with the framework of authorities. We also reviewed the reports commissioned by the Governors to assess the internal controls throughout the year.

**QUEEN ELIZABETH'S SCHOOL (WIMBORNE MINSTER)**  
**(A company limited by guarantee)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO QUEEN ELIZABETH'S SCHOOL (WIMBORNE MINSTER) AND THE EDUCATION FUNDING AGENCY (continued)**

Specific work undertaken to draw to our conclusion includes:

- reviewing the minutes of the meetings of the Board of Governors and other evidence made available to us, relevant to our consideration of regularity;
- a review of the objectives and activities of the Academy, with reference to the income streams and other information available to us as auditors of the Academy;
- testing of a sample of payroll payments to staff;
- testing of a sample of payments to suppliers and other third parties;
- testing of a sample of grants received and other income streams;

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**CONCLUSION**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Adrian Rann BSc FCA (Senior Statutory Auditor)

**James Cowper Kreston**

Chartered Accountants and Statutory Auditor

The White Building  
1-4 Cumberland Place  
Southampton  
Hampshire  
SO15 2NP

Date: 15/12/16



**QUEEN ELIZABETH'S SCHOOL (WIMBORNE MINSTER)**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	10 months total funds 2015 £
<b>INCOME FROM:</b>						
Donations and capital grants	2	11,258	-	31,113	42,371	28,474,635
Charitable activities	5	-	8,169,945	-	8,169,945	6,408,597
Other trading activities	3	110,931	-	-	110,931	41,566
Investments	4	820	-	-	820	582
<b>TOTAL INCOME</b>		<b>123,009</b>	<b>8,169,945</b>	<b>31,113</b>	<b>8,324,067</b>	<b>34,925,380</b>
<b>EXPENDITURE ON:</b>						
Raising funds		60,298	-	-	60,298	29,708
Charitable activities		-	8,736,181	677,916	9,414,097	7,304,504
<b>TOTAL EXPENDITURE</b>	7	<b>60,298</b>	<b>8,736,181</b>	<b>677,916</b>	<b>9,474,395</b>	<b>7,334,212</b>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>						
Transfers between Funds	15	62,711	(566,236)	(646,803)	(1,150,328)	27,591,168
		-	(1,025)	1,025	-	-
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>						
		62,711	(567,261)	(645,778)	(1,150,328)	27,591,168
Actuarial gains/(losses) on defined benefit pension schemes	20	-	(1,287,000)	-	(1,287,000)	30,000
<b>NET MOVEMENT IN FUNDS</b>		<b>62,711</b>	<b>(1,854,261)</b>	<b>(645,778)</b>	<b>(2,437,328)</b>	<b>27,621,168</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		78,194	(1,430,000)	28,972,974	27,621,168	-
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>140,905</b>	<b>(3,284,261)</b>	<b>28,327,196</b>	<b>25,183,840</b>	<b>27,621,168</b>

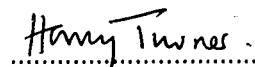
**QUEEN ELIZABETH'S SCHOOL (WIMBORNE MINSTER)**

(A company limited by guarantee)  
REGISTERED NUMBER: 08696394

**BALANCE SHEET  
AS AT 31 AUGUST 2016**

	Note	£	2016 £	2015 £
<b>FIXED ASSETS</b>				
Tangible assets	12		28,314,950	28,972,974
<b>CURRENT ASSETS</b>				
Debtors	13	213,365		148,013
Cash at bank and in hand		372,026		553,232
		<u>585,391</u>		<u>701,245</u>
<b>CREDITORS: amounts falling due within one year</b>	14	(779,501)		(623,051)
<b>NET CURRENT (LIABILITIES)/ASSETS</b>			(194,110)	78,194
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>28,120,840</u>	<u>29,051,168</u>
Defined benefit pension scheme liability	20		(2,937,000)	(1,430,000)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u>25,183,840</u>	<u>27,621,168</u>
<b>FUNDS OF THE ACADEMY</b>				
Restricted income funds:				
Restricted income funds	15	(347,261)		-
Pension reserve	15	(2,937,000)		(1,430,000)
Restricted fixed asset funds	15	28,327,196		28,972,974
Total restricted income funds			25,042,935	27,542,974
Unrestricted income funds	15		140,905	78,194
<b>TOTAL FUNDS</b>			<u>25,183,840</u>	<u>27,621,168</u>

The financial statements were approved by the Governors, and authorised for issue, on 22.11.16 and are signed on their behalf, by:

  
.....  
H Turner  
Chair of Governors

The notes on pages 26 to 44 form part of these financial statements.

**QUEEN ELIZABETH'S SCHOOL (WIMBORNE MINSTER)**  
(A company limited by guarantee)

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	2016 £	2015 £
<b>Cash flows from operating activities</b>			
Net cash (used in)/provided by operating activities	17	<u>(162,850)</u>	<u>565,763</u>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		820	582
Purchase of tangible fixed assets		<u>(19,176)</u>	<u>(13,113)</u>
<b>Net cash used in investing activities</b>		<u>(18,356)</u>	<u>(12,531)</u>
<b>Change in cash and cash equivalents in the year</b>		<b>(181,206)</b>	553,232
Cash and cash equivalents brought forward		<u>553,232</u>	<u>-</u>
<b>Cash and cash equivalents carried forward</b>	18	<u><u>372,026</u></u>	<u><u>553,232</u></u>

**QUEEN ELIZABETH'S SCHOOL (WIMBORNE MINSTER)**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**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 of financial statements**

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

Queen Elizabeth's School (Wimborne Minster) constitutes a public benefit entity as defined by FRS 102.

**First time adoption of FRS 102**

These financial statements are the first financial statements of Queen Elizabeth's School (Wimborne Minster) prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Queen Elizabeth's School (Wimborne Minster) for the period ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Governors have amended certain accounting policies to comply with FRS 102 and SORP 2015.

**1.2 Reconciliation with previous Generally Accepted Accounting Practice**

In preparing these accounts, the Governors have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

Pension scheme costs have been restated with assumptions used under FRS 102 and the Charities SORP (FRS 102). The 2015 deficit did not alter, however the assumption led to a £6k increase in the actuarial gain and an increase in expenditure of the same amount.

In accordance with FRS 102, a reconciliation of opening balances is provided here:

	<b>31 August 2015 £</b>
<b>Reconciliation of reported net income</b>	
Net income/(expenditure) as previously stated	<b>27,607,168</b>
FRS 102 pension adjustment	<b>(16,000)</b>
<b>Net income as restated as at 31/08/2015</b>	<b>27,591,168</b>

**QUEEN ELIZABETH'S SCHOOL (WIMBORNE MINSTER)**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**1. ACCOUNTING POLICIES (continued)**

**1.3 Company status**

The Academy is a company limited by guarantee. In the event of the Academy being wound up, the liability in respect of the guarantee is limited to £10 per member of the Academy.

**1.4 Fund accounting**

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

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

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

**1.5 Income**

All income is recognised once the Academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

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

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

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the academy; this is normally upon notification of the interest paid or payable by the Bank.

**QUEEN ELIZABETH'S SCHOOL (WIMBORNE MINSTER)**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**1. ACCOUNTING POLICIES (continued)**

**1.6 Expenditure**

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

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

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

All resources expended are inclusive of irrecoverable VAT.

**1.7 Going concern**

The Governors 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 Academy to continue as a going concern. The Governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements..

**1.8 Tangible fixed assets and depreciation**

All assets costing more than £750 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. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**1. ACCOUNTING POLICIES (continued)**

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Buildings	-	2% Straight line
Vehicles	-	20% Straight line
Fixtures and fittings	-	10% Straight line
Computer equipment	-	12.5 - 33% Straight line

**1.9 Taxation**

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

**1.10 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**1.11 Cash at Bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**1.12 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 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.

**1.13 Pensions**

Retirement benefits to employees of the Academy 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.

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 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 20, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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**1. ACCOUNTING POLICIES (continued)**

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 incorporating income and expenditure account 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

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

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, 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.

Critical areas of judgement:

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as the remaining life of the asset and projected disposal values.



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FOR THE YEAR ENDED 31 AUGUST 2016**

**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	10 months total funds 2015 £
Donations	11,258	-	-	11,258	59,220
Capital Grants	-	-	31,113	31,113	30,353
Transfer from Local Authority on conversion	-	-	-	-	28,385,062
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and capital grants	<b>11,258</b>	<b>-</b>	<b>31,113</b>	<b>42,371</b>	<b>28,474,635</b>

In 2015, of the total income from donations and capital grants, £275,708 was to unrestricted funds, £28,168,574 was to restricted funds and £30,353 was to restricted fixed asset funds.

**3. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	10 months total funds 2015 £
Lettings income	97,495	-	97,495	34,565
Catering	13,436	-	13,436	7,001
	<hr/>	<hr/>	<hr/>	<hr/>
	<b>110,931</b>	<b>-</b>	<b>110,931</b>	<b>41,566</b>

In 2015, of the total income from other trading activities, all was to unrestricted funds.

**4. INVESTMENT INCOME**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	10 months total funds 2015 £
Interest income	820	-	820	582
	<hr/>	<hr/>	<hr/>	<hr/>

In 2015, of the total investment income, all was to unrestricted funds.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**5. INCOME FROM CHARITABLE ACTIVITIES**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	10 months total funds 2015 £
Educational operations (see below)	-	7,428,598	7,428,598	6,007,984
Local Authority	-	186,099	186,099	105,206
Other income from educational activities	-	555,248	555,248	295,407
	<u>-</u>	<u>8,169,945</u>	<u>8,169,945</u>	<u>6,408,597</u>

In 2015, of the total income from charitable activities, all was to restricted funds.

**FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	10 months total funds 2015 £
<b>DfE/EFA grants</b>				
General Annual Grant (GAG)	-	7,203,806	7,203,806	5,840,413
Other DfE/EFA grants	-	224,792	224,792	167,571
	<u>-</u>	<u>7,428,598</u>	<u>7,428,598</u>	<u>6,007,984</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**6. CHARITABLE ACTIVITIES**

	<b>Total funds 2016 £</b>	<i>10 months total funds 2015 £</i>
<b>DIRECT COSTS - EDUCATIONAL OPERATIONS</b>		
Wages and salaries	4,464,019	3,403,759
National insurance	386,579	260,419
Pension cost	648,339	483,567
Depreciation	677,200	569,713
Net pension scheme finance cost	5,653	14,921
Technology	16,393	10,932
Educational supplies	66,193	20,539
Staff development	22,958	13,800
Examination fees	224,787	199,660
Other direct costs	216,316	122,546
	<hr/> 6,728,437	<hr/> 5,099,856
<b>SUPPORT COSTS - EDUCATIONAL OPERATIONS</b>		
Wages and salaries	840,203	679,301
National insurance	56,127	39,325
Pension cost	285,852	-146,535
Net pension scheme finance cost	46,347	32,079
Technology costs	127,985	40,816
Recruitment and support	5,059	5,536
Maintenance of premises	132,184	226,950
Maintenance of equipment	4,008	7,448
Cleaning	170,400	164,553
Rates	74,389	72,763
Water rates	20,005	7,838
Energy	206,630	174,955
Insurance	57,104	46,955
Security	2,703	3,770
Transport costs	43,289	10,539
Catering	240,327	194,456
Bank interest and charges	3	155
Staff travel	5,792	3,886
Auditors' remuneration	6,950	6,750
Auditors' remuneration - non audit	3,135	-
Other support costs	357,168	340,038
	<hr/> 2,685,660	<hr/> 2,204,648
	<hr/> <b>9,414,097</b>	<hr/> <b>7,304,504</b>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**7. EXPENDITURE**

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	10 months total 2015 £
Expenditure on raising funds	36,754	1,513	22,031	60,298	29,708
Activities:					
Direct costs	5,498,938	-	1,229,499	6,728,437	5,099,856
Support costs	1,184,279	664,720	836,661	2,685,660	2,204,648
	<u>6,719,971</u>	<u>666,233</u>	<u>2,088,191</u>	<u>9,474,395</u>	<u>7,334,212</u>

In 2015, of the total expenditure, £29,708 was to unrestricted funds, £6,704,438 was to restricted funds and £600,066 was to restricted fixed asset funds.

**8. NET INCOMING RESOURCES/(RESOURCES EXPENDED)**

This is stated after charging:

	2016 £	10 months 2015 £
Depreciation of tangible fixed assets:		
- owned by the charity	677,200	569,713
Auditors' remuneration - audit	6,950	6,750
Auditors' remuneration - other services	<u>3,135</u>	<u>-</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**9. STAFF COSTS**

Staff costs were as follows:

	<b>2016</b>	<i>10 months</i> <b>2015</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>5,343,074</b>	4,104,013
Social security costs	<b>442,706</b>	299,744
Operating costs of defined benefit pension schemes	<b>934,191</b>	630,102
	<b>6,719,971</b>	<b>5,033,859</b>

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

	<b>2016</b>	<b>2015</b>
	<b>No.</b>	<b>No.</b>
Teachers	<b>96</b>	96
Administration and support	<b>81</b>	88
Management	<b>10</b>	8
	<b>187</b>	<b>192</b>

Average headcount expressed as a full time equivalent:

	<b>2016</b>	<b>2015</b>
	<b>No.</b>	<b>No.</b>
Teachers	<b>91</b>	90
Administration and support	<b>59</b>	60
Management	<b>10</b>	10
	<b>160</b>	<b>160</b>

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

	<b>2016</b>	<b>2015</b>
	<b>No.</b>	<b>No.</b>
In the band £60,001 - £70,000	<b>2</b>	0
In the band £70,001 - £80,000	<b>1</b>	1
In the band £90,001 - £100,000	<b>1</b>	0

The above employees all participated in the Teachers' Pension Scheme. During the period ended 31 August 2016, pension contributions for these staff members amounted to £48,358 (2015: £10,872).

Included in staff costs are non-statutory/non-contractual severance payments totalling £23,000 (£2015: £16,000). Individually the payments were: £4,000 and £19,000 (2015: £16,000).

The key management personnel of the Academy Trust comprise the Governors 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 £834,080 (2015: £472,555).

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**10. GOVERNORS' REMUNERATION AND EXPENSES**

One or more Governors has been paid remuneration or has received other benefits from an employment with the academy trust. The Head Teacher and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Governors. The value of Governors' remuneration and other benefits was as follows:

		2016 £	10 months 2015 £
M McLeman, Head Teacher and Accounting Officer	Remuneration	95,000-100,000	75,000-80,000
	Pension contributions paid	15,000-20,000	10,000-15,000
C Buller, Staff Trustee	Remuneration	20,000-25,000	-
	Pension contributions paid	0-5,000	-
S Collins, Staff Trustee	Remuneration	20,000-25,000	30,000-35,000
	Pension contributions paid	0-5,000	0-5,000
A Dickinson, Staff Trustee	Remuneration	-	20,000-25,000
	Pension contributions paid	-	0-5,000
S Jones, Staff Trustee	Remuneration	40,000-45,000	5,000-10,000
	Pension contributions paid	5,000-10,000	0-5,000
E Willis, Staff Trustee	Remuneration	35,000-40,000	35,000-40,000
	Pension contributions paid	5,000-10,000	5,000-10,000
H Turner	Remuneration	0-5,000	-
	Pension contributions paid	-	-

During the year, no Governors received any reimbursement of expenses (2015 - £NIL).

The Academy received grant funding from the DfE for H Turner to provide governance support to another academy trust. The remuneration indicated above was funded by this grant. H Turner did not receive any remuneration in respect of his role as a governor of the Academy Trust.

Other related party transactions involving the Governors are set out in note 21.

**11. GOVERNORS' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2016 was £1,686 (2015 - £1,686).

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**12. TANGIBLE FIXED ASSETS**

	Leasehold Land and Buildings £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>				
At 1 September 2015	27,885,000	1,467,009	190,678	29,542,687
Additions	-	12,260	6,916	19,176
At 31 August 2016	27,885,000	1,479,269	197,594	29,561,863
<b>Depreciation</b>				
At 1 September 2015	343,450	174,182	52,081	569,713
Charge for the year	412,140	209,788	55,272	677,200
At 31 August 2016	755,590	383,970	107,353	1,246,913
<b>Net book value</b>				
At 31 August 2016	27,129,410	1,095,299	90,241	28,314,950
At 31 August 2015	27,541,550	1,292,827	138,597	28,972,974

On Conversion the Academy entered into an agreement with the Salisbury Diocesan Board of Education to use the land and buildings known as Queen Elizabeth's School, Blandford Road, Wimborne Minster, Dorset, BH21 4DT for educational purposes. The rights of the land have not been passed to Queen Elizabeth's School (Wimborne Minster) during this time. The Trustees of the Salisbury Diocesan Board of Education may not give less than two years written notice to terminate this agreement.

The Governors are aware that there is currently a debate being held between the EFA and the National Society on behalf of the Church of England as to whether land and buildings subject to such agreement should be included on the Balance Sheet. The Governors are of the opinion that termination under this agreement is not probable as the school is committed to the provision of education in accordance with the stipulations in the agreement and therefore it is appropriate to follow section 8.7 of The Academies Accounts Direction 2014 to 2015 and include the assets on the Balance Sheet.

The playing fields are under a 125 year lease with Dorset County Council which took effect from and including 1 November 2014.

Included in the value of land and buildings is land at a value of £7,278,000 which is not depreciated.

**13. DEBTORS**

	2016 £	2015 £
Trade debtors	50,698	12,304
Other debtors	63,712	52,370
Prepayments and accrued income	98,955	83,339
	<u>213,365</u>	<u>148,013</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**14. CREDITORS: Amounts falling due within one year**

	2016 £	2015 £
Trade creditors	243,000	207,445
Other taxation and social security	229,717	202,612
EFA creditor	160,264	-
Accruals and deferred income	146,520	212,994
	<u>779,501</u>	<u>623,051</u>

	2016 £	2015 £
<b>Deferred income</b>		
Deferred income at 1 September 2015	92,898	-
Resources deferred during the year	90,257	92,898
Amounts released from previous years	(92,898)	-
	<u>90,257</u>	<u>92,898</u>
Deferred income at 31 August 2016	90,257	92,898

At the balance sheet date the Academy Trust was holding funds received in advance of £47,545 (2015: £54,309) for grants relating to the year ended 31 August 2017, £9,792 for catering account balances and £32,921 (2015: £38,589) for monies received from parents for trips and school expenditure for the new academic year.

**15. STATEMENT OF FUNDS**

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward 31 August 2016 £
<b>Unrestricted funds</b>						
General funds	78,194	123,009	(60,298)	-	-	140,905
<b>Restricted funds</b>						
General Annual Grant (GAG)	-	7,203,806	(7,550,042)	(1,025)	-	(347,261)
Other DfE/EFA grants	-	224,792	(224,792)	-	-	-
Local Authority	-	186,099	(186,099)	-	-	-
Other	-	555,248	(555,248)	-	-	-
Pension reserve	(1,430,000)	-	(220,000)	-	(1,287,000)	(2,937,000)
	<u>(1,430,000)</u>	<u>8,169,945</u>	<u>(8,736,181)</u>	<u>(1,025)</u>	<u>(1,287,000)</u>	<u>(3,284,261)</u>



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**NOTES TO THE FINANCIAL STATEMENTS  
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**15. STATEMENT OF FUNDS (continued)**

**Restricted fixed asset funds**

DfE/EFA capital grants	-	31,113	(1,817)	-	-	29,296
Capital expenditure from GAG	12,386	-	(517)	1,025	-	12,894
Assets on conversion	28,960,588	-	(675,582)	-	-	28,285,006
	<u>28,972,974</u>	<u>31,113</u>	<u>(677,916)</u>	<u>1,025</u>	<u>-</u>	<u>28,327,196</u>
Total restricted funds	<u>27,542,974</u>	<u>8,201,058</u>	<u>(9,414,097)</u>	<u>-</u>	<u>(1,287,000)</u>	<u>25,042,935</u>
Total of funds	<u>27,621,168</u>	<u>8,324,067</u>	<u>(9,474,395)</u>	<u>-</u>	<u>(1,287,000)</u>	<u>25,183,840</u>

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

**Restricted funds**

The General Annual Grant (GAG) represents funding received from the Education Funding Agency during the period in order to fund the continuing activities of the school. Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

Local Authority grants represent money given to the Academy through grants. This period the grants include Special Educational Needs funding and SGO funding.

The pension reserve represents the Local Government Pension Scheme deficit.

**Fixed asset funds**

Fixed assets transferred on conversion represent the land and buildings and equipment donated to the school from Dorset County Council on conversion to an academy.

Fixed assets purchases from GAG represents amounts spent on fixed assets from the GAG funding received from the EFA.

DfE/EFA Capital grants included devolved capital funding and amounts received from the Academies Capital Maintenance Fund. An element of the capital funding was unspent at the year end.

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**16. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	10 months total funds 2015 £
Tangible fixed assets	-	-	28,314,950	28,314,950	28,972,974
Current assets	140,905	432,240	12,246	585,391	701,245
Creditors due within one year	-	(779,501)	-	(779,501)	(623,051)
Provisions for liabilities and charges	-	(2,937,000)	-	(2,937,000)	(1,430,000)
	<u>140,905</u>	<u>(3,284,261)</u>	<u>28,327,196</u>	<u>25,183,840</u>	<u>27,621,168</u>

**17. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2016 £	2015 £
Net (expenditure)/income for the year (as per Statement of financial activities)	(1,150,328)	27,591,168
<b>Adjustment for:</b>		
Depreciation charges	677,200	569,713
Dividends, interest and rents from investments	(820)	(582)
Increase in debtors	(65,352)	(148,013)
Increase in creditors	156,450	623,051
Defined benefit pension scheme cost less contributions payable	220,000	99,000
Net (loss) on assets and liabilities from local authority on conversion	-	(28,168,574)
<b>Net cash (used in)/provided by operating activities</b>	<u>(162,850)</u>	<u>565,763</u>

**18. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2016 £	2015 £
Cash in hand	372,026	553,232
<b>Total</b>	<u>372,026</u>	<u>553,232</u>

**19. CONTINGENT LIABILITIES**

There are no contingent liabilities that require disclosure in the financial statements.

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**20. PENSION COMMITMENTS**

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £101,492 were payable to the schemes at 31 August 2016 (2015 - 91,993) and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

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

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

During the 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 employer's pension costs paid to TPS in the period amounted to £613,472 (2015 - £415,410).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website ([www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx](http://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx)).

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**20. PENSION COMMITMENTS (continued)**

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.

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £220,841 (2015 - £220,107), of which employer's contributions totalled £152,717 (2015 - £162,691) and employees' contributions totalled £68,124 (2015 - £57,416). The agreed contribution rates for future years are 17.4% for employers and 5.5-12.5% for employees.

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

Principal actuarial assumptions:

	2016	2015
Discount rate for scheme liabilities	2.20 %	4.00 %
Rate of increase in salaries	3.80 %	4.20 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %
Inflation assumption (CPI)	2.30 %	2.70 %
RPI increases	3.20 %	3.60 %

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

	2016	2015
Retiring today		
Males	22.9	22.8
Females	25.3	25.2
Retiring in 20 years		
Males	25.2	25.1
Females	27.7	27.6

The Academy's share of the assets in the scheme was:

	Fair value at 31 August 2016 £
Equities	977,000
Debt instruments	402,000
Property	174,000
Cash	18,000
Other	123,000
Total market value of assets	<u>1,694,000</u>

The actual return on scheme assets was £87,000 (2015 - £31,000).

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**20. PENSION COMMITMENTS (continued)**

The amounts recognised in the Statement of Financial Activities are as follows:

	2016 £	2015 £
Current service cost (net of employee contributions)	(440,000)	(136,000)
Net interest cost	(52,000)	(47,000)
Administration expenses	(1,000)	(1,000)
Total	<u>(493,000)</u>	<u>(184,000)</u>

Movements in the present value of the defined benefit obligation were as follows:

	2016 £	2015 £
Opening defined benefit obligation	2,619,000	-
Upon conversion	-	2,380,000
Current service cost	440,000	136,000
Interest cost	107,000	83,000
Contributions by employees	97,000	29,000
Actuarial losses	1,374,000	1,000
Estimated benefits paid net of transfers in	(6,000)	(10,000)
Closing defined benefit obligation	<u>4,631,000</u>	<u>2,619,000</u>

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

	2016 £	2015 £
Opening fair value of scheme assets	1,189,000	-
Upon conversion	-	1,019,000
Return on plan assets (excluding net interest on the net defined pension liability)	55,000	36,000
Actuarial gains and (losses)	87,000	31,000
Contributions by employer	273,000	85,000
Contributions by employees	97,000	29,000
Administration expenses	(1,000)	(1,000)
Estimated benefits paid net of transfers in	(6,000)	(10,000)
Closing fair value of scheme assets	<u>1,694,000</u>	<u>1,189,000</u>

**21. RELATED PARTY TRANSACTIONS**

No related party transactions took place in the period of account, other than certain Governors' remuneration and expenses already disclosed in note 10.

**22. CONTROLLING PARTY**

The ultimate controlling party is that of its Members as detailed on page 1 of the financial statements.

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**23. MEMBERS' LIABILITY**

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