

Company Registration 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 2018



QUEEN ELIZABETH'S SCHOOL (WIMBORNE MINSTER)
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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Members

R Andrews
Diocese of Salisbury Academy Trust
J Mursell
H Turner

Governors

K Allman
R Andrews
C Buller, Staff Governor (resigned 20 October 2017)
R Cass
D Clark (resigned 18 September 2017)
J Connor
M Foster
F Holmes
L Jackson
S Jones, Staff Governor
M McLeman, Head Teacher and Accounting Officer
P Merchant (resigned 31 December 2017)
J Mursell
S Powis
D Sims
D Sowry - House (resigned 27 April 2018)
H Turner, Chair of Governors (resigned 25 September 2018)
E Willis, Staff Governor (resigned 18 September 2017)
P Bevan (appointed 9 January 2018)
E Hunt (appointed 15 April 2018)
V Slade (appointed 1 May 2018)

Company registered number

08696394

Company name

Queen Elizabeth's School (Wimborne Minster)

Principal and registered office

Blandford Road, Wimborne Minster, Dorset, BH21 4DT

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2018**

Advisers (continued)

Clerk to Governors

J Day

Senior management team

M McLeman, Executive Head Teacher
A Banner, Deputy Head Teacher
K Boyes, Head of School
B Boyes, Deputy Head Teacher
C Buller, Assistant Head Teacher
S Dean, Assistant Head Teacher
G Rusling, Assistant Head Teacher
M Willis, Assistant Head Teacher
S Jones, Chief Operating Officer
K Smith, Director of Finance and Operations

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

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**GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018**

The Governors present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2017 to 31 August 2018. The Annual report serves the purposes of both a Governors' report, and a Directors' report under company law.

Strategic report

OBJECTIVES AND ACTIVITIES

a. 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 period ended 31 August 2018 are summarised below:

- To provide educational facilities to students between the ages of 14 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.

b. 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 2018 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 KS4 students in Mathematics and English.
- To continue to narrow the gap for the most disadvantaged students, including SEN, PP and LAC.
- To improve outcomes for high ability students.

Teaching and Learning

- To introduce a new assessment policy.
- To develop a collaborative approach to staff CPD to improve teaching and learning.
- To develop leadership capacity for both ITT and ongoing CPD.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

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.

c. Public Benefit

The Governors confirm that they have complied with the requirement in the 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

a. Achievements and Performance

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

The total number of pupils in the year ended 31 August 2018 was 1,549 but this has increased to 1,581 at the October 2018 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 2018 were as follows:

- Improved English and Mathematics results, in both attainment and progress scores.
- Popularity of school leads to large over-subscription.
- Progress 8 score above zero and lower confidence level also above zero. Resulting in an above average judgement in DfE data tables.
- Improved outcomes in KS5 with ALPS score improving once again.
- Ofsted inspection September 2017, school judged as Good.
- SIAMS inspection June 2018 school judged as Outstanding.

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GOVERNORS' REPORT (continued)
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b. 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. The deficit is currently being supported by repayable deficit funding from the ESFA. 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. For these reasons 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.

c. Strategic report

The Academy has continued to work on the priorities set out in 2017 approved by the Governing Body.

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 school 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 school 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.

d. 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 2018, the balance of the GAG Restricted Fund was a deficit of £759,512.

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. The percentage of total staff costs, excluding restructuring costs, to GAG funding for the period was 93.7%, while the percentage of staff costs to total costs was 70.2%.

FINANCIAL REVIEW

a. Financial Review

The majority of the Academy's income is received from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2018 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 period ended 31 August 2018, the total expenditure of £9,901,635 was covered by the recurrent grant funding from the DfE, together with other incoming resources (excluding the net assets transferred on

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conversion from the Local Authority). The deficit of incoming resources over total expenditure for the period was £592,425, this is after £572,000 of actuarial gains on the defined benefit pension fund, £667,831 of depreciation and £360,000 of FRS102 pension adjustments. Removing these results in a revenue deficit of £145,470.

The net book value of fixed assets at 31 August 2018 were £20,988,732, which includes depreciation charges for the period of £667,831.

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 2018 were £17,666,494 which comprised of the following:

Restricted Funds (excluding Pension Liability)	£(759,512)
Restricted Pension Liability Fund	£(2,774,000)
Restricted Fixed Asset Fund	£20,988,732
Unrestricted Funds	£211,273

The key financial policies reviewed and adopted during the period included the Financial Procedures and Policies Manual, which lays out the framework for the Academy's financial management, including financial responsibilities of the Governing Body, 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 period included the Reserves Policy and the Investment Policy.

b. 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 Government's 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.

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c. 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 ESFA. In the period, 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.

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 period by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis.

d. 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 £17,666,474 of which £211,273 is free reserves (that is, total funds less the amount held in fixed assets and restricted funds).

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The Academy experienced significant growth in pupil numbers during 2017/18 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 ESFA to support the academy with the additional costs in the year associated with educating the additional students. This was not granted, resulting in a deficit.

e. 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 Governors Board.

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 period, except as noted, are included in the Reference and Administrative Details on page 1.

The trust operates one Secondary Academy in Wimborne Minster, Dorset. The Academy has a pupil capacity of 1600 and had a roll of 1581 in the school census on 6 October 2018.

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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Method of Recruitment and Appointment or Election of Governors

On 1 November 2014, the Trustees 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;
- 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 Governing Body will give consideration to the skills and experience mix of existing Governors in order to ensure the Governing Body 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.

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TRADE UNION FACILITY TIME

The Academy had two employees were relevant union officials during the year, with one being a full time employee and one part-time. The spend no more than 50% of their time on trade trade union activities:

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.

Organisational Structure

The Governing Body normally meets twice each term. The Governing Body establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of committees of the Governing Body 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 Governing Body may from time to time establish working groups to perform specific tasks over a limited timescale.

There are 4 working committees of the Governing Body as follows:

- Finance and Audit committee
- Learning and Achievement committee
- Community and Environment committee
- Personnel committee

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

The following decisions are reserved to the full Governing Body:

- 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 Company Secretary.

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.

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GOVERNORS' REPORT (continued)
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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.

Fundraising

Queen Elizabeth's School carries out a very limited amount of fundraising in the form of sponsorship and parental donations. In the circumstances when fundraising is undertaken, systems and controls are in place to separate and protect funds. The trust is mindful of its responsibilities under the Charities (Protection and Social Investment) Act 2016 and legal rules, and ensures all activities are agreed and monitored at Senior Leadership Team level in compliance with relevant legal rules. Recognised standards are applied to ensure that fundraising is open, honest and respectful, protecting the public from undue pressure to donate. During the year no complaints or issues have arisen as a result of fundraising activities. Complaints are handled and monitored through the Trust's complaints procedure.

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:

- Exploration of Multi-Academy Status
- 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.

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GOVERNORS' REPORT (continued)
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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.

The Governors' report, incorporating a strategic report, was approved by order of the Board of Governors, as the company directors, on 19/12/18 and signed on its behalf by:


J. Mursell
Chair of Governors

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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 the 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
K Allman	4	6
R Andrews	6	6
C Buller, Staff Governor	1	1
R Cass	5	6
D Clark	1	1
J Connor	4	6
M Foster	6	6
F Holmes	4	6
L Jackson	6	6
S Jones, Staff Governor	6	6
M McLeman, Head Teacher and Accounting Officer	6	6
P Merchant	1	2
J Mursell	6	6
S Powis	6	6
D Sims	6	6
D Sowry - House	1	4
H Turner, Chair of Governors	4	6
E Willis, Staff Governor	0	1
P Bevan	0	0
E Hunt	0	0
V Slade	2	2

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GOVERNANCE STATEMENT (continued)

The Finance & Audit Committee (FAC) is a sub-Committee of the Governing Body. Its purpose is to:

1. **Finance** - to provide guidance and assistance to the Governing Body 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 ESFA, to ensure best value is achieved in all financial transactions.
2. **Audit** - to maintain an oversight of the Academy Trust's governance, risk management, internal control and value for money framework.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
R Andrews (Chair)	6	6
D Clark (resigned 18th Sept 2017)	1	1
J Connor	6	6
L Jackson	5	6
M McLeman	5	6
H Turner	3	6

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 Governing Body and sub-committees.

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the 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:

- 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

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GOVERNANCE STATEMENT (continued)

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 the 2017-2018 year the School has delivered the following important VfM initiatives:

- Staff Restructure, including teaching and support staff.
- Lettings/Event Sponsorship:
The academy continues to explore every opportunity to generate income through the hire of its facilities and has increased revenue from this activity to £110K during this period. The income raised is used to support and enhance the educational provision to students.
- RHI: the school has successfully implement the RHI funding for our biomass boiler producing an income of £31,764 in this financial year.
- 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. This work has generated an income of £44,720 in this financial year.

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 2017 to 31 August 2018 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 2017 to 31 August 2018 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;

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

GOVERNANCE STATEMENT (continued)

- 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 reviewer's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems.

On a quarterly basis, the reviewer reports to the Board of Governors through the audit committee on the operation of the systems of control and on the discharge of the Board of Governors' financial responsibilities.

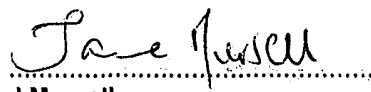
REVIEW OF EFFECTIVENESS

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:

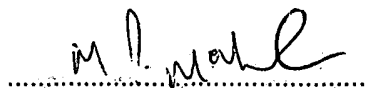
- the work of the reviewer;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

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 19/12/18 and signed on their behalf, by:



J Mursell
Chair of Governors



M McLeman
Accounting Officer

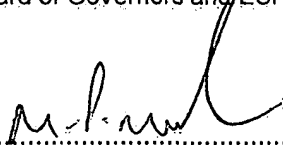
QUEEN ELIZABETH'S SCHOOL (WIMBORNE MINSTER)
(A company limited by guarantee)

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 & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

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 2017.

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 ESFA.



.....
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 2018**

The Governors (who 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 & Skills 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:

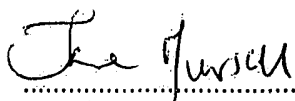
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the 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 ESFA/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 19/12/18 and signed on its behalf by:


.....
J. Mursell
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)

OPINION

We have audited the financial statements of Queen Elizabeth's School (Wimborne Minster) (the 'academy') for the year ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance sheet, the Cash flow statement and the related notes, including a summary of significant accounting policies. 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2018 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 2017 to 2018 issued by the Education & Skills Funding Agency.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

OTHER INFORMATION

The Governors are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

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)

work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Governors' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements;
- the Governors' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF GOVERNORS

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, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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)

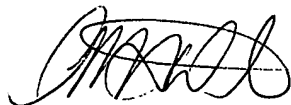
AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

USE OF OUR REPORT

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 opinions we have formed.



Louise Hallsworth 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: 20.12.2018

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 & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 15 September 2015 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, 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 2017 to 31 August 2018 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 ESFA 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 ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Queen Elizabeth's School (Wimborne Minster) and the ESFA, 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 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy'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 & SKILLS 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 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Louise Hallsworth FCA

James Cowper Kreston

Chartered Accountants and Statutory Auditor

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

Date: 10.12.2018

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 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	As restated Total funds 2017 £
INCOME FROM:						
Donations and capital grants	2	7,311	-	32,749	40,060	84,090
Charitable activities	5	234,721	8,341,624	-	8,576,345	8,587,724
Other trading activities	3	111,628	-	-	111,628	125,938
Investments	4	301	-	-	301	439
TOTAL INCOME		353,961	8,341,624	32,749	8,728,334	8,798,191
EXPENDITURE ON:						
Raising funds		1,234	-	-	1,234	73,298
Charitable activities		262,825	8,969,745	667,831	9,901,635	9,819,228
TOTAL EXPENDITURE	7	264,059	8,969,745	667,831	9,901,635	9,892,526
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		89,902	(628,121)	(635,082)	(1,173,301)	(1,094,335)
Actuarial gains on defined benefit pension schemes	21	-	572,000	-	572,000	264,000
NET MOVEMENT IN FUNDS		89,902	(56,121)	(635,082)	(601,301)	(830,335)
RECONCILIATION OF FUNDS:						
Total funds brought forward		121,372	(3,477,391)	21,623,814	18,267,795	25,183,840
Prior year adjustment (Note 15)		-	-	-	-	(6,085,710)
TOTAL FUNDS CARRIED FORWARD		211,274	(3,533,512)	20,988,732	17,666,494	18,267,795

QUEEN ELIZABETH'S SCHOOL (WIMBORNE MINSTER)

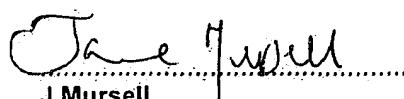
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REGISTERED NUMBER: 08696394

**BALANCE SHEET
AS AT 31 AUGUST 2018**

	Note	£	2018 £	2017 As restated £
FIXED ASSETS				
Tangible assets	12		20,932,043	21,578,965
CURRENT ASSETS				
Debtors	13	261,130		209,063
Cash at bank and in hand		42,998		306,202
		<u>304,128</u>		<u>515,265</u>
CREDITORS: amounts falling due within one year	14	<u>(795,677)</u>		<u>(840,435)</u>
NET CURRENT LIABILITIES			<u>(491,549)</u>	<u>(325,170)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>20,440,494</u>	<u>21,253,795</u>
Defined benefit pension scheme liability	21		<u>(2,774,000)</u>	<u>(2,986,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>17,666,494</u></u>	<u><u>18,267,795</u></u>
FUNDS OF THE ACADEMY				
Restricted income funds:				
Restricted income funds	16	(759,512)		(491,391)
Restricted fixed asset funds	16	<u>20,988,732</u>		<u>21,623,814</u>
Restricted income funds excluding pension liability		<u>20,229,220</u>		<u>21,132,423</u>
Pension reserve		<u>(2,774,000)</u>		<u>(2,986,000)</u>
Total restricted income funds			<u>17,455,220</u>	<u>18,146,423</u>
Unrestricted income funds	16		<u>211,274</u>	<u>121,372</u>
TOTAL FUNDS			<u><u>17,666,494</u></u>	<u><u>18,267,795</u></u>

The financial statements on pages 24 to 49 were approved by the Governors, and authorised for issue, on 14/12/18 and are signed on their behalf, by:


J Mursell
Chair of Governors

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash used in operating activities	18	(242,596)	(38,387)
Cash flows from investing activities:			
Interest receivable		301	439
Purchase of tangible fixed assets		(20,909)	(27,876)
Net cash used in investing activities		(20,608)	(27,437)
Change in cash and cash equivalents in the year		(263,204)	(65,824)
Cash and cash equivalents brought forward		306,202	372,026
Cash and cash equivalents carried forward	19	42,998	306,202

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgments 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 2017 to 2018 issued by ESFA, 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.

1.2 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.

1.3 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 funders where the asset acquired or created is held for a specific purpose.

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)

1.4 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 receipt is probable 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.

1.5 Expenditure

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

Expenditure on raising funds includes all expenditure incurred by the Academy to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities are costs incurred on the Academy's educational operations, including support costs and those costs relating to the governance of the Academy appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)

1.6 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.

1.7 Tangible fixed assets and depreciation

All assets costing more than £750 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

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:

Long term leasehold land and buildings	-	Building: Straight line over 50 years
Furniture and fixtures	-	Leasehold Land: Straight line over 125 years
Computer equipment	-	10% Straight line
	-	12.5 - 33% Straight line

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

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

1.8 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)

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 and provisions 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 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

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1. ACCOUNTING POLICIES (continued)

1.14 Pensions

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy 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 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities 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.

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**NOTES TO THE FINANCIAL STATEMENTS
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1. ACCOUNTING POLICIES (continued)

1.15 Critical accounting estimates and areas of judgment

Estimates and judgments 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 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. 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 judgment:

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 values.

Operating lease commitments

The academy trust has entered into commercial lease contracts and as a lessee it obtains use. The classification of such leases as operating or finance lease requires the academy trust to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

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**NOTES TO THE FINANCIAL STATEMENTS
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2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	7,311	-	-	7,311	24,357
Capital Grants	-	-	32,749	32,749	59,733
	<u>7,311</u>	<u>-</u>	<u>32,749</u>	<u>40,060</u>	<u>84,090</u>
Total 2017	<u>24,357</u>	<u>-</u>	<u>59,733</u>	<u>84,090</u>	

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Lettings income	96,413	-	96,413	99,376
Catering	15,215	-	15,215	26,562
	<u>111,628</u>	<u>-</u>	<u>111,628</u>	<u>125,938</u>
Total 2017	<u>125,938</u>	<u>-</u>	<u>125,938</u>	

4. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Interest income	301	-	301	439
Total 2017	<u>439</u>	<u>-</u>	<u>439</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

5. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Educational operations (see below)	-	7,686,359	7,686,359	7,799,247
Local Authority	-	116,590	116,590	193,766
Other income from educational activities	234,721	538,675	773,396	594,711
	<u>234,721</u>	<u>8,341,624</u>	<u>8,576,345</u>	<u>8,587,724</u>
Total 2017	<u>175,449</u>	<u>8,412,275</u>	<u>8,587,724</u>	

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	7,447,784	7,447,784	7,549,487
Other DfE/ESFA grants	-	238,575	238,575	249,760
	<u>-</u>	<u>7,686,359</u>	<u>7,686,359</u>	<u>7,799,247</u>
Total 2017	<u>-</u>	<u>7,799,247</u>	<u>7,799,247</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
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6. CHARITABLE ACTIVITIES

	Total funds 2018 £	Total funds As restated 2017 £
DIRECT COSTS		
Wages and salaries	4,525,347	4,435,925
National insurance	454,133	452,930
Pension cost	790,898	762,758
Depreciation	667,831	678,151
Net pension scheme finance cost	21,684	16,187
Technology	35,161	5,031
Educational supplies	79,262	79,421
Staff development	15,295	12,316
Examination fees	195,649	218,473
Other staff costs	16,064	72,929
Other direct costs	186,868	168,608
	<u>6,988,192</u>	<u>6,902,729</u>
SUPPORT COSTS		
Wages and salaries	861,711	820,398
National insurance	77,117	74,471
Pension cost	354,234	332,690
Net pension scheme finance cost	53,316	46,813
Technology costs	137,790	140,381
Recruitment and support	-	7,921
Maintenance of premises	83,601	158,401
Maintenance of equipment	8,695	5,200
Cleaning	151,140	162,490
Rates	78,529	80,494
Water rates	44,249	22,656
Energy	218,243	204,163
Insurance	46,835	61,336
Security	5,099	3,052
Transport costs	33,207	44,329
Catering	262,825	225,286
Bank interest and charges	624	133
Staff travel	3,251	5,516
Auditors' remuneration	9,055	7,100
Auditors' remuneration - non audit	6,120	4,510
Other staff costs	-	8,415
Other support costs	476,568	500,744
	<u>2,912,209</u>	<u>2,916,499</u>
	<u><u>9,900,401</u></u>	<u><u>9,819,228</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
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7. EXPENDITURE

	Staff costs	Premises	Other costs	Total	Total 2017 As restated
	2018 £	2018 £	2018 £	2018 £	As restated £
Expenditure on raising funds					73,298
Direct costs	-	-	1,234	1,234	-
Support costs	-	-	-	-	-
Activities:					
Direct costs	5,770,378	667,831	549,983	6,988,192	6,902,729
Support costs	1,309,126	584,457	1,018,626	2,912,209	2,916,499
	<u>7,079,504</u>	<u>1,252,288</u>	<u>1,569,843</u>	<u>9,901,635</u>	<u>9,892,526</u>
As restated total 2017	<u>7,003,036</u>	<u>1,311,555</u>	<u>1,577,935</u>	<u>9,892,526</u>	

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £	2017 As restated £
Depreciation of tangible fixed assets: - owned by the charity	667,831	678,151
Auditors' remuneration - audit	7,300	7,100
Auditors' remuneration - other services	<u>3,320</u>	<u>4,510</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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9. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £	As restated 2017 £
Wages and salaries	5,291,212	5,270,443
Social security costs	531,250	527,401
Operating costs of defined benefit pension schemes	1,145,132	1,095,448
	<u>6,967,594</u>	<u>6,893,292</u>
Agency staff costs	16,064	81,344
Staff restructuring costs	95,846	28,400
	<u><u>7,079,504</u></u>	<u><u>7,003,036</u></u>
Staff restructuring costs comprise:		
Severance payments	<u><u>95,846</u></u>	<u><u>28,400</u></u>

b. Non-statutory/non-contractual staff severance payments

Included in staff costs are non-statutory/non-contractual severance payments totalling £95,846 (2017: £28,400). The individual payments were £25,000 paid on 02/11/2018; £18,500 paid on 14/09/2018; £18,226 paid over a 3 month period from July - September, £10,500 paid on 12/03/2018; £10,000 paid on 12/03/2018; £10,000 paid on 18/09/2018; £2,060 paid on 20/06/2018 and £1,560 paid on 19/06/2018.

c. Staff numbers

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

	2018 No.	2017 No.
Teachers	97	108
Administration and support	61	74
Management	8	8
	<u>166</u>	<u>190</u>

Average headcount expressed as a full time equivalent:

	2018 No.	2017 No.
Teachers	84	94
Administration and support	46	55
Management	8	8
	<u>138</u>	<u>157</u>

d. Higher paid staff

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

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9. STAFF COSTS (continued)

	2018 No.	2017 No.
In the band £60,001 - £70,000	1	1
In the band £70,001 - £80,000	2	0
In the band £100,001 - £200,000	1	1

The above employees all participated in the Teachers' Pension Scheme. During the period ended 31 August 2018, pension contributions for these staff members amounted to £50,074 (2017: £27,201).

e. Key management personnel

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 £762,754 (2017: £854,850).

10. GOVERNORS' REMUNERATION AND EXPENSES

One or more Governors has been paid remuneration or has received other benefits from an employment with the academy. The Principal 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:

		2018 £	2017 £
M McLeman, Head Teacher and Accounting Officer	Remuneration	105,000-110,000	100,000-105,000
	Pension contributions paid	15,000-20,000	15,000-20,000
C Buller, Staff Governor	Remuneration	50,000-55,000	45,000-50,000
	Pension contributions paid	5,000-10,000	5,000-10,000
S Powis, Staff Governor	Remuneration	15,000-20,000	
	Pension contributions paid	0-5,000	
S Jones, Staff Governor	Remuneration	40,000-45,000	40,000-45,000
	Pension contributions paid	5,000-10,000	5,000-10,000
E Willis, Staff Governor	Remuneration	35,000-40,000	50,000-55,000
	Pension contributions paid	5,000-10,000	5,000-10,000

During the year ended 31 August 2018, no Governors received any reimbursement of expenses (2017 - £NIL to Governors).

Last year, H Turner to provide governance support to another Academy Trust. 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.

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**NOTES TO THE FINANCIAL STATEMENTS
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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 2018 was £Nil (2017 - £1,587).

12. TANGIBLE FIXED ASSETS

	Long term leasehold land and buildings As restated £	Fixtures and fittings £	Computer Equipment £	Total £
Cost				
At 1 September 2017 (as previously stated)	27,885,000	1,484,833	219,906	29,589,739
Prior year adjustment	(6,186,300)	-	-	(6,186,300)
At 1 September 2017 (as restated)	21,698,700	1,484,833	219,906	23,403,439
Additions	-	4,138	16,771	20,909
At 31 August 2018	21,698,700	1,488,971	236,677	23,424,348
Depreciation				
At 1 September 2017 (as previously stated)	1,226,901	595,447	153,011	1,975,359
Prior year adjustment	(150,885)	-	-	(150,885)
At 1 September 2017 (as restated)	1,076,016	595,447	153,011	1,824,474
Charge for the year	421,017	211,998	34,816	667,831
At 31 August 2018	1,497,033	807,445	187,827	2,492,305
Net book value				
At 31 August 2018	20,201,667	681,526	48,850	20,932,043
At 31 August 2017 (as restated)	20,622,684	889,386	66,895	21,578,965

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 playing fields are under a 125 year lease with Queen Elizabeth School Trust which took effect from and including 1 November 2014.

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**NOTES TO THE FINANCIAL STATEMENTS
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13. DEBTORS

	2018 £	2017 £
Trade debtors	53,148	29,319
VAT debtor	70,092	66,660
Other debtors	10,828	2,175
Prepayments and accrued income	127,062	110,909
	<u>261,130</u>	<u>209,063</u>

14. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	99,540	394,767
Other taxation and social security	232,816	246,744
ESFA Creditor	195,000	-
Other creditors	43,035	89,909
Accruals and deferred income	225,286	109,015
	<u>795,677</u>	<u>840,435</u>

	2018 £	2017 £
Deferred income		
Deferred income at 1 September 2017	90,257	90,257
Resources deferred during the year	151,241	87,527
Amounts released from previous years	(90,257)	(90,257)
Deferred income at 31 August 2018	<u>151,241</u>	<u>87,527</u>

At the balance sheet date the Academy Trust was holding funds received in advance of £45,347 (2017: £46,137) for grants relating to the year ended 31 August 2018. The remaining £105,894 is in relation to monies received from parents for trips, catering and school expenditure for the new academic year.

15. PRIOR YEAR ADJUSTMENT

To ensure compliance with the Accounts Direction 2018, land owned by the Diocese of Salisbury has been removed from fixed assets. The total land value on conversion to an academy was £7,278,000 of which £6,186,300 is owned by the Diocese. The land owned by the Diocese was previously being accounted for it as if it were under a long term lease.

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**NOTES TO THE FINANCIAL STATEMENTS
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16. STATEMENT OF FUNDS

	Balance at 1 September 2017 As restated £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds					
General funds	121,372	353,961	(264,059)	-	211,274
Restricted funds					
General Annual Grant (GAG)	(491,391)	7,447,784	(7,715,905)	-	(759,512)
Other DfE/ESFA grants	-	238,575	(238,575)	-	-
Other	-	116,590	(116,590)	-	-
Local Authority	-	538,675	(538,675)	-	-
Pension reserve	(2,986,000)	-	(360,000)	572,000	(2,774,000)
	<u>(3,477,391)</u>	<u>8,341,624</u>	<u>(8,969,745)</u>	<u>572,000</u>	<u>(3,533,512)</u>
Restricted fixed asset funds					
DfE/ESFA capital grants	58,470	32,749	(3,429)	-	87,790
Capital expenditure from GAG	32,399	-	(14,682)	-	17,717
Assets on conversion	21,532,945	-	(649,720)	-	20,883,225
	<u>21,623,814</u>	<u>32,749</u>	<u>(667,831)</u>	<u>-</u>	<u>20,988,732</u>
Total restricted funds	<u>18,146,423</u>	<u>8,374,373</u>	<u>(9,637,576)</u>	<u>572,000</u>	<u>17,455,220</u>
Total of funds	<u>18,267,795</u>	<u>8,728,334</u>	<u>(9,901,635)</u>	<u>572,000</u>	<u>17,666,494</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 and Skills 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 2018.

Local Authority grants represents money given to the Academy through grants. In 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 purchased from GAG represent amounts spent on fixed assets from the GAG funding received from the ESFA.

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16. STATEMENT OF FUNDS (continued)

DfE/ESFA Capital grants include devolved capital funding and amounts received from the Academies Capital Maintenance Fund.

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 As restated £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General funds						
General funds	140,905	306,926	(298,583)	(27,876)	-	121,372
Restricted funds						
General Annual Grant (GAG)	(347,261)	7,549,487	(7,693,617)	-	-	(491,391)
Other DfE/ESFA grants	-	249,760	(249,760)	-	-	-
Local Authority	-	193,766	(193,766)	-	-	-
Other	-	438,519	(438,519)	-	-	-
	(2,937,000)	-	(313,000)	-	264,000	(2,986,000)
	(3,284,261)	8,431,532	(8,888,662)	-	264,000	(3,477,391)
Restricted fixed asset funds						
DfE/ESFA capital grants	29,296	32,603	(3,429)	-	-	58,470
Capital expenditure from GAG	12,894	-	(8,603)	28,108	-	32,399
Assets on conversion	22,249,591	-	(716,414)	(232)	-	21,532,945
Private sector	-	27,130	(27,130)	-	-	-
	22,291,781	59,733	(755,576)	27,876	-	21,623,814
Total restricted funds	19,007,520	8,491,265	(9,644,238)	27,876	264,000	18,146,423
Total of funds	19,148,425	8,798,191	(9,942,821)	-	264,000	18,267,795

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**NOTES TO THE FINANCIAL STATEMENTS
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A CURRENT YEAR 12 MONTHS AND PRIOR YEAR 12 MONTHS COMBINED POSITION IS AS FOLLOWS:

	Balance at 1 September 2016 As restated £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General funds	140,905	660,887	(562,642)	(27,876)	-	211,274
Restricted funds						
General Annual Grant (GAG)	(347,261)	14,997,271	(15,409,522)	-	-	(759,512)
Other DfE/ESFA grants	-	488,335	(488,335)	-	-	-
	-	116,590	(116,590)	-	-	-
Local Authority	-	732,441	(732,441)	-	-	-
Other	-	438,519	(438,519)	-	-	-
	(2,937,000)	-	(673,000)	-	836,000	(2,774,000)
	<u>(3,284,261)</u>	<u>16,773,156</u>	<u>(17,858,407)</u>	<u>-</u>	<u>836,000</u>	<u>(3,533,512)</u>
Restricted fixed asset funds						
DfE/ESFA capital grants	29,296	65,352	(6,858)	-	-	87,790
Capital expenditure from GAG	12,894	-	(23,285)	28,108	-	17,717
Assets on conversion	22,249,591	-	(1,366,134)	(232)	-	20,883,225
Private sector	-	27,130	(27,130)	-	-	-
	<u>22,291,781</u>	<u>92,482</u>	<u>(1,423,407)</u>	<u>27,876</u>	<u>-</u>	<u>20,988,732</u>
Total Restricted funds	<u>19,007,520</u>	<u>16,865,638</u>	<u>(19,281,814)</u>	<u>27,876</u>	<u>836,000</u>	<u>17,455,220</u>
Total of funds	<u><u>19,148,425</u></u>	<u><u>17,526,525</u></u>	<u><u>(19,844,456)</u></u>	<u><u>-</u></u>	<u><u>836,000</u></u>	<u><u>17,666,494</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
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17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	20,932,043	20,932,043
Current assets	211,274	36,165	56,689	304,128
Creditors due within one year	-	(795,677)	-	(795,677)
Provisions for liabilities and charges	-	(2,774,000)	-	(2,774,000)
	<u>211,274</u>	<u>(3,533,512)</u>	<u>20,988,732</u>	<u>17,666,494</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds As restated 2017 £
Tangible fixed assets	-	-	21,578,965	21,578,965
Current assets	121,372	349,044	44,849	515,265
Creditors due within one year	-	(840,435)	-	(840,435)
Provisions for liabilities and charges	-	(2,986,000)	-	(2,986,000)
	<u>121,372</u>	<u>(3,477,391)</u>	<u>21,623,814</u>	<u>18,267,795</u>

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

	2018 £	2017 As restated £
Net expenditure for the year (as per Statement of Financial Activities)	(1,173,301)	(1,094,335)
Adjustment for:		
Depreciation charges	667,831	678,151
Dividends, interest and rents from investments	(301)	(439)
(Increase)/decrease in debtors	(52,067)	4,302
(Decrease)/increase in creditors	(44,758)	60,934
Defined benefit pension scheme cost less contributions payable	360,000	313,000
Net cash used in operating activities	<u>(242,596)</u>	<u>(38,387)</u>

19. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash at bank and in the hand	42,998	306,202
Total	<u>42,998</u>	<u>306,202</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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20. CONTINGENT LIABILITIES

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

21. 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 2016.

Contributions amounting to £Nil were payable to the schemes at 31 August 2018 (2017 - 109,122) 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

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

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

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

The employer's pension costs paid to TPS in the period amounted to £649,099 (2017 - £647,723).

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**NOTES TO THE FINANCIAL STATEMENTS
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21. PENSION COMMITMENTS (continued)

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).

Under the definitions set out in FRS 102, the TPS is an unfunded 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 2018 was £282,000 (2017 - £263,314), of which employer's contributions totalled £213,000 (2017 - £197,725) and employees' contributions totalled £69,000 (2017 - £65,589). The agreed contribution rates for future years are 18.8% 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:

	2018	2017
Discount rate for scheme liabilities	2.65 %	2.60 %
Rate of increase in salaries	3.80 %	4.20 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %
Inflation assumption (CPI)	1.00 %	2.70 %
RPI increases	2.30 %	3.60 %

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

	2018	2017
Retiring today		
Males	24	23.9
Females	26.1	26.0
Retiring in 20 years		
Males	26.3	26.2
Females	28.5	28.3

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**NOTES TO THE FINANCIAL STATEMENTS
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21. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	1,306,000	1,167,000
Gilts	299,000	282,000
Corporate bonds	165,000	240,000
Property	242,000	186,000
Cash and other liquid assets	22,000	56,000
Other	245,000	185,000
Multi Asset Credit	111,000	-
Total market value of assets	<u>2,390,000</u>	<u>2,116,000</u>

The actual return on scheme assets was £52,000 (2017 - £218,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2018 £	2017 £
Current service cost	(496,000)	(447,000)
Interest income	58,000	40,000
Interest cost	(133,000)	(103,000)
Administration expenses	(2,000)	(1,000)
Total	<u>(573,000)</u>	<u>(511,000)</u>

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

	2018 £	2017 £
Opening defined benefit obligation	5,102,000	4,631,000
Current service cost	496,000	447,000
Interest cost	133,000	103,000
Employee contributions	69,000	68,000
Actuarial gains	(578,000)	(138,000)
Benefits paid	(58,000)	(9,000)
Past service costs	9,000	-
Closing defined benefit obligation	<u>5,173,000</u>	<u>5,102,000</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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21. PENSION COMMITMENTS (continued)

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

	2018 £	2017 £
Opening fair value of scheme assets	2,116,000	1,694,000
Interest income	58,000	40,000
Actuarial gains/(losses)	(6,000)	126,000
Employer contributions	213,000	198,000
Employee contributions	69,000	68,000
Benefits paid	(58,000)	(9,000)
Administration expenses	(2,000)	(1,000)
Closing fair value of scheme assets	<u>2,390,000</u>	<u>2,116,000</u>

22. OPERATING LEASE COMMITMENTS

At 31 August 2018 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts payable:		
Within 1 year	16,905	-
Between 1 and 5 years	16,905	-
After more than 5 years	25,315	-
Total	<u>59,125</u>	<u>-</u>

23. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which Governors have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the Academy's financial regulations and normal procurement procedures relating to connected and related party transactions.

	2018 £
Salisbury Diocese Board of Education	<u>3,600</u>

24. CONTROLLING PARTY

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

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NOTES TO THE FINANCIAL STATEMENTS
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25. MEMBERS' LIABILITY

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