

Company Registration No. 07611345 (England and Wales)



QUEEN MARY'S HIGH SCHOOL (WALSALL)

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2015

QUEEN MARY'S HIGH SCHOOL (WALSALL)

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QUEEN MARY'S HIGH SCHOOL (WALSALL)

REFERENCE AND ADMINISTRATIVE DETAILS

Members (As appointed by The Queen Mary's Schools' Foundation)

Vivian Fairbank
Philip Sturrock MBE
John Vallance
John Punch
Rebecca Hearsey
Susan Blakemore
June Aubrook
Peter Stretton
William Stephens

Governors Foundation Governors

Rebecca Hearsey (Chair)
Nicholas Chomyk (Resigned 23 September 2014)
Vivian Fairbank
Lesley Ford (Resigned 22 September 2014)
Abigail Gracie
Mary Jones
Susan Blakemore
Rose Martin (Resigned 1 September 2015)
Georgina Binder
Stephen Martin

Staff Governors

Alison Bruton (Head Teacher)
Kendrick Whitehead
Lynn Dean (Resigned 16 December 2014)
Benjamin Adams (Appointed 16 January 2015)

Parent Governors

Lavinia Daniels (Resigned 9 March 2015)
Tim Normanton (Appointed 24 October 2014)
Sukhwinder Salh (Appointed 4 November 2015)

Mrs Fairbank, Mrs Blakemore, Mrs Jones, Miss Hearsey, Dr Bruton, Mrs Dean, Mrs Daniels, Mr Martin, Mr Adams, Mrs Martin and Miss Gracie are members of the Curriculum, Personnel, Pupil Progress and Well-being committee.

Mrs Fairbank, Mrs Blakemore, Miss Hearsey, Dr Bruton, Mr Whitehead, Mrs Martin, Mrs Binder, Mr Martin and Mr Normanton are members of the Resources committee.

Senior leadership team

Head Teacher	Alison Bruton
Deputy Head Teacher	Kathryn Causier
Assistant Head Teacher	Carole Kenny
Assistant Head Teacher	Gail Ralphs

Secretary and clerk

Charles Underwood

Company registration number

07611345 (England and Wales)

QUEEN MARY'S HIGH SCHOOL (WALSALL)

REFERENCE AND ADMINISTRATIVE DETAILS

Principal address Upper Forster Street
Walsall
West Midlands
WS4 2AE

Registered office 26 Birmingham Road
Walsall
West Midlands
WS1 2LZ

Independent auditor Whitehouse Ridsdale
26 Birmingham Road
Walsall
West Midlands
WS1 2LZ

Bankers Lloyds Bank plc
The Bridge
Walsall
West Midlands
WS1 1LU

Barclays Bank plc
20 - 22 Park Street
Walsall
West Midlands
WS1 1NG

QUEEN MARY'S HIGH SCHOOL (WALSALL)

GOVERNORS' REPORT

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

The Trust operates a selective girls' grammar school with academy status, based in Walsall for pupils aged 11 to 16, with a mixed but predominately female sixth form for pupils aged 16 to 18. The academy attracts pupils with varied ethnic and socio-economic backgrounds from a broad geographic area surrounding Walsall. It has a roll of 720 in the school census on October 2015.

Structure, governance and management

Constitution

The academy 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 trust. The trustees of Queen Mary's High School (Walsall) are also the directors of the charitable company for the purposes of company law. The charitable company is known as Queen Mary's High School.

Details of the governors who served throughout the period except as noted are included in the reference and administrative details on page 1.

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £1, for the debts and liabilities contracted before they ceased to be a member.

Governors' indemnities

Since incorporation and until 31st March 2015, the governors have been indemnified through a policy with Ecclesiastical Insurance Company as to their legal liability for financial loss arising out of negligence, accidental error or omission as part of their official duties. From 1st April 2015 the governors agreed to join the Academies' Risk Protection Arrangement, a Government backed compensation scheme offered by the Education funding Agency to Academies. The governors elected to join the RPA after considering the level of compensation offered as well as the scheme's value for money.

Method of recruitment and appointment or election of governors

The Governing body consists of the Head Teacher (who is appointed ex officio), two Staff Governors, two Parent Governors, and 7 Foundation Governors, though the Articles permit more Foundation governors to be appointed.

Staff Governors are elected by the paid members of staff employed by the School; the Clerk to the Governors conducts the process, inviting nominations from eligible members of staff. If there are more nominations than vacancies, the Clerk conducts a ballot of the staff and the person is appointed by a simple majority.

Parent Governors are elected by the parents of all pupils currently on the roll of the School. The Clerk to the Governors conducts the process, inviting nominations proposed and seconded by two parents of pupils on the roll. If there are more nominations than vacancies, the Clerk conducts a ballot of all parents of pupils currently on the roll, and the person is appointed by a simple majority.

The Queen Mary's Schools' Foundation is a charitable organisation with a Board of Trustees comprising of governors from all three schools in the Foundation (the Queen Mary's High School, the Queen Mary's Grammar School and the Mayfield Preparatory School), and additional trustees who have connections with the schools, though are not employed by them. The Trustees of the Foundation are also the Members of

QUEEN MARY'S HIGH SCHOOL (WALSALL)

GOVERNORS' REPORT (CONTINUED)

both the Queen Mary's High and Queen Mary's Grammar Schools. The Foundation has overall responsibility for appointing the Foundation Governors, after nominations from the school, or of its own volition. In appointing, the Foundation will give consideration to the skills mix of the Governing Body to preserve the character of the School as a selective grammar school.

Policies and procedures adopted for the induction and training of governors

The Clerk to the Governors is responsible for inducting new Governors, and supplies them with background information, including details of the Governing Body; Minutes of meetings held in the last 12 months; a copy of the latest Governors' Handbook; and details about the Foundation and the schools. In addition, the Clerk meets new governors to resolve any questions and discuss the legal and practical issues arising from appointment. A visit to the school is also included in the induction.

Details of training provided by the local authority's Governance Support team is provided and governors are encouraged to attend. The School makes available to Governors the opportunity to attend formal training sessions. The School is affiliated to the National Governors' Association and the recently formed Walsall Governors' Association. Governors also have individual access to specialist web based information sources to support their work.

Organisational Structure

The members have appointed a Board of Governors which has established a number of committees with terms of reference which are reviewed annually. The two principal committees are the Resources Committee (that deals with property and financial issues affecting the school), and the Curriculum, Personnel, Pupil Progress and Wellbeing Committee. Other committees deal with specific issues of Admissions, Pay, and Performance Review of staff including the Head Teacher. These committees convene regularly.

The Board has also established committees to convene when required to deal with Staffing, Pupil Discipline, and appeals from these, and also a Complaints Panel (which includes an independent member) to deal with issues that cannot be resolved internally. Delegated authority has been given to the Clerk to convene these committees when required, and to select eligible Governors.

All committees report in detail to the Board of Governors which meets four times a year.

Responsibility for the day to day leadership and management of the School is devolved to the Head Teacher and the Senior Leadership Team (SLT). The SLT comprises the Head Teacher, one Deputy Head, and two Assistant Heads. The SLT meets regularly to discuss all aspects of the School. From these meetings, recommendations for action are considered by the Board of Governors and its relevant committees.

The Foundation (referred to at various points in this report) also employs a full time Clerk, who acts also as Clerk to the Governors for the School.

Related parties and other connected charities and organisations

The Clerk to the Governors maintains a register of Business Interests, including details of related parties, so as to identify potential conflicts of interest. In the unlikely event of a potential conflict, this register enables the Governing Body to manage the matter in a most appropriate way. In addition, all agendas for Governors' meetings (including Committee meetings) have "Declarations of Interest" as a standing item, requiring governors to confirm any possible conflict on the agenda, or any changes to their original declarations. Governors, senior staff with potential influence on spending, and all staff with budgetary responsibility are required to complete the declaration of interest form annually.

QUEEN MARY'S HIGH SCHOOL (WALSALL)

GOVERNORS' REPORT (CONTINUED)

The Queen Mary's Schools' Foundation ("The Foundation" – Charity Number 529001) holds on Trust, as a permanent endowment, funds donated and investments made over the years since the founding of the first school of the Foundation, the Queen Mary's Grammar School, and subsequently since the creation of the High School in 1893. The endowment is used:

- to provide the School with benefits including funding of any kind as may be agreed from time to time between the Governing Bodies of the Foundation and the School;
- to promote the education of pupils at the School who may be in need of financial support.

The level of support has varied from year to year depending on the School's requirements.

Three of the Foundation Trustees are Governors of the School, and as well as having no overall control of the Foundation, they are bound by charity and trust law to act in the best interests of the school and the Foundation independently.

The Foundation Trustees are also the Members of the Academy Trust.

The Foundation owns the freehold land on which the School stands, which is let on a peppercorn rental to the School under a 125 year lease. A lease has been granted to the School for the use of playing fields at a site situated in Sutton Road, Walsall, where the Queen Mary's Grammar School is situated.

Under the constitution of the School, the Governing Body includes three governors who are employed staff at the school, including the Head Teacher. These Governors are not paid for their roles as governors, but as employees of the School under the normal terms and conditions applicable to teaching and non-teaching staff. Other than this, governors received no payment for their services, but may in limited circumstances be reimbursed for out of pocket expenses incurred wholly and exclusively on behalf of the school's business.

Recruitment of staff who may be connected to Governors is conducted in accordance with the School's recruitment policies and procedures and with the connected Governor having no vote or influence over such appointment.

Objectives and activities

The principal objective of the School is to provide high quality learning that helps all students to fulfil their intellectual potential, raise their aspirations and become emotionally well-balanced young people. The School prepares students to understand, contribute to, and succeed in a rapidly changing society. It is an outstanding girls' grammar school with a reputation for the highest academic standards. We aim to ensure that our students develop both the skills which education provides and the competencies essential for success and leadership in the emerging creative economy. We also focus on the individual needs of our students and the development of the 'whole person' together with the enjoyment of learning. Most of our students go on to Higher Education, with many attending Russell Group universities. Some of our students are successful in gaining Oxbridge places. The spirit of the school is demonstrated through embracing the core values which are responsibility, tolerance, honesty, respect and integrity. Alongside its academic programme which fulfils its principal objective, the school also undertakes a number of activities designed to enhance the whole individual student and we also provide opportunities for students to experience a wider cultural outlook including overseas visits.

Objects, Aims and Strategic Plans

The object of the School is to advance for the public benefit, education in the United Kingdom by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

The framework at Queen Mary's High School comprises six key features which reflect the school's strategic approach and which underpin all aspects of school life.

QUEEN MARY'S HIGH SCHOOL (WALSALL)

GOVERNORS' REPORT (CONTINUED)

Visionary Leadership

Research has long established that leadership is key to the success of a school and, in particular, to the success of its students. At Queen Mary's we see that visionary leadership lies within the remit not only of the Governing Body and the Senior Leadership Team but also with Subject Leaders, Personal Achievement Managers and Personal Development Managers as well as every teacher, as all are fundamentally leaders of learning, whatever their specific remit.

Governors carry out their joint roles of challenge and support for the school via frequent regular meetings and also through our Link Governor structure. They are keen to engage further and to maximise their ability to operate in an informed and strategic manner for the benefit of the school and to support the achievement of students.

There is a focus on high quality self-evaluation at all levels across the school. This includes input from students, staff, governors and parents, as appropriate. Subject Leaders are accountable for evaluating the work of their departments and will report their findings to Line Managers, with the intention of identifying development needs.

Academic and Curricular Excellence

As a selective school academic excellence might be considered as standard but we continue to focus on an inclusive approach which emphasises the importance of each student being supported in achieving their very best is integral to our school ethos. The academic achievement of all students coupled with an emphasis on stretch and challenge, and the enjoyment and love of learning are, therefore, key motivators for all staff, and are dominant features in our planning. These are underpinned by a strong emphasis on teaching that promotes learning, skill development, resilience, creativity, independence, resourcefulness and the ability to work successfully with others. It is our expectation that all students will fulfil or exceed their potential both in their academic studies as well as in other areas of the curriculum. Subject Leaders monitor the progress of individuals and ensure that differentiation is used to ensure that stretch and challenge are provided for all students.

The provision of a broad and balanced curriculum that is both responsive to the needs of students and to legislative developments continues to be a priority. A legacy of specialist status is our focus on the provision of opportunities to innovate, demonstrate and disseminate good practice, which has now been widened to encompass all curriculum areas. We will continue to use these as a driver for whole school improvement and will ensure that staff are provided with opportunities to share good practice with their colleagues in an atmosphere of mutual support and encouragement.

We continue to value the impact that our hugely successful informal curriculum can have on the lives of students. We are committed to the provision of a wide ranging programme that affords all students the opportunity to develop their wider skills and to enhance qualities such as confidence, independence and resilience. We value the contribution that the Extended Project Qualification, which is offered in the sixth form, makes in enhancing independent learning and academic research skills.

Outstanding Learning Environment

Taken in its broadest sense the learning environment encompasses many aspects including physical, social and emotional. At Queen Mary's we ensure that the school's physical environment enhances the learning experiences of students whilst ensuring that facilities to support learning, such as ICT, operate efficiently and effectively. In addition we make certain that students receive the learning and emotional support they need in order to thrive.

We strive to uphold high standards of behaviour in our students both within and outside school, as well as ensuring that the fabric and appearance of the school buildings and grounds are maintained to a high standard.

QUEEN MARY'S HIGH SCHOOL (WALSALL)

GOVERNORS' REPORT (CONTINUED)

Strong Ethos and Moral Code

Queen Mary's High School has a strong sense of family, and there is a great sense of pride about the school and its ethos, which is often commented upon by parents, students and visitors and ex pupils. Our pastoral care team is highly effective in responding to the individual and diverse needs of students and their families, with the importance of working together and good communication being emphasised even before girls join the school in Year 7. The diversity of our school with regard to culture, ethnicity and societal brings about benefits and opportunities for both our students and our staff to share and benefit from by the unique contributions each and everyone brings to the school. There is a firmly held attitude of mutual respect for all in our school community and we actively promote the values set out in the school's Vision Statement using a range of mechanisms to reinforce the moral code which underpins all that we do. We encourage our students to be good citizens both within and outside our school community and prepare them to uphold and demonstrate British Values and to become leaders in society.

Active Parental Engagement

We value the partnership between parents, their children and the school, in enabling students to fulfil their potential. We recognise the immense value of engaging parents by giving them skills to support their children in achieving their very best. The Home School Agreement together with the School Aims and Vision Statement encapsulate the key features and commitments of this relationship. We create opportunities for parents and staff to work together. We support and help overcome any difficulties within a students learning potential via effective support from both curricular and pastoral teams.

Outward Facing School

The designation of the Head Teacher as a National Leader of Education combined with the school becoming a National Support School gives impetus to the already blossoming work of supporting schools in the locality and beyond in ensuring that all children are able to enjoy a high quality of education.

The reputation of our school in the community is very important to us and we continue to seek opportunities to foster positive working relationships with Walsall Council, local schools (both primary and secondary), businesses and other organisations in order to ensure that Queen Mary's High School maintains its already impressive standing both locally and nationally.

We are committed to the provision of an outstanding education for our students and recognise the positive influence that links with external agencies can have. In this context the school continues to promote relevant international links and engagement in the globalisation agenda. We remain committed to the provision of high quality teacher training placements with the added benefit that these also provide valuable continuing professional development opportunities for our staff.

Resources and the Learning Environment

The school will focus on sustainability as a feature of developments but the age of the school buildings and listed building status is a natural inhibitor. The school will look to make more inroads into this field and aim to ensure that any developments are made in a sustainable context whilst operating within the requirements of best value.

With a diminishing budget driven by the funding model applied, all staff are required to ensure that goods and services are purchased and used efficiently so that value for money principles are adhered to as per our Value for Money Statement.

Objectives, strategies and activities

The school continues to monitor its performance and the achievements of its objectives through the School Improvement Plan (SIP), which also sets out the strategies, actions and timescales needed to achieve its objectives. This is an area which we are continually assessing with a view to improving and developing our

QUEEN MARY'S HIGH SCHOOL (WALSALL)

GOVERNORS' REPORT (CONTINUED)

performance in line with both our strategic vision and needs of our staff and students. The four main objectives are:

- Outstanding Teaching, Learning and Assessment
- Outstanding Personal Development and Well Being for Staff and Students
- Outstanding Leadership to Secure an Outstanding Future
- Outstanding Learning environment

Outstanding Teaching, Learning and Assessment

This objective is achieved by the following strategies:

- To ensure that all students are able to fulfil or exceed their potential
- Plan, prepare and implement changes in National Curriculum
- Focus on demonstrating progress
- Facilitation of development of transferable skills

The year saw the majority of our students reaching their academic potential (see Key Performance Indicators), with a significant number of students exceeding their targets. Changes to the national curriculum were implemented from September 2014. The staff promote and enhance learning with provision of clubs, after school "clinics" and "drop in" sessions for students across the key stages in the majority of subjects. Through setting goals and targets, staff have increased evidence in pupil progress. Our students are aware of the areas they can improve and develop and have plans on what their aims are and how they can achieve them. A focus on the development of transferrable skills that relate to employability is being taught enabling the pupils to identify and understand the requirements that employers desire. The school continues to employ a learning mentor to assist students in achieving their academic potential through the provision of Pupil Premium (where applicable).

Outstanding Personal Development and Well Being for Staff and Students

This objective is achieved by the following strategies:

- To further develop opportunities for student voice so that it becomes a driver for school improvement
- To maintain a focus on staff morale and well-being to support an effective and motivated workforce

The student council remains an effective vehicle in ensuring that the needs of students are met. We are encouraging research projects with the opportunity for outcomes to be reported back to staff/governors. The Kirkland Rowell survey is giving early indications of a general satisfaction with school provision across the Ofsted headings. The school also retains the services of a counselling service for both students and staff, and an SLT "open door" policy, combined with "listen up" sessions to ensure that staff feel their well being and professional development needs are met. An internal Continual Professional Development programme is being established in 2015/16 which will incorporate support for career development.

Outstanding Leadership to Secure an Outstanding Future

This objective is achieved by the following strategy:

- Ensuring that resources and personnel are used for the continuation of outstanding provision and outcomes

Individual aspirations and work ethics play a big part in progress. There is a focus on high quality self-evaluation at all levels across the school. Self and peer review of teaching practice aids the continuation of outstanding provision. Mutual lesson observations (trios) between staff members enable best practice to be shared between them, in order to further outstanding teaching across all departments. Resources are targeted to ensure that both middle and senior leaders are also developed in order to continue to contribute to the outstanding education the school provides. Resources are also made available for governors' development and knowledge, to enable them to contribute to their corporate leadership. We continue to

QUEEN MARY'S HIGH SCHOOL (WALSALL)

GOVERNORS' REPORT (CONTINUED)

enjoy the sharing of knowledge from Queen Mary's Grammar School where we look at ways the two schools are able to benefit and also through the Walsall Association of Secondary Heads of which our Head Teacher is currently chair person.

Learning reviews, face to face meetings and an encouragement of parental engagement with staff also contribute to an effective exchange of feedback from parents.

Outstanding Learning environment

This objective is achieved by the following strategy:

- To ensure that capital funding is targeted to ensure that facilities in school support enhance learning whilst working within limited ongoing resource availability

Limited capital funding is used effectively to enhance the learning environment. The current building fabric is good, however there are concerns over the financial capacity to maintain this given budgetary constraints. Reviews of the ICT facility are being carried out to produce long term strategies for maintenance of high quality provisions. There is also a concern around the boiler/heating costs. Replacement costs would be high. Long term planning will facilitate timely application to external funding sources.

Public benefit

The Governors have given consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education. The School provides education to children and young people that is:

- balanced and broadly based
- promotes the spiritual, moral, cultural, mental and physical development of students at the school
- prepares students at the school for the opportunities, responsibilities and experiences of later life
- promotes, sustains and increases individual and collective knowledge and understanding of specific areas of study, skills and expertise.

The School is subject to the current statutory arrangements as laid down in the national Admissions Code. In order to ensure that students at the School can benefit fully from the education provided, the Governors will consider the admission of children who attain the required standards with reference to ability and aptitude as indicated by their performance in the Entrance Test. Current arrangements for entry to the school are available on the school website.

In order to encourage students to understand the wider community responsibilities to others, the school encourages the undertaking of charitable activities. Over the year, the students were involved in various charity activities, as part of their house teams. The school raised in excess of £8400 for distribution to various charities including Tommy's, Lively Minds, Save the Children, DePaul UK, Birmingham and Solihull Womens Aid, and Red Nose Day. Staff also held a McMillan Coffee Morning. Representatives from the chosen charities are encouraged to come into school to speak to the students, and the students themselves often lead assemblies to share with other students their passion for these chosen charities.

QUEEN MARY'S HIGH SCHOOL (WALSALL)

GOVERNORS' REPORT (CONTINUED)

Strategic Report

Achievements and performance

This year we achieved 100% pass level at A level an increase on the previous year, however there was a slight reduction in the success in A*/A grades. The results were the best in the borough and we are very proud of the achievements of our students. Value added figures indicate that at both A Level and AS Level performance was significantly above average thus reflecting that all students, whatever their ability, are able to achieve well. This year one student obtained a place at Oxford University to read English Language and Literature.

The overall achievement percentage in Key Stage 4 increased this year and is a significant improvement on the prior year results. Whilst the overall % of A*/A grades was marginally lower than expected this year at Key Stage 4, this does not detract from the high achievement of some individuals and subjects. The number of students who achieved all A*/A grades rose from 8% to 25% marking a tremendous accomplishment. Attainment continues to exceed national averages by a large margin.

Financially, the academy made an operating deficit from its 2014/2015 EFA grant income despite making efficiency savings where possible. Due to the significant maintenance and refurbishment of the Grade II listed building last previous year, very little capital spend has taken place and our policy has been more akin with preventative maintenance than new works. During the year, the Academy has made an increased effort to increase revenues by actively participating and hosting a variety of funding stream activities. This year our Head Teacher is Chair of the Walsall Association of Secondary Heads, which has generated additional revenue. The Head Teacher has also been part of the National Leaders in Education programme being seconded to the Local Authority for one day per week advising poorer performing schools on improvement strategies, and the school are contributing to a virtual school programme.

We continue to spend Pupil Premium funding on various strategies for raising attainment, including providing a learning mentor and supporting the costs of the pastoral team who also support students more holistically in attaining their potential. In addition, some of the pupil premium was also used to support students attending educational trips, which is an essential part of the curriculum.

Students including Free School Meals and Pupil Premium students were successful in academic achievement at all key stages, and achievement at both GCSE and A Level is well above the national average.

The Duke of Edinburgh Awards Scheme continues to flourish and we have girls participating and achieving success at bronze, silver and gold levels. We continue to have sporting successes in netball and athletics in particular, and some students participated in a Magistrates Mock Trial, achieving success in the regional competition.

QUEEN MARY'S HIGH SCHOOL (WALSALL)

GOVERNORS' REPORT (CONTINUED)

Key Performance Indicators

Academic data:

	2015	2014
Examination Results	A Level	A Level
Pass rate	100.0%	99.6%
% A*	11.1%	15.4%
% A* or A	39.6%	42.5%
% A* to B	77.0%	65.1%

Destination	1st choice university	62%	58%
	Insurance choice university	12%	16%
	GAP year/other	25%	25%
	Apprenticeship	1%	1%

	GCSE	GCSE
Pass rate	95.6%	92.3%
% of students achieving all 5A*-C grades	96.0%	92.6%
% of grades at A*/A	63.9%	44.13%
% of grades at A* to B	86.9%	75.0%
Number Students achieving all A*/A grades	24	8
Of which all A*	2	0

Other academic

KPI's

Applicants for year 7 places - in excess of:	1400 for 120 places	1200 for 120 places
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Financial Data

Restricted fund reserves/recurrent GAG	-1%	3%
Staff costs % of GAG Funding	85%	82%

Pupil Attendance

Data

Attendance	97.7%	97.1%
Unauthorised absence	0.1%	0.11%

QUEEN MARY'S HIGH SCHOOL (WALSALL)

GOVERNORS' REPORT (CONTINUED)

Going concern

After making appropriate enquiries, the governing body has a reasonable expectation that despite a financial deficit in the year, with careful management and considering the resources available the School has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies note of the financial statements.

Financial Review

In the current climate of uncertainty regarding funding beyond 2015/16, a budget has been set which will ensure that high standards are maintained. In order to achieve this budget there will be an emphasis on cost control and cost reduction programmes. This will be a challenging year as 84% of our budgeted costs are around teaching and support costs. We are looking at opportunities to share resources with Queen Mary's Grammar School which we are successfully doing within the music department and also look at ways of improving our purchasing power by using economies of scale within our supplier base.

In previous years the School had identified that its funding under the minimum guarantee would see a reduction in real terms going forward, and took steps to increase funding by increasing the Pupil Admission Number (PAN) from September 2013 from 96 to 112 students. A review of student numbers and class sizes has resulted in the academy trust being able to increase its PAN from September 2014 to 120, without increasing staffing levels. There will be no further opportunity to raise numbers any higher than 120 as space is constrained. The School has also identified retention of students into year 12 as a key factor, to ensure that 16-19 qualifications continue to be taught in line with the breadth offered in the current curriculum. The governors are of the view that continuing to target sixth form recruitment and retention is key to ensuring long term continuation of the current subject offer at A level, however this may need to be reviewed in the medium to longer term to ensure a financially sustainable sixth form. The intake into the sixth form from retained students was lower than anticipated. We have 94 students currently on roll, and despite our excellent position in the league tables we still lost a significant number of students to other selective 6th form schools including Queen Mary's Grammar School. Recruitment and retention in KS3 and 4 is not generally variable, and the Academy is oversubscribed in year 7 with the number of applications to join Queen Mary's continuing to grow with well over 1400 applications for the 120 places available in 2014/15. Therefore pupil numbers in KS3 and 4 do not have a negative impact on the financial position in terms of their contribution to the financial stability of the Academy.

Governors have made the following principles a priority to ensure that they are adopting high standards of governance:

- Retaining a sharp focus on teaching and learning
- Planning for the long term
- Investing for quality and efficiency
- Ensuring a proactive involvement in national consultations regarding school funding
- Developing a creative response to funding challenges

Most of the School's income arises from the DfE in the form of the General Annual Grant (GAG), which is restricted in use in furthering the objects of the Academy Trust. GAG and the associated expenditure are therefore shown as restricted general funds in the Statement of Financial Activities.

Budget planning is responsive to variations in funding streams and whilst there is sufficient funding in the reserves at the moment to meet the school's financial obligations whilst making sure that the needs of the current cohort of students are met, this will not be sustainable going forward unless we are successful in making cost efficiencies and increasing other sources of revenue. In addition we have had a small amount of unrestricted funds from parental donations.

The school continue to fund an extended project qualification (EPQ) for A level students, which was identified as a key factor in HE providers offer consideration. In addition improving the learning experience of

QUEEN MARY'S HIGH SCHOOL (WALSALL)

GOVERNORS' REPORT (CONTINUED)

all students across all key stages is of utmost importance. It continues to support additional learning activities which enhance learning, for example trips and extracurricular activities, as part of a holistic approach to learning.

Plans for Future Periods

The governors review annually the School's budget and long term plans to achieve the aims and objectives discussed above

- The School has already experienced reduced levels of funding and together with increased costs of maintaining the current site this has resulted in a deficit in the year to August 2015
- With additional costs of pension and national insurance due in 2015/16, the governors have already put into place plans to address the deficit. This will be achieved by a mixture of cost savings and increases in revenues.
- Revenues are expected to increase from the planned increase in the number of pupils and an increased focus on 6th form recruitment. Some additional external revenues have already been achieved due to the School's position within the area
- The governors and senior management are already seeking ways in which to reduce costs from tendering and working with other schools / organisations to achieve economies of scale
- Additional expertise has been brought into the financial management of the School with the recruitment of a new Finance Manager and working more closely with Queen Mary's Grammar School
- The governors are also considering the opportunity to form a multi academy trust in conjunction with Queen Mary's Grammar School and other schools in the area. This will result in increased staff flexibility as well as other potential cost savings
- In the longer term the governors are considering a range of options to address the increasing age and maintenance costs of running the site.

Reserves policy

The School aims to carry forward a prudent level of reserves, primarily from its unrestricted funds, to cover medium and long term needs for renewal and replacement, major unforeseen contingencies and to contribute to major capital developments. The School aims to ensure that recurrent General Annual Grant (GAG) income is used to fulfil the needs of the students in the cohort for which funding is received, and will therefore aim to achieve balanced budgets, with planned surpluses if appropriate. The Governors will keep the level of reserves under review, and will periodically review the Reserves policy to ensure that it continues to meet the needs of the School. The School no longer has any defined restriction placed on GAG income being carried forward to future periods.

Investment policy

The Governing Body is responsible for setting investment policy. The day to day responsibility for managing this function is delegated to the School's Finance Manager. Since conversion, and in the current economic climate of reducing income, with low interest rates, Governors require that funds have been held in the School's current account, in order to ensure maximum liquidity.

QUEEN MARY'S HIGH SCHOOL (WALSALL)

GOVERNORS' REPORT (CONTINUED)

Principal risks and uncertainties

The School has a duty to identify and review significant risks and to ensure that there are adequate controls over these risks to provide reasonable assurance to the governors that risks are being managed and mitigated. The governors have assessed the main areas of risk which the School face.

- Meeting requisite standards of education for students;
- Complying with legislative requirements regarding employment law, data protection, discrimination, Companies House and HMRC, child protection, the Charity Commission and the National Curriculum;
- Financial risk – not operating within its budget and running a deficit, changes in funding, inappropriate or insufficient financial controls and systems, fraudulent activity and or financial commitments made without adequate authorisation;
- Operational risks resulting from inexperienced or inappropriate staff being employed and inaccurate, out of date or inappropriate information.
- Safeguarding and child protection.

The key controls used by the School include:

- Detailed terms of reference for all committees
- Formal agendas for the academy board and committees
- Schemes of delegation and formal financial regulations
- Formal interim audit reviews undertaken quarterly by external auditors
- Formal written policies
- Clear authorisation and approval levels
- Policies and procedures required by law to protect the vulnerable

These risks and the control mechanisms in place to control them are detailed within the Academy Risk Register, which is reviewed on a regular basis by management and trustees of the Academy.

Funds held as custodian trustee on behalf of others

During the year ended 31 August 2015, the School did not hold any funds as custodian trustee on behalf of any other charitable organisation.

Auditor

In so far as the governors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Governors' report, incorporating a strategic report, approved by order of the Board of Governors, as the company directors, on 14 December 2015 and signed on the Board of Governors' behalf by:

Rebecca Hearsey
Chair

QUEEN MARY'S HIGH SCHOOL (WALSALL)

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2015

Scope of responsibility

As governors we acknowledge we have overall responsibility for ensuring that Queen Mary's High School (Walsall) 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 Governing Body has delegated the day-to-day responsibility to the 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 Mary's High School (Walsall) and the Secretary of State for Education. She is also responsible for reporting to the Governing Body 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. Below are the statistics for attendance at meetings in the relevant period. Some Governors will sit on many committees, and it is considered that attendance and contribution to the governance of the School is in order.

Full governing body	Meetings	Out of a
Governor	attended	possible
Rebecca Hearsey (Chair)	4	4
Alison Bruton (Head Teacher)	4	4
Vivian Fairbank	4	4
Abigail Gracie	3	4
Mary Jones	4	4
Susan Blakemore	4	4
Rose Martin	1	4
Georgina Binder	4	4
Stephen Martin	4	4
Lynn Dean	2	2
Lesley Ford	0	1
Kendrick Whitehead	4	4
Benjamin Adams	1	2
Lavinia Daniels	2	2
Tim Normanton	3	3

Resources committee	Meetings	Out of a
Governor	attended	possible
Rebecca Hearsey (Chair)	4	5
Alison Bruton (Head Teacher)	5	5
Vivian Fairbank	3	5
Susan Blakemore	4	5
Kendrick Whitehead	5	5
Rose Martin	3	5
Georgina Binder	5	5
Stephen Martin	5	5
Tim Normanton	2	3

QUEEN MARY'S HIGH SCHOOL (WALSALL)

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Governance reviews

The Board of Governors traditionally undertakes in the summer term a self-review of effective governance using questionnaires circulated to governors which are then analysed by the Clerk. A review and audit was carried out in June 2014. In July 2015, the Board of Governors considered that an external review of governance would be of benefit, and instructed the Governor Support Manager of Walsall Council's Children's services to undertake the review and to report back to the Governing Body. The review was made in the context of the OFSTED Framework. The formal report was returned to the Board of Governors on the 21 September 2015, and concluded that "governance is strong".

The report indicated there was a good relationship between the Head teacher and the governors; that finances were well managed; that link governor roles were in place and effective; and that the appraisal process for staff (including the Head Teacher) was well conducted. Some recommendations on improving community links and monitoring staff morale were made and which will be dealt with by internal training and discussion.

Review of value for money

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

- Increasing income generating and educational leadership opportunities, with the Head Teacher
 - taking on the role of Chair of the Walsall Association of Secondary Heads;
 - being appointed part of the National Leaders in Education programme;
 - being seconded to the Local Authority and advising poorer performing schools on improvement strategies
- Sharing teaching staff with Queen Mary's Grammar School, offering teachers increased development opportunities, and providing more effective recruitment and efficient use of resources
- Appointing a new Finance Manager and working closely with Queen Mary's Grammar School's Finance Director to ensure we apply best financial practice and seek to improve more efficient purchasing.
- New improved financial reports are being provided to governors to provide them with greater understanding of financial performance
- Taking advantage of collective buying power to reduce costs including moving away from commercial insurance cover and opting into the EFA's Risk Protection Arrangement, improving the level of compensation available and reducing costs
- Introducing a new online payments system, which when combined with better and cheaper communications methods, has improved information to parents and enabled them to pay for school services more easily
- Maximising efficient use of resources while maintaining excellent educational outcomes, as evidenced by the school's RAISE data and examination results. The School is consistently ranked in the top two secondary schools in Walsall, with retention of experienced staff and targeted mentoring play a large part in achieving this
- Targeting the use of the Pupil Premium, and Sixth Form bursary also aids in raising achievements of the students who are identified as qualifying for additional support

QUEEN MARY'S HIGH SCHOOL (WALSALL)

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of School 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 Mary's High School (Walsall) for the period 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The Governing Body has reviewed the key risks to which the School is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the School's significant risks that has been in place for the period 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Governing Body.

The risk and control framework

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- Regular review by the Resources Committee of reports showing financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (asset purchase or capital investment) guidelines;
- Delegation of authority and segregation of duties;
- Identification and management of risks.

The Governing Body has reviewed the need for a specific internal audit function and has decided not to appoint an internal auditor. However, a qualified Accountant is Finance Principal, overseeing the day to day management of the finance function and Whitehouse Ridsdale, the external auditor, has been instructed to perform additional checks. This role includes giving advice on financial matters and performing a range of checks on the School's financial systems. On a termly basis reports are made to the Finance Committee on the operation of systems and control and on the discharge of the Governing Body's financial responsibilities. The Finance Committee considers these reports and acts on any recommendations and reports findings back to the Full Governing Body.

Review of effectiveness

As accounting officer the 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 SLT, the Finance Principal and the Finance Officer in the School who have responsibility for development and maintenance of the internal control framework
- The periodic reviews by the School's external auditors
- The financial management and governance self-assessment process
- The work of the School's external auditors in connection with their audit of the annual report and financial statements and in management letters / other reports to the Finance Committee

QUEEN MARY'S HIGH SCHOOL (WALSALL)

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance Committee, which carries out the role of an Audit Committee, and a plan to address any weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Governing Body on 14 December 2015 and signed on its behalf by:

Rebecca Hearsey
Chair

Alison Bruton
Accounting Officer

QUEEN MARY'S HIGH SCHOOL (WALSALL)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2015

As accounting officer of Queen Mary's High School (Walsall) I have considered my responsibility to notify the School board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the School 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.

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

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

Approved on 14 December 2015 and signed by:

Alison Bruton
Accounting Officer

QUEEN MARY'S HIGH SCHOOL (WALSALL)

STATEMENT OF GOVERNORS' RESPONSIBILITIES

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

Company law requires the governors to prepare financial statements for each financial year. Under company law the governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these financial statements, the governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2005;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The 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 that grants received from the EFA/DfE have been applied for the purposes intended.

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

Approved by order of the board of trustees on 14 December 2015 and signed on its behalf by:

Rebecca Hearsey
Chair

QUEEN MARY'S HIGH SCHOOL (WALSALL)

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF QUEEN MARY'S HIGH SCHOOL (WALSALL)

We have audited the financial statements of Queen Mary's High School (Walsall) for the year ended 31 August 2015 set out on pages 25 to 46. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

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

Respective responsibilities of governors and auditors

As explained more fully in the Governors' Responsibilities Statement set out on page 20, the governors, who are also the directors of Queen Mary's High School (Walsall) for the purposes of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the accounts

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

Opinion on accounts

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2015 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 in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

Opinion on other matter prescribed by the Companies Act 2006

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

QUEEN MARY'S HIGH SCHOOL (WALSALL)

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF QUEEN MARY'S HIGH SCHOOL (WALSALL)

Matters on which we are required to report by exception

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

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

Andrew Phillips (Senior Statutory Auditor)

For and on behalf of Whitehouse Ridsdale

Chartered Accountants

Statutory Auditor

26 Birmingham Road

Walsall

West Midlands

WS1 2LZ

Dated: 14 December 2015

QUEEN MARY'S HIGH SCHOOL (WALSALL)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO QUEEN MARY'S HIGH SCHOOL (WALSALL) AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 2 September 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Queen Mary's High School (Walsall) during the period 1 September 2014 to 31 August 2015 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 Mary's High School (Walsall) and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Queen Mary's High School (Walsall) and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Queen Mary's High School (Walsall) and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Queen Mary's High School (Walsall)'s accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Queen Mary's High School (Walsall)'s funding agreement with the Secretary of State for Education dated 27 May 2011 and the Academies Financial Handbook, extant from 1 September 2014, 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 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2014 to 31 August 2015 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 2014 to 2015 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- preparation of an assessment of the risk of material irregularity, impropriety and noncompliance
- evaluation of the general control environment of the academy trust, extending the procedures required for financial statements to include regularity
- assessment and testing of a sample of specific regularity control activities, performing sample testing of expenditure, considering whether the activity is permissible within the academy trust's framework of authorities and has been appropriately authorised in accordance with the academy trust's delegated authorities

QUEEN MARY'S HIGH SCHOOL (WALSALL)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO QUEEN MARY'S HIGH SCHOOL (WALSALL) AND THE EDUCATION FUNDING AGENCY (CONTINUED)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

Whitehouse Ridsdale

26 Birmingham Road

Walsall

West Midlands

WS1 2LZ

Dated: 14 December 2015

QUEEN MARY'S HIGH SCHOOL (WALSALL)

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2015

		Unrestricted funds	Restricted general funds	Restricted fixed asset funds	Total 2015	Total 2014
	Notes	£	£	£	£	£
<u>Incoming resources</u>						
<i>Resources from generated funds</i>						
- Voluntary income	2	16,816	16,250	10,000	43,066	63,142
- Activities for generating funds	3	183,971	204,324	-	388,295	347,076
- Investment income	4	790	378	-	1,168	935
<i>Resources from charitable activities</i>						
- Funding for educational operations	5	-	3,514,453	31,288	3,545,741	3,660,685
Other incoming resources		-	15,932	-	15,932	-
Total incoming resources		201,577	3,751,337	41,288	3,994,202	4,071,838
<u>Resources expended</u>						
<i>Costs of generating funds</i>						
- Fundraising trading	3	178,314	196,623	-	374,937	345,827
<i>Charitable activities</i>						
- Educational operations	7	-	3,682,426	93,043	3,775,469	3,853,912
Governance costs	8	-	12,013	-	12,013	10,668
Total resources expended	6	178,314	3,891,062	93,043	4,162,419	4,210,407
Net incoming/(outgoing) resources before transfers		23,263	(139,725)	(51,755)	(168,217)	(138,569)
Gross transfers between funds		(30,000)	55,802	(25,802)	-	-
Net income/(expenditure) for the year		(6,737)	(83,923)	(77,557)	(168,217)	(138,569)
<u>Other recognised gains and losses</u>						
Actuarial gains/(losses) on defined benefit pension scheme	19	-	(73,000)	-	(73,000)	189,000
Net movement in funds		(6,737)	(156,923)	(77,557)	(241,217)	50,431
Fund balances at 1 September 2014		257,651	(818,298)	4,419,767	3,859,120	3,808,689
Fund balances at 31 August 2015		250,914	(975,221)	4,342,210	3,617,903	3,859,120

All of the School's activities derive from continuing operations during the two financial periods above.

QUEEN MARY'S HIGH SCHOOL (WALSALL)

BALANCE SHEET

AS AT 31 AUGUST 2015

	Notes	2015		2014	
		£	£	£	£
Fixed assets					
Tangible assets	12		4,342,210		4,419,767
Current assets					
Stocks	13	2,992		7,106	
Debtors	14	140,438		137,858	
Cash at bank and in hand		286,322		406,392	
		<u>429,752</u>		<u>551,356</u>	
Creditors: amounts falling due within one year	15	(159,059)		(196,003)	
Net current assets			270,693		355,353
Total assets less current liabilities			4,612,903		4,775,120
Defined benefit pension liability	19		(995,000)		(916,000)
Net assets			<u>3,617,903</u>		<u>3,859,120</u>
Funds of the School:					
Restricted income funds	17				
- Fixed asset funds			4,342,210		4,419,767
- General funds			19,779		97,702
- Pension reserve			(995,000)		(916,000)
Total restricted funds			<u>3,366,989</u>		<u>3,601,469</u>
Unrestricted funds	17		250,914		257,651
Total funds			<u>3,617,903</u>		<u>3,859,120</u>

The financial statements on pages 25 to 46 were approved by the Governors and authorised for issue on 14 December 2015 and are signed on their behalf by:

Rebecca Hearsey
Chair

Company Number 07611345

QUEEN MARY'S HIGH SCHOOL (WALSALL)

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2015

	Notes	2015 £	2014 £
Net cash outflow from operating activities	20	(147,040)	(222,951)
Returns on investments and servicing of finance			
Investment income		1,168	935
		<u>1,168</u>	<u>935</u>
Net cash inflow from returns on investments and servicing of finance		1,168	935
		<u>1,168</u>	<u>935</u>
		(145,872)	(222,016)
Capital expenditure and financial investments			
Capital funding received from sponsors and others		41,288	47,576
Payments to acquire tangible fixed assets		(15,486)	(30,202)
		<u>25,802</u>	<u>17,374</u>
Net cash flow from capital activities		25,802	17,374
		<u>25,802</u>	<u>17,374</u>
Decrease in cash		(120,070)	(204,642)
		<u>(120,070)</u>	<u>(204,642)</u>
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September 2014		406,392	611,034
		<u>406,392</u>	<u>611,034</u>
Net funds at 31 August 2015		286,322	406,392
		<u><u>286,322</u></u>	<u><u>406,392</u></u>

QUEEN MARY'S HIGH SCHOOL (WALSALL)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

1.2 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 company to continue as a going concern. The governors make this assessment in respect of a period of one year from the date of approval of the accounts.

1.3 Incoming resources

All incoming resources are recognised when the School has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants receivable

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of 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.

Sponsorship income

Sponsorship income provided to the School which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable, where there is certainty of receipt and the value of the donation is measurable.

Donations

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

Other income

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

Donated services and gifts in kind

The value of donated services and gifts in kind provided to the School are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the School can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the statement of financial activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the School's policies.

QUEEN MARY'S HIGH SCHOOL (WALSALL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

(Continued)

1.4 Resources expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of generating funds

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

Charitable activities

These are costs incurred on the School's educational operations.

Governance costs

These include the costs attributable to the School's compliance with constitutional and statutory requirements, including audit, strategic management and governors' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets

The school has a 125 year lease for the property it operates from. The terms and conditions attached to the lease have been considered by the Governors and they have concluded that the risk and rewards of ownership have substantially transferred to the school and therefore a long leasehold buildings asset has been recognised within fixed assets and depreciated in line with the accounting policy. The valuation of the long leasehold buildings has also been considered by the Governors and included at what they consider a reasonable and reliable estimate of the current value.

Assets costing £2,500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the Government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to the restricted fixed asset fund in the Statement of Financial Activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the school's depreciation policy. Where a fixed asset has been donated the asset is included at the fair value at the date of receipt.

QUEEN MARY'S HIGH SCHOOL (WALSALL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

(Continued)

Depreciation

Depreciation is to be provided on a straight-line basis on the cost of tangible fixed assets, writing them down to their estimated residual values over their expected useful economic lives.

Classes of asset, and appropriate depreciation rates:

General plant and equipment	10 years
ICT equipment	3 years
New buildings	50 years

Long leasehold land and buildings are depreciated over the Governors' assessment of the remaining economic useful life of the buildings.

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

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

1.6 Leased assets

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

1.7 Stock

Stock is valued at the lower of cost and net realisable value.

1.8 Taxation

The School 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 School 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.

1.9 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the School 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 quinquennial valuations using a prospective benefit method. As stated in Note 19, the TPS is a multi-employer scheme and the School is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions are recognised as they are paid each year.

QUEEN MARY'S HIGH SCHOOL (WALSALL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

(Continued)

The LGPS is a funded scheme and the assets are held separately from those of the School 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 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

1.10 Fund accounting

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

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

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

1.11 Conversion to an Academy

The school converted to Academy status on 1 June 2011. Assets and liabilities of the school were transferred on conversion at fair value.

1.12 Agency arrangements

The School acts as an agent in distributing 16-19 bursary funds from the EFA. Payments received from the EFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 24.

2 Voluntary income

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Other donations	16,816	26,250	43,066	63,142

QUEEN MARY'S HIGH SCHOOL (WALSALL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

3 Activities for generating funds

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Incoming resources				
Trips and activities income	-	193,408	193,408	198,914
Curriculum income	-	8,993	8,993	9,579
Music tuition income	26,140	-	26,140	18,100
Catering income	109,362	-	109,362	92,392
School uniform sales	660	-	660	8,705
Other income	47,809	1,923	49,732	19,386
	<u>183,971</u>	<u>204,324</u>	<u>388,295</u>	<u>347,076</u>
Resources expended				
Trips and activities	-	196,007	196,007	199,779
Music tuition	25,125	-	25,125	19,400
Catering costs	108,846	-	108,846	104,344
School uniform costs	7,356	-	7,356	10,859
Staff costs	12,000	-	12,000	11,445
Other	24,987	616	25,603	-
	<u>178,314</u>	<u>196,623</u>	<u>374,937</u>	<u>345,827</u>

4 Investment income

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Short term deposits	790	378	1,168	935
	<u>790</u>	<u>378</u>	<u>1,168</u>	<u>935</u>

5 Funding for the School's educational operations

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
DfE / EFA grants				
General annual grant (GAG)	-	3,445,132	3,445,132	3,587,306
Capital grants	-	31,288	31,288	-
Other DfE / EFA grants	-	69,321	69,321	73,379
	<u>-</u>	<u>3,545,741</u>	<u>3,545,741</u>	<u>3,660,685</u>

QUEEN MARY'S HIGH SCHOOL (WALSALL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

6 Resources expended

	Non pay expenditure			Total 2015 £	Total 2014 £
	Staff costs £	Premises £	Other costs £		
Costs of activities for generating funds	37,125	-	337,812	374,937	345,827
Academy's educational operations					
- Direct costs	2,720,239	93,043	274,646	3,087,928	3,133,261
- Allocated support costs	285,226	244,590	157,725	687,541	720,651
	<u>3,042,590</u>	<u>337,633</u>	<u>770,183</u>	<u>4,150,406</u>	<u>4,199,739</u>
Governance costs including allocated support costs	-	-	12,013	12,013	10,668
	<u>3,042,590</u>	<u>337,633</u>	<u>782,196</u>	<u>4,162,419</u>	<u>4,210,407</u>
Net income/(expenditure) for the year includes:				2015	2014
				£	£
Operating leases					
- Other				3,362	3,362
Fees payable to auditor					
- Audit				7,250	6,750
- Other audit costs				2,300	1,500
- Accountancy, tax and other services				3,960	3,960
Stock written off				7,356	8,395
				<u>7,356</u>	<u>8,395</u>

QUEEN MARY'S HIGH SCHOOL (WALSALL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

7 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Direct costs - educational operations				
Teaching and educational support staff costs	-	2,720,239	2,720,239	2,689,605
Depreciation	-	93,043	93,043	97,253
Technology costs	-	53,462	53,462	60,782
Learning resources	-	114,403	114,403	194,277
Examination fees	-	90,539	90,539	74,964
Staff development	-	16,242	16,242	16,380
	-	3,087,928	3,087,928	3,133,261
Support costs - educational operations				
Support staff costs	-	285,226	285,226	306,747
Recruitment and support	-	25,136	25,136	22,272
Maintenance of premises, site and equipment	-	81,940	81,940	109,101
Other premises	-	18,633	18,633	20,772
Cleaning	-	49,906	49,906	50,790
Utilities	-	81,205	81,205	63,344
Rates	-	12,906	12,906	10,388
Insurance	-	28,392	28,392	35,481
Security and transport	-	39,105	39,105	36,197
IT equipment and support	-	3,362	3,362	3,362
Other support costs	-	61,730	61,730	62,197
	-	687,541	687,541	720,651
Total direct and support costs	-	3,775,469	3,775,469	3,853,912

8 Governance costs

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Legal and professional fees	-	2,279	2,279	2,418
Auditor's remuneration				
- Audit of financial statements	-	7,250	7,250	6,750
- Other audit costs	-	2,300	2,300	1,500
Governors' reimbursed expenses	-	184	184	-
	-	12,013	12,013	10,668

QUEEN MARY'S HIGH SCHOOL (WALSALL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

9 Staff

Staff costs

Staff costs during the year were:

	2015	2014
	£	£
Wages and salaries	2,463,990	2,432,009
Social security costs	188,694	188,198
Other pension costs	361,133	383,761
	<u>3,013,817</u>	<u>3,003,968</u>
Supply teacher costs	28,773	23,229
	<u>3,042,590</u>	<u>3,027,197</u>

Non statutory/non-contractual staff severance payments

Included in staff costs is one non-statutory/non-contractual severance payment of £250 (2014: £nil).

Staff numbers

The average number of persons (including senior leadership team) employed by the School during the year expressed as full time equivalents was as follows:

	2015	2014
	Number	Number
Charitable activities		
Teachers	41	43
Administration and support	21	24
Management	6	6
	<u>68</u>	<u>73</u>

Higher paid staff

The number of employees whose annual remuneration was £60,000 or more was:

	2015	2014
	Number	Number
£60,001 - £70,000	2	2
£70,001 - £80,000	1	1
	<u>3</u>	<u>3</u>

The above employees participated in the Teacher's Pension Scheme and the employers' contributions paid on their behalf were as follows:

		2015	2014
Teachers' Pension Scheme	Numbers	3	3
	£	28,679	28,973
		<u>3</u>	<u>3</u>

QUEEN MARY'S HIGH SCHOOL (WALSALL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

10 Governors' remuneration and expenses

The Head Teacher and staff governors only receive remuneration in respect of services they provide undertaking the roles of Head Teacher and staff, and not in respect of their services as governors. Other governors did not receive any payments, other than expenses, from the school in respect of their role as governors.

The value of governors' remuneration was as follows:

Dr A Bruton (Head Teacher)

Remuneration £75,000 - £80,000 (2014: £75,000 - £80,000)

Employer's pension contributions £10,000 - £15,000 (2014: £10,000 - £15,000)

Mrs L Dean (Staff Resigned 16 December 2014)

Remuneration £10,000 - £15,000 (2014: £40,000 - £45,000)

Employer's pension contributions £Nil - £5,000 (2014: £5,000 - £10,000)

Mr K Whitehead (Staff)

Remuneration £25,000 - £30,000 (2014: £25,000 - £30,000)

Employer's pension contributions £Nil - £5,000 (2014: £Nil - £5,000)

Mr B Adams (Staff Appointed 16 January 2015)

Remuneration £25,000 - £30,000

Employer's pension contributions £Nil - £5,000

During the year ended 31 August 2015 travel and subsistence expenses totalling £184 (2014: £1,058) were reimbursed to one staff governor (2014: two governors) in their role as employee.

Other related party transactions involving the governors are set out within the related parties note 23.

11 Governors' and officers' insurance

Until 31 March 2015 the School purchased commercial insurance which included protection for governors' and officers' liability. From 1 April 2015 the School opted into the Government backed Academies Risk Protection Arrangement. The latter included £5,000,000 of cover for any one claim by governors (previous policy £1,000,000). The RPA cost for all covers is a fixed £25 per pupil and does not identify the cost of governors' liability within that figure. The cost under the previous arrangement for the 7 months to 31 March 2015 was £1,231.

QUEEN MARY'S HIGH SCHOOL (WALSALL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

12 Tangible fixed assets

	Land and buildings £	Educational equipment £	Total £
Cost			
At 1 September 2014	4,640,042	107,397	4,747,439
Additions	-	15,486	15,486
At 31 August 2015	4,640,042	122,883	4,762,925
Depreciation			
At 1 September 2014	256,393	71,279	327,672
Charge for the year	78,890	14,153	93,043
At 31 August 2015	335,283	85,432	420,715
Net book value			
At 31 August 2015	4,304,759	37,451	4,342,210
At 31 August 2014	4,383,649	36,118	4,419,767

Land and buildings represents the 125 year long leasehold school site and the 10 year short leasehold playing fields, all charged at a peppercorn rent.

Included in land and buildings is £1,059,278 for land which is not depreciated.

13 Stocks

	2015 £	2014 £
School uniform	2,992	7,106

14 Debtors

	2015 £	2014 £
Trade debtors	13,779	1,760
VAT recoverable	44,374	25,714
Other debtors	39,824	52,768
Prepayments and accrued income	42,461	57,616
	140,438	137,858

QUEEN MARY'S HIGH SCHOOL (WALSALL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

15 Creditors: amounts falling due within one year	2015	2014
	£	£
Trade creditors	20,696	28,620
Taxes and social security costs	55,233	53,186
Other creditors	-	2,879
Accruals	16,459	42,797
Deferred income	66,671	68,521
	<hr/>	<hr/>
	159,059	196,003
	<hr/> <hr/>	<hr/> <hr/>
 16 Deferred income	 2015	 2014
	£	£
Total deferred income at 1 September 2014	68,521	101,541
Amounts released from previous years	(48,547)	(70,821)
Amounts deferred in the year	46,697	37,801
	<hr/>	<hr/>
Total deferred income at 31 August 2015	66,671	68,521
	<hr/> <hr/>	<hr/> <hr/>

QUEEN MARY'S HIGH SCHOOL (WALSALL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

17 Funds

	Balance at 1 September 2014 £	Incoming resources £	Resources expended £	Gains, losses & transfers £	Balance at 31 August 2015 £
Restricted general funds					
General Annual Grant	43,009	3,445,132	(3,619,119)	25,802	(105,176)
Other DfE / EFA grants	-	69,321	(69,321)	-	-
Other incoming resources	54,693	236,884	(196,622)	30,000	124,955
	<u>97,702</u>	<u>3,751,337</u>	<u>(3,885,062)</u>	<u>55,802</u>	<u>19,779</u>
Funds excluding pensions					
Pension reserve	(916,000)	-	(6,000)	(73,000)	(995,000)
	<u>(818,298)</u>	<u>3,751,337</u>	<u>(3,891,062)</u>	<u>(17,198)</u>	<u>(975,221)</u>
Restricted fixed asset funds					
Voluntary capital income	4,701,545	10,000	-	-	4,711,545
DfE/EFA capital grants	45,894	31,288	-	(25,802)	51,380
Depreciation	(327,672)		(93,043)		(420,715)
	<u>4,419,767</u>	<u>41,288</u>	<u>(93,043)</u>	<u>(25,802)</u>	<u>4,342,210</u>
Total restricted funds	<u>3,601,469</u>	<u>3,792,625</u>	<u>(3,984,105)</u>	<u>(43,000)</u>	<u>3,366,989</u>
Unrestricted funds					
General funds	<u>257,651</u>	<u>201,577</u>	<u>(178,314)</u>	<u>(30,000)</u>	<u>250,914</u>
Total funds	<u>3,859,120</u>	<u>3,994,202</u>	<u>(4,162,419)</u>	<u>(73,000)</u>	<u>3,617,903</u>

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

Restricted fixed asset funds were £4,342,210 at 31 August 2015. The balance of this fund comprises the depreciated value of land and buildings capitalised on conversion, plus additional capital items purchased in the financial period, to which 12 months depreciation has been charged.

Unrestricted funds were £250,914 at 31 August 2015. There is no restriction on the usage of unrestricted funds, provided that all expenditure is undertaken with due regard to the aims of the School, i.e. for the direct or indirect benefit of students. Such funds arise from unrestricted donations, returns on gift aid, investment income, etc.

Restricted general funds were £19,779 at 31 August 2015 and include grants receivable from the Education Funding Agency / Department for Education. Under the funding agreement with the Secretary of State, the School was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

Taking into consideration continued funding cuts due in 2015/16, increases in Teachers' Pension contributions from September 2015 and National Insurance contributions from April 2016, the governors believe the level of reserves is appropriate to protect the School's current and future financial position.

QUEEN MARY'S HIGH SCHOOL (WALSALL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

18 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Fixed asset funds	Total funds
	£	£	£	£
Fund balances at 31 August 2015 are represented by:				
Tangible fixed assets	-	-	4,342,210	4,342,210
Current assets	250,914	178,838	-	429,752
Creditors falling due within one year	-	(159,059)	-	(159,059)
Defined benefit pension liability	-	(995,000)	-	(995,000)
	<u>250,914</u>	<u>(975,221)</u>	<u>4,342,210</u>	<u>3,617,903</u>

19 Pensions and similar obligations

The School's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by The West Midlands Pension Fund. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and that of the LGPS related to the period ended 31 March 2013.

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

QUEEN MARY'S HIGH SCHOOL (WALSALL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

19 Pensions and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

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

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

The pension costs paid to the TPS in the period amounted to £270,519 (2014: £268,671).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 14.1% for employers and between 5.5% and 6.8% for employees. The estimated value of employer contributions for the forthcoming year is £73,000.

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.

Contributions made	2015	2014
	£	£
Employer's contributions	87	76
Employees' contributions	20	23
Total contributions	<u>107</u>	<u>99</u>

Principal actuarial assumptions	2015	2014
	%	%
Rate of increase in salaries	4.15	3.95
Rate of increase for pensions in payment	2.40	2.20
Discount rate for scheme liabilities	4.00	4.00
Inflation assumption (CPI)	<u>2.40</u>	<u>2.20</u>

QUEEN MARY'S HIGH SCHOOL (WALSALL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

19 Pensions and similar obligations

(Continued)

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

	2015	2014
	Years	Years
Retiring today		
- Males	23.0	22.9
- Females	25.2	25.5
Retiring in 20 years		
- Males	25.6	25.1
- Females	28.0	27.8
	<u> </u>	<u> </u>

The School's share of the assets and liabilities in the scheme and the expected rates of return were:

	2015	2014
	Fair value	Fair value
	£000	£000
Equities	383	239
Government bonds	48	42
Other bonds	65	55
Property	55	46
Cash	32	23
Other assets	59	126
	<u> </u>	<u> </u>
Total market value of assets	642	531
Present value of scheme liabilities - funded	(1,637)	(1,447)
	<u> </u>	<u> </u>
Surplus/(deficit) in the scheme	(995)	(916)
	<u> </u>	<u> </u>

The actual return on scheme assets was £26,000 (2014: £55,000).

Amounts recognised in the statement of financial activities

	2015	2014
	£000	£000
Operating costs/(income)		
Current service cost (net of employee contributions)	(68)	(70)
Past service cost	-	-
	<u> </u>	<u> </u>
Total operating charge	(68)	(70)
	<u> </u>	<u> </u>
Finance costs/(income)		
Expected return on pension scheme assets	34	30
Interest on pension liabilities	(59)	(72)
	<u> </u>	<u> </u>
Net finance costs/(income)	(25)	(42)
	<u> </u>	<u> </u>

QUEEN MARY'S HIGH SCHOOL (WALSALL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

19 Pensions and similar obligations

(Continued)

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is £Nil (2014: £73,000 gain).

Movements in the present value of defined benefit obligations

	2015 £000	2014 £000
Obligations at 1 September 2014	1,447	1,539
Current service cost	68	70
Interest cost	59	72
Contributions by employees	20	23
Actuarial (gain)/loss	65	(252)
Benefits paid	(22)	(5)
	<hr/>	<hr/>
At 31 August 2015	1,637	1,447
	<hr/> <hr/>	<hr/> <hr/>

Movements in the fair value of the School's share of scheme assets

	2015 £000	2014 £000
Assets at 1 September 2014	531	470
Expected return on assets	34	30
Actuarial gain/(loss)	(8)	(63)
Contributions by employers	87	76
Contributions by employees	20	23
Benefits paid	(22)	(5)
	<hr/>	<hr/>
At 31 August 2015	642	531
	<hr/> <hr/>	<hr/> <hr/>

The estimated value of employer contributions for the year ended 31 August 2016 is £73,000.

QUEEN MARY'S HIGH SCHOOL (WALSALL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

19 Pensions and similar obligations (Continued)

The history of experience adjustments is as follows:

	2015 £000	2014 £000	2013 £000	2012 £000
Present value of defined benefit obligations	(1,637)	(1,447)	(1,539)	(1,382)
Fair value of share of scheme assets	642	531	470	340
	<u>(995)</u>	<u>(916)</u>	<u>(1,069)</u>	<u>(1,042)</u>
Experience adjustment on share of scheme assets	<u>(8)</u>	<u>(63)</u>	<u>16</u>	<u>(13)</u>
Experience adjustment on scheme liabilities	<u>65</u>	<u>(252)</u>	<u>Nil</u>	<u>119</u>

20 Reconciliation of net income to net outflow from operating activities

	2015 £	2014 £
Net income	(168,217)	(138,569)
Capital grants from DfE and other capital income	(41,288)	(47,576)
Investment income	(1,168)	(935)
Defined benefit pension costs less contributions payable	(19,000)	(6,000)
Defined benefit pension finance costs/(income)	25,000	42,000
Depreciation of tangible fixed assets	93,043	97,253
Decrease in stocks	4,114	39,622
Decrease in debtors	(2,580)	10,361
Decrease in creditors	(36,944)	(219,107)
Net cash outflow from operating activities	<u>(147,040)</u>	<u>(222,951)</u>

21 Analysis of net funds

	At 1 September 2014 £	Cash flows £	Non-cash changes £	At 31 August 2015 £
Cash at bank and in hand	406,392	(120,070)	-	<u>286,322</u>

QUEEN MARY'S HIGH SCHOOL (WALSALL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

22 Commitments under operating leases

At 31 August 2015 the School had annual commitments under non-cancellable operating leases as follows:

	2015	2014
	£	£
Other		
Expiry date:		
- Within one year	1,400	-
- Between two and five years	-	3,362
	<u>1,400</u>	<u>3,362</u>
	<u><u>1,400</u></u>	<u><u>3,362</u></u>

23 Related parties

Owing to the nature of the school's operations and the composition of the governing body being drawn from local public and private sector organisations, transactions may take place with organisations in which the school has an interest. In addition, senior members of the leadership team may also have an interest in organisations that the school deals with. All transactions involving such organisations are conducted at arm's length and in accordance with the school's financial regulations and normal procurement procedures.

The Queen Mary's Schools Foundation ("The Foundation" - Charity No. 529001) holds on Trust, as a perpetual endowment, funds donated and investments made over the years since the founding of the School, Queen Mary's Grammar School (Walsall) and The Mayfield Preparatory School. During the year Vivian Fairbank, Susan Blakemore, and Rebecca Hearsey served as both governors of Queen Mary's High School (Walsall) and trustees of The Foundation. Vivian Fairbank served as both governor of Queen Mary's High School (Walsall) and The Mayfield Preparatory School.

Under the constitution of the School, the Governing Body includes three governors who are employed as staff at the School. The Head Teacher is appointed "ex officio", while two staff governors are elected. These staff are not paid for their roles as governors, but as employees of the School under the normal terms and conditions applicable to teaching and non-teaching staff. Details of remuneration of staff governors are included in note 10.

In the year ending 31 August 2015 the Foundation donated £23,022 towards the cost of examinations for entry to year 7 at the School. (In the previous year the Foundation's donation of £14,899 was made to Queen Mary's Grammar School as part of the consortium arrangements then operating). The School also received £812 in the year from Queen Mary's Grammar School for various cost recharges, which were made either at cost or on the same terms as to other organisations. £17,966 was donated by the Foundation towards the purchase of musical instruments and supporting other expenditure.

The Foundation owns the freehold land on which the School's site is based, which is let on a peppercorn rental to the School under a 125 year lease, the terms of which were approved by the Department for Education.

The School's playing fields are leased from the Foundation also on a peppercorn rental, but in this case the lease is for 10 years from 2011.

QUEEN MARY'S HIGH SCHOOL (WALSALL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

23 Related parties

(Continued)

Mrs Susan Blakemore, a Governor and member of the Board, undertook work for the school assisting with exam invigilation and reception cover, for which she received total remuneration of £1,720 (2014: £1,965). This is not under a permanent contract of employment, is on an ad hoc basis, and is paid at normal scale rates for these roles. Mrs Blakemore is not a staff governor.

The wife of staff governor Mr Kendrick Whitehead had an employment contract initially as a lunchtime supervisor and is now an administrator in the school's finance office. The governor was not involved in approving the terms of the appointment. Mrs Whitehead received total remuneration of £7,460 for the year to 31 August 2015 (2014: £1,575).

Mrs Georgina Binder, a Governor, is the School Business Manager of St. Francis of Assisi Catholic Technology College. During the year Queen Mary's High School received £700 from St. Francis of Assisi Catholic Technology College for various cost recharges, which were made either at cost or on the same terms as to other organisations.

Mr Underwood, Clerk to the Governors, is also Clerk to the Governors of:

Queen Mary's Schools Foundation
Queen Mary's Grammar School
Mayfield Preparatory School

The School does not pay for Mr Underwood's services, as these are paid for by the Foundation.

24 Agency arrangements

The School distributes 16-19 bursary funds to students as an agent for the EFA. In the accounting period ending 31 August 2015 the School received £16,348 and disbursed £17,106 from the fund in addition to the School's cost of administering the fund of £733. An amount of £12,548 (2014: £14,039) is included in other creditors relating to undistributed funds that is repayable to the EFA.