

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 2014

QUEEN MARY'S HIGH SCHOOL (WALSALL)

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QUEEN MARY'S HIGH SCHOOL (WALSALL)

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Vivian Fairbank	
Susan Rowley	(Resigned 31 August 2014)
Margaret Causer	(Appointed 25 November 2013 and resigned 31 August 2014)
Philip Sturrock MBE	(Appointed 25 November 2013)
John Vallance	(Appointed 25 November 2013)
John Punch	(Appointed 25 November 2013)
Rebecca Hearsey	(Appointed 25 November 2013)
Susan Jones	(Appointed 25 November 2013)
June Aubrook	(Appointed 25 November 2013)
Peter Stretton	(Appointed 25 November 2013)
William Stephens	(Appointed 25 November 2013)

Governors

Foundation Governors

Rebecca Hearsey (Chair)	
Nicholas Chomyk	(Resigned 23 September 2014)
Vivian Fairbank	
Lesley Ford	(Resigned 22 September 2014)
Abigail Gracie	
Katrina Healey-Davis	(Resigned 24 June 2014)
Mary Jones	
Susan Jones	
Surinder Kumar	(Resigned 30 June 2014)
Rose Martin	
Susan Rowley	(Resigned 31 August 2014)
Georgina Binder	(Appointed 1 October 2013)
Julian Dent	(Appointed 1 October 2013 and resigned 15 November 2013)
Stephen Martin	(Appointed 7 April 2014)

Staff Governors

Alison Bruton (Head Teacher)
Lynn Dean
Kendrick Whitehead

Parent Governors

Lavinia Daniels	
Tim Normanton	(Appointed 24 October 2014)

Mrs Fairbank, Mrs Rowley, Mrs S Jones, Mrs M Jones, Mrs Healey-Davis, Miss Hearsey, Dr Bruton, Mrs Dean, Mrs Daniels and Mr Martin are members of the Curriculum, Personnel, Pupil Progress and Well-being committee.

Mrs Fairbank, Mrs Rowley, Mrs Ford, Mrs S Jones, Mr Chomyk, Miss Hearsey, Dr Bruton, Mr Whitehead, Mr Kumar, Mrs Martin, Mrs Binder, Mr Dent and Mr Martin are members of the Resources committee.

QUEEN MARY'S HIGH SCHOOL (WALSALL)

REFERENCE AND ADMINISTRATIVE DETAILS

Finance principal	Susan Simkiss
Secretary	Charles Underwood
Company number	07611345
Principal address	Upper Forster Street Walsall WS4 2AE
Registered office	26 Birmingham Road Walsall WS1 2LZ
Auditors	Whitehouse Ridsdale 26 Birmingham Road Walsall WS1 2LZ
Bankers	Lloyds Bank plc The Bridge Walsall WS1 1LU

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 2014. 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 from a broad geographic area surrounding Walsall. It has a roll of 703 in the school census on October 2014.

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 pages 1 and 2.

Members' liability

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

Governors' indemnities

The Governors have, since incorporation, 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.

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 11 Foundation Governors.

Staff Governors are elected by the paid members of staff employed by the School; the Clerk to the Governors conducts the process, inviting nominations proposed and seconded by two 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 the 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 with connections with the schools, though not employed by them. 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.

QUEEN MARY'S HIGH SCHOOL (WALSALL)

GOVERNORS' REPORT (CONTINUED)

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 details of the Governing Body, the previous Minutes for 12 months, and details of responsibilities and duties. In addition, the Chair of Governors and Head Teacher may give an introduction to the new Governor. Training can take place during the academic year, with some meetings of the Board and the Committees including an element of training. The School makes available to Governors the opportunity to attend formal training sessions. The School is affiliated to the National Governors' Association and Governors have individual access to web based information sources to support their work.

Organisational Structure

The Trustees have appointed a Board of Governors with two principal committees, namely the Resources Committee (that deals with Property and Financial issues affecting the School) and the Curriculum Progress, Pupil Welfare and Wellbeing Committee. Other committees deal with specific issues (Admissions, Pay, etc) as required. The Board has also established Committees with a remit to deal with Staffing, Pupil Discipline, and appeals from these, and also a Panel to deal with Complaints that cannot be resolved internally. The Clerk has a remit to convene these committees when required from eligible Governors.

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 relevant committees of the Board of Governors and by the Full Board.

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

Connected organisations, including related party relationships

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 enables the Governing Body to manage the matter in a most appropriate way. In addition, all agendas for meetings (including Committee meetings) have "Declarations of Interest" as a standing item. Both governors and senior staff with potential influence on spending, and all staff with budgetary responsibility are required to complete the declaration of interest form annually.

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 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. Four of the 11 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 interests of the school and the Foundation independently. The Foundation Trustees have been recently appointed as the Members of the Academy Trust, who will then have the power to appoint Governors at the School.

The Foundation owns the freehold land on which the School is based, 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.

QUEEN MARY'S HIGH SCHOOL (WALSALL)

GOVERNORS' REPORT (CONTINUED)

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 is an outstanding girls' grammar school with a reputation for the highest academic standards. 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 school also has an ethos of developing the "whole person", along with an expectation that all within the school community embrace 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 holistic ethos, and provides opportunities for students to experience a wider programme including overseas visits.

Objects and aims

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 aims of the School are dealt with in the following section.

Objectives, strategies and activities

The school monitors its performance and the achievement of its objectives through the School Improvement Plan, which also sets out the strategies, actions and timescales needed to achieve its objectives. 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 plan and prepare for changes in the curriculum
- To ensure that progress is demonstrable at all levels for all students
- To support individual students in achieving their academic potential

The year saw many students reaching their academic potential, and a significant number of students exceeding their targets. Staff were engaged in writing new schemes of work in response to changes in the curriculum from September 2014. Staff undertook additional lunchtime or after school "clinics" and "drop in" sessions for students across the key stages to enhance their learning or to help them to tackle particular problems within their subject areas. Through Pupil Premium, the school continued to employ a learning mentor to assist students in achieving their academic potential.

QUEEN MARY'S HIGH SCHOOL (WALSALL)

GOVERNORS' REPORT (CONTINUED)

Outstanding Personal Development and Well Being for Staff and Students

This objective is achieved by the following strategies:

- To develop 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 and listened to. The Academy 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. It is envisaged that this strategy will help to empower and motivate staff, knowing that their professional views are both sought and listened to.

Outstanding Leadership to Secure an Outstanding Future

This objective is achieved by the following strategies:

- To ensure that resources and personnel are used for the continuation of outstanding provision and outcomes
- To promote parental engagement and ensure an effective exchange of views and information

Self and peer review of teaching practice aids the continuation of outstanding provision. As part of this staff have been working in trios to 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.

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 strategies:

- To ensure that capital funding is targeted to ensure that facilities in school support its Leading Edge position whilst working within limited ongoing resource availability

A number of investments in capital have been undertaken in the year, including the expansion and installation of WiFi around the school, the purchase of iPads and other ICT devices, which has been partially achieved through funding from The Wolfson Foundation, a charitable organisation we were successful in securing funding from. A significant amount of money has also been spent on maintenance of the buildings, to ensure a comfortable learning environment, which is conducive to learning.

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.

QUEEN MARY'S HIGH SCHOOL (WALSALL)

GOVERNORS' REPORT (CONTINUED)

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 £6000 for distribution to various charities including Readathon, DePaul UK, POTS Awareness UK, Rosedene Rescue Centre and Smile Train. Staff also held a McMillan Coffee Morning. Representatives from the charities supported 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.

Strategic Report

Achievements and performance

The improved success in A* grades at A level reflects the focus for the year on ensuring that our most able students were supported to achieve their best. This improvement reflects an overall trend upwards over the last 5 years. 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. A key success for the year is the two students who have gone to the University of Cambridge, one to read Natural Sciences, the other, English.

Whilst the overall % of A*/A grades was lower than usual this year at Key Stage 4, this does not detract from the high achievement of some individuals and subjects, with notable successes in mathematics, RS, Art and Japanese. Attainment continues to exceed national averages.

Financially, the academy made a larger operating surplus from its 2013/2014 EFA grant income than the previous year, due in part to some efficiency savings. During the year, the Academy invested a significant sum in maintenance and refurbishment of the building, which is Grade II listed. Governors approved a budget for this work from accumulated reserves, most of which was expended in the year. After accounting for a charge to depreciation and movement per the FRS17 valuations, the academy SOFA shows a deficit.

Pupil Premium was spent 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 FSM 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:

	2014	2013
Examination Results	A Level	A Level
Pass rate	99.6%	100.0%
% A*	15.4%	11.6%
% A* or A	42.5%	39.3%
Destination		
1st choice university	58%	76%
Insurance choice university	16%	15%
GAP year/other	25%	10%
Apprenticeship	1%	0%
	GCSE	GCSE
Pass rate	92.30%	98.10%
% of students achieving all 5A*-C grades	92.60%	96.80%
% of students achieving any number of A*/A grades	87.20%	96.80%
% of students achieving any number of A* to B grades	100.00%	98.90%
Number Students achieving all A*/A grades	8	16
Of which all A*	0	3
Other academic KPI's		
Applicants for year 7 places - in excess of:	1200 for 120 places	1000 for 112 places
Financial Data		
Restricted fund reserves/recurrent GAG %	2.68%	3.58%
Staff costs % of GAG Funding	82%	83%
Pupil Attendance Data		
Attendance	97.09%	96.72%
Unauthorised absence	0.11%	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 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 2014/15, Governors have made it a priority to ensure that high standards are maintained within the framework of a budget that is sustainable, and have been rigorous in evaluating any proposals for additional expenditure.

The School had identified that its funding under the minimum guarantee would see a reduction in real terms in both 2013/14 and 2014/15, 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. 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 intake into the sixth form from retained students and external students in September 2013 was lower than anticipated, however a significant improvement was seen in September 2014. 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. 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 1000 applications for the 120 places available in 2013/14. 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. Careful procurement decisions have also contributed to some efficiency savings.

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

Budget planning is be responsive to variations in funding streams and ensures that there is sufficient funding in the reserves to meet the school's financial obligations whilst making sure that the needs of the current cohort of students are met. Cost efficiencies have been achieved during the year which will aid this objective, in addition to the small amount of unrestricted funds from parental donations.

The principal sources of funding remain the GAG funding, and 16-19 funding in the form of recurrent grants. These are shown as restricted funds in the statement of financial activities. In addition, the Academy received a grant from The Wolfson Foundation which is recognised as restricted funds, and has been spent on ICT.

Expenditure from restricted funds has supported the key objectives of the School in terms of delivering quality resources and outstanding teaching, evidenced by the summer 2014 GCSE and A Level results. The School has also funded an extended project qualification (EPQ) for A level students, which was identified as a key factor in HE providers offer consideration. It has also invested in improving the learning environment to aid retention of students in year 11, and to improve the learning experience of all students across all key stages. It continues to support additional learning activities which enhance learning, for example trips and extracurricular activities, as part of a holistic approach to learning.

QUEEN MARY'S HIGH SCHOOL (WALSALL)

GOVERNORS' REPORT (CONTINUED)

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 Principal. 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.

Principal risks and uncertainties

The Governors consider that the principal risks and uncertainties facing the School are:

- 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.

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.

Plans for future periods

The core purpose of Queen Mary's High School is to ensure that teaching promotes learning; that we raise aspirations and achievement and in so doing, enable every student to fulfil their potential.

The school's strategic intent encapsulates the approach taken in planning for the year ahead:

Academic and Curricular Excellence

An inclusive approach which emphasises the importance of each student being supported in achieving of 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

QUEEN MARY'S HIGH SCHOOL (WALSALL)

GOVERNORS' REPORT (CONTINUED)

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.

Ethos and Moral Code

Queen Mary's High School has a strong sense of family, a feature which is often commented upon by parents, students and visitors. 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. 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. We celebrate the rich cultural, ethnic and social diversity that we benefit from and ensure that all are empowered to express their unique contribution whilst celebrating the importance of the input of others.

Parental Engagement and the Outward Facing School

We value the partnership between parents, their children and the school, in enabling students to fulfil their potential. 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 and for parents to develop the skills they need in order to support their child's learning and to overcome any difficulties via effective support from both curricular and pastoral teams.

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 CPD opportunities for our staff.

The reputation of our school in the community is very important to us and 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.

Leadership

We work to ensure that all staff develop the skills they need to meet the demands of their roles as outlined by the Teachers' Standards or individual Job Descriptions. We see this as being achieved through a range of CPD opportunities, supported by a sharply focussed Performance Management system together with an effective Line Management structure.

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.

QUEEN MARY'S HIGH SCHOOL (WALSALL)

GOVERNORS' REPORT (CONTINUED)

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.

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. All staff are required to review various aspects of the school's operation and identify where savings can be made. This will involve the daily use of resources as well all key operational areas.

We value a high quality working environment for students and staff and we also recognise the role of effective ICT resources in enhancing the learning experience of our students. These are both reflected in our ongoing maintenance and renewal programmes.

Funds held as custodian trustee on behalf of others

During the year ended 31 August 2014, 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 15 December 2014 and signed on the Board of Governors' behalf by:

Rebecca Hearsey
Chair

QUEEN MARY'S HIGH SCHOOL (WALSALL)

GOVERNANCE STATEMENT

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

Three governors had, on the face of it, poor attendance at meetings. In each case, however, the governing body accepted that there were legitimate reasons for absence. In the case of Mr Chomyk, he was given dispensation by the governing body because of personal reasons unconnected to the School; he had been a long-standing Governor who had contributed much to the School, having experience of funding in education, but who has subsequently resigned his position which he conceded was untenable. In the case of Mrs Martin, she brought benefit to the Governing Body as a local councillor; however, many of the Council meetings coincided with the meetings of the board of governors. Though she was unable to attend those meetings, she nevertheless contributed to the governing body through work and influence exerted elsewhere. In the case of Mrs Ford, she was unable to attend some meetings of the Resources committee following new employment. Though dispensation was given during the period of these accounts, she has subsequently resigned her position.

Full governing body

Governor	Meetings attended	Out of a possible
Vivian Fairbank	4	4
Alison Bruton	4	4
Nicholas Chomyk	2	4
Lynn Dean	4	4
Lesley Ford	4	4
Abigail Gracie	2	4
Katrina Healey-Davis	3	4
Rebecca Hearsey	4	4
Mary Jones	3	4
Susan Jones	3	4
Surinder Kumar	4	4
Rose Martin	0	4
Susan Rowley	3	4
Kendrick Whitehead	3	4
Lavinia Daniels	3	4
Georgina Binder	2	3
Stephen Martin	2	2

QUEEN MARY'S HIGH SCHOOL (WALSALL)

GOVERNANCE STATEMENT (CONTINUED)

Resources committee

Governor	Meetings attended	Out of a possible
Vivian Fairbank	5	6
Alison Bruton	6	6
Nicholas Chomyk	0	6
Lesley Ford	2	6
Rebecca Hearsey	5	6
Susan Jones	5	6
Susan Rowley	6	6
Kendrick Whitehead	6	6
Surinder Kumar	3	6
Rose Martin	3	6
Georgina Binder	6	6
Stephen Martin	2	2
Julian Dent	1	1

Following the resignation of a number of governors at the end of the academic year 2013-14, the Clerk to the Governors at the High School was instructed to undertake a Skills audit of the governing body. Each governor was asked to indicate strengths, weaknesses and the need for training in a number of areas, and also asked to complete a self-assessment of the quality and effectiveness of the Governing Body as a whole. The results were analysed, and it was found that there appeared to be no areas where the Governors thought there was a need to recruit any particular skills.

The analysis of the self-assessment has not yet been considered in detail by the Governors, but they will do so at their meeting in December 2014. The Governing Body proposes to undertake a similar review of skills, the need for training and self-assessment at the start of each academic year.

The Resources Committee is a sub-committee of the main board of governors. It consists of a Property Sub-Committee and a Finances Sub-committee. The latter also serves as the audit committee. During the period covered by this report, the Chair of the Resources Committee was Mrs Rowley, who was a Finance Principal at another schools' Foundation, and who therefore had knowledge not only of accounting procedures and practices, but also those particular to schools. Mrs Rowley resigned her position as Governor at 31 August 2014 because of other commitments, and the governing body elected Mrs Binder to be the Chair of the committee for the forthcoming year. She too has experience of dealing with financial matters for schools, being a Business Manager at another school in the Borough who is responsible for the preparation of accounts. The remit of the Resources Committee is:

- To prepare and recommend to the Governing Body an annual budget for its approval, taking account of local and national guidance;
 - To oversee the management of the budget and to report to the Governing Body;
 - To review and recommend to the Governing Body the staffing budget arising from the Pay Review Committee's proposals;
 - To consider other matters at the request of the Governing Body, including medium term financial policy and development plans;
 - To consider the financial implications of the school improvement plan, post OFSTED planning and any similar plans;
 - To receive the annual audited accounts for presentation to the Governing Body;
 - To review and recommend the school's policy on the letting of school buildings and grounds where appropriate;
 - To review and recommend to the Governing Body the school's policies for charging for school activities;
 - To review and recommend to the Governing Body the virement and expenditure limits for the Headteacher (currently set at £10,000);
 - To ensure that appropriate procurement procedures are followed with regard to tendering and quoting for goods and services;
-

QUEEN MARY'S HIGH SCHOOL (WALSALL)

GOVERNANCE STATEMENT (CONTINUED)

- To review and report on any other appropriate financial matter as requested by the Governing Body;
- To have responsibility for allocation of public funds from £10,000 to £50,000 without specific referral to the Governing Body, subject to the proviso that if any member of the Committee requires a decision to be taken by the Governing Body, that that matter is to be referred to the Governors for a final decision;
- To review the use, maintenance and repair of the school's premises, and to ensure that applicable legislation is complied with;
- To ensure that sites and buildings, including playing fields, comply with health and safety legislation;
- To ensure that there are appropriate systems in place for the risk management of science and buildings including playing fields;
- To make recommendations to the Governing Body for minor works;
- To make recommendations to the Governing Body for the use of the school's capital funding;
- To recommend a capital budget to the Governing Body.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Queen Mary's High School (Walsall) for the year ended 31 August 2014 and up to the date of approval of the annual report and financial statements.

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 year ending 31 August 2014 and up to the date of approval of the annual report and financial statements. 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 reviews by the Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties
- identification and management of risks

The 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, have 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.

QUEEN MARY'S HIGH SCHOOL (WALSALL)

GOVERNANCE STATEMENT (CONTINUED)

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Resouces Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the governing body on 15 December 2014 and signed on its behalf by:

Rebecca Hearsey
Chair

Alison Bruton
Head Teacher

QUEEN MARY'S HIGH SCHOOL (WALSALL)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Queen Mary's High School (Walsall) I have considered my responsibility to notify the academy trust governing body and the Education Funding Agency (EFA) of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

During the year there were some transactions with a business related to a member of the Senior Leadership Team, as detailed in note 25 to the accounts. These were, in part, subject to the transactions with connected parties and not for profit principles introduced from 7 November 2013. These not for profit principles have not been followed. The work undertaken by the contractor has been subject to the School's normal quotation and authorisation procedures. The contractor has been used by the School over a number of years and has proved to be reliable and cost effective.

I confirm that no other 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.

Alison Bruton
Head Teacher

15 December 2014

QUEEN MARY'S HIGH SCHOOL (WALSALL)

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The governors (who act as trustees for charitable activities and are also 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;
- 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 School will continue in operation.

The governors are responsible for keeping adequate accounting records that are sufficient to show and explain the School's transactions and disclose with reasonable accuracy at any time the financial position of the School 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 School 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 School applies financial and other controls which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the governing body on 15 December 2014 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 2014 which comprise the statement of financial activities, the balance sheet, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

This report is made solely to the academy trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy trust'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 academy trust 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 statement of governors' responsibilities on page 18, the governors (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

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 academy trust'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' 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 financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 to 2014 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: 15 December 2014

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 9 September 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, 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 2013 to 31 August 2014 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 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 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 2013, 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 2013 to 2014. 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 2013 to 31 August 2014 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 2013 to 2014 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

QUEEN MARY'S HIGH SCHOOL (WALSALL)

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

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

Conclusion

In the course of our work, except for the matter noted below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2013 to 31 August 2014 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

During the year there were some transactions with a business related to a member of the Senior Leadership Team, as detailed in note 25 to the accounts. These were, in part, subject to the transactions with connected parties and not for profit principles introduced from 7 November 2013. These not for profit principles have not been followed. The work undertaken by the contractor has been subject to the School's normal quotation and authorisation procedures. The contractor has been used by the School over a number of years and has proved to be reliable and cost effective.

Whitehouse Ridsdale Chartered Accountants

26 Birmingham Road
Walsall
West Midlands
WS1 2LZ

15 December 2014

QUEEN MARY'S HIGH SCHOOL (WALSALL)

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2014

	Notes	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds	Total 2014 £	Total 2013 £
Incoming resources						
Incoming resources from generated funds:						
Voluntary income	2	15,566	-	47,576	63,142	12,234
Activities for generating funds	3	8,705	92,392	-	101,097	102,118
Investment income	4	436	499	-	935	1,765
Incoming resources from charitable activities:						
Funding for the School's educational operations	5	-	3,660,685	-	3,660,685	4,130,127
Other incoming resources	6	-	245,979	-	245,979	306,259
Total incoming resources		24,707	3,999,555	47,576	4,071,838	4,552,503
Resources expended						
Costs of generating funds:						
Costs of activities for generating funds	3	10,859	104,344	-	115,203	75,719
Charitable activities:						
School's educational operations	8	8,199	3,927,548	144,829	4,080,576	4,576,947
Governance costs	9	-	14,628	-	14,628	18,373
Total resources expended	7	19,058	4,046,520	144,829	4,210,407	4,671,039
Net incoming/(outgoing) resources before transfers		5,649	(46,965)	(97,253)	(138,569)	(118,536)
Gross transfers between funds	17	-	(30,202)	30,202	-	-
Net incoming/(outgoing) resources		5,649	(77,167)	(67,051)	(138,569)	(118,536)
Other recognised gains and losses						
Actuarial gain on defined benefit pension schemes	17, 24	-	189,000	-	189,000	16,000
Net movement in funds		5,649	111,833	(67,051)	50,431	(102,536)
Total funds brought forward at 1 September 2013	17	252,002	(930,131)	4,486,818	3,808,689	3,911,225
Total funds carried forward at 31 August 2014		257,651	(818,298)	4,419,767	3,859,120	3,808,689

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

QUEEN MARY'S HIGH SCHOOL (WALSALL)

BALANCE SHEET AS AT 31 AUGUST 2014

	Notes	2014		2013	
		£	£	£	£
Fixed assets					
Tangible assets	13	4,419,767		4,486,818	
Current assets					
Stocks	14	7,106		46,728	
Debtors	15	137,858		148,219	
Cash at bank and in hand		406,392		611,034	
		<u>551,356</u>		<u>805,981</u>	
Creditors: amounts falling due within one year	16	<u>(196,003)</u>		<u>(415,110)</u>	
Net current assets		<u>355,353</u>		<u>390,871</u>	
Total assets less current liabilities		<u>4,775,120</u>		<u>4,877,689</u>	
Defined benefit pension liability	24	<u>(916,000)</u>		<u>(1,069,000)</u>	
Net assets		<u><u>3,859,120</u></u>		<u><u>3,808,689</u></u>	
Funds of the School:					
Restricted funds					
Fixed asset fund	17	4,419,767		4,486,818	
General fund	17	97,702		138,869	
Pension fund	17	(916,000)		(1,069,000)	
Total restricted funds		<u>3,601,469</u>		<u>3,556,687</u>	
Unrestricted funds	17	<u>257,651</u>		<u>252,002</u>	
		<u><u>3,859,120</u></u>		<u><u>3,808,689</u></u>	

The financial statements on pages 23 to 46 were approved by the Governors, and authorised for issue on 15 December 2014 and are signed on their behalf by:

Rebecca Hearsey
Chair

Company Limited by Guarantee
Registration Number 07611345

QUEEN MARY'S HIGH SCHOOL (WALSALL)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2014

	Notes	2014 £	2013 £
Net cash inflow from operating activities	19	(222,951)	42,610
Net cash inflow from returns on investments and servicing of finance	4	935	1,765
Capital expenditure	20	17,374	135,166
(Decrease)/increase in cash		(204,642)	179,541
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September 2013		611,034	431,493
Net funds at 31 August 2014		406,392	611,034

QUEEN MARY'S HIGH SCHOOL (WALSALL)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2014

1 Accounting policies

1.1 Basis of preparation

The financial statements 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 2013 to 2014 issued by the EFA 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 School 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 financial statements.

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.

- 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 an estimate of their gross 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 School's policies.

QUEEN MARY'S HIGH SCHOOL (WALSALL)

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

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 Governor's meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

1.5 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.

1.6 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 ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

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.

1.7 Leasing commitments

Rentals under operating leases are charged on a straight line basis over the lease term.

1.8 Stock

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

QUEEN MARY'S HIGH SCHOOL (WALSALL)

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

1 Accounting Policies

(Continued)

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, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), 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 24, 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 recognised as they are paid each year.

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 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.

1.11 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.

QUEEN MARY'S HIGH SCHOOL (WALSALL)

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

2 Voluntary income

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Other donations	15,566	47,576	63,142	12,234

3 Activities for generating funds

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Catering income	-	92,392	92,392	70,221
School uniform sales	8,705	-	8,705	31,897
	<u>8,705</u>	<u>92,392</u>	<u>101,097</u>	<u>102,118</u>
Catering costs (excluding staff)	-	104,344	104,344	43,822
School uniform costs	10,859	-	10,859	31,897
	<u>10,859</u>	<u>104,344</u>	<u>115,203</u>	<u>75,719</u>

4 Investment income

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Interest receivable	436	499	935	1,765

QUEEN MARY'S HIGH SCHOOL (WALSALL)

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

5 Funding for Academy's educational operations

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
DfE/EFA revenue grants				
General annual grant	-	3,587,306	3,587,306	3,842,460
Capital grant funding	-	-	-	152,658
Other DfE/EFA grants	-	73,379	73,379	135,499
	-	3,660,685	3,660,685	4,130,617
Other government grants				
Special educational projects	-	-	-	(490)
	-	-	-	(490)
	-	3,660,685	3,660,685	4,130,127

6 Other incoming resources

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Trips and activities income	-	198,914	198,914	200,771
Curriculum income	-	5,080	5,080	3,212
Exam fees income	-	4,499	4,499	8,224
Music tuition income	-	18,100	18,100	9,633
Other income	-	19,386	19,386	84,419
	-	245,979	245,979	306,259

QUEEN MARY'S HIGH SCHOOL (WALSALL)

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

7 Resources expended

	Non pay expenditure			Total 2014 £	Total 2013 £
	Staff costs £	Premises £	Other costs £		
Costs of activities for generating funds	-	-	115,203	115,203	75,719
School's educational operations					
Direct costs	2,689,605	97,253	305,021	3,091,879	3,202,119
Allocated support costs	318,192	136,283	534,222	988,697	1,374,828
	<u>3,007,797</u>	<u>233,536</u>	<u>954,446</u>	<u>4,195,779</u>	<u>4,652,666</u>
Governance costs including allocated support costs	-	-	14,628	14,628	18,373
	<u>3,007,797</u>	<u>233,536</u>	<u>969,074</u>	<u>4,210,407</u>	<u>4,671,039</u>

Included within resources expended are the following transactions:

	2014 £	2013 £
Stock written off	8,395	-
Operating leases	3,362	2,241
	<u>11,757</u>	<u>2,241</u>

QUEEN MARY'S HIGH SCHOOL (WALSALL)

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

8 Charitable activities - Schools educational operations

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Direct costs				
Teaching and educational support staff costs	-	2,689,605	2,689,605	2,855,524
Depreciation	-	97,253	97,253	105,391
Educational supplies	-	125,222	125,222	116,798
Examination fees	-	74,964	74,964	69,360
Staff development	-	16,380	16,380	15,462
Other direct costs	-	88,455	88,455	39,584
	-	3,091,879	3,091,879	3,202,119
Allocated support costs				
Support staff costs	-	318,192	318,192	345,718
Recruitment and support	-	22,272	22,272	10,042
Maintenance of premises, site and equipment	-	125,895	125,895	77,527
Major renovations (including ACMF funded projects)	-	-	-	376,237
Cleaning	-	50,790	50,790	56,242
Utilities	-	63,344	63,344	88,910
Rates	-	10,388	10,388	10,123
Insurance	-	35,481	35,481	40,195
Security and transport	-	40,175	40,175	37,205
Trips and activities	-	199,779	199,779	204,802
IT equipment and support	-	64,144	64,144	40,212
Other support costs	8,199	50,038	58,237	87,615
	8,199	980,498	988,697	1,374,828
	8,199	4,072,377	4,080,576	4,576,947

9 Governance costs

	Unrestricted funds £	Restricted funds £	Total 2014 £	2013 £
Legal and professional fees	-	2,418	2,418	4,788
Auditor's remuneration				
Audit of financial statements	-	6,750	6,750	8,500
Other audit costs	-	1,500	1,500	-
Accountancy, taxation and other services	-	3,960	3,960	5,085
	-	14,628	14,628	18,373

QUEEN MARY'S HIGH SCHOOL (WALSALL)

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

10 Staff

Staff costs

Staff costs during the year were:	2014 £	2013 £
Wages and salaries	2,412,609	2,552,691
Social security costs	188,198	196,810
Pension costs	383,761	391,722
	<u>2,984,568</u>	<u>3,141,223</u>
Supply teacher costs	23,229	32,738
Compensation payments	-	27,281
	<u>3,007,797</u>	<u>3,201,242</u>

Staff numbers

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

	2014 Number	2013 Number
Charitable Activities		
Teachers	43	46
Administration and support	24	25
Management	6	6
	<u>73</u>	<u>77</u>

Higher paid staff

The number of employees whose emoluments fell within the following bands was:

	2014 Number	2013 Number
£60,001 - £70,000	2	2
£70,001 - £80,000	1	1
	<u>1</u>	<u>1</u>

These three employees participated in the Teacher's Pension Scheme. During the year ended 31 August 2014 employer pension contributions for these staff amounted to £28,973 (2013: £28,431).

QUEEN MARY'S HIGH SCHOOL (WALSALL)

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

11 Governors' remuneration and expenses

The Head Teacher and staff governors only received remuneration in respect of services they provided 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 for the year was as follows:

Dr A Bruton	£75,001 - £80,000 (2013: £70,001 - £75,000)
Mrs L Dean	£40,001 - £45,000 (2013: £40,001 - £45,000)
Mr K Whitehead	£25,001 - £30,000 (2013: £25,001 - £30,000)

During the year ended 31 August 2014, travel and subsistence expenses totalling £1,058 (2013: £1,590) were reimbursed to two governors in their role as employees, being the Head Teacher and one other staff governor. Related party transactions involving the governors are set out in note 25.

12 Governors' and officers' insurance

In accordance with normal commercial practice the School has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on School business. The insurance provides cover up to £1,000,000 (subject to the policy terms, conditions and exclusions standard to this class of policy) on any one claim and the cost for the year ended 31 August 2014 was £2,111 (2013: £4,931). The cost of this insurance is included in the total insurance cost.

QUEEN MARY'S HIGH SCHOOL (WALSALL)

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

13 Tangible fixed assets

	Land and buildings	Educational equipment	Total
	£	£	£
Cost			
At 1 September 2013	4,640,042	78,995	4,719,037
Additions	-	30,202	30,202
Disposals	-	(1,800)	(1,800)
At 31 August 2014	4,640,042	107,397	4,747,439
Depreciation			
At 1 September 2013	177,503	54,716	232,219
On disposals	-	(1,800)	(1,800)
Charge for the year	78,890	18,363	97,253
At 31 August 2014	256,393	71,279	327,672
Net book value			
At 31 August 2014	4,383,649	36,118	4,419,767
At 31 August 2013	4,462,539	24,279	4,486,818

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.

14 Stocks	2014	2013
	£	£
School uniforms	7,106	46,728

15 Debtors	2014	2013
	£	£
Trade debtors	1,760	11,245
Vat recoverable	25,714	57,863
Other debtors	52,768	24,789
Prepayments and accrued income	57,616	54,322
	137,858	148,219

QUEEN MARY'S HIGH SCHOOL (WALSALL)

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

16 Creditors: amounts falling due within one year	2014	2013
	£	£
Trade creditors	28,620	61,713
Taxes and social security costs	53,186	81,952
Other creditors	2,879	-
Accruals and deferred income	111,318	271,445
	<hr/> 196,003 <hr/>	<hr/> 415,110 <hr/>
Deferred income		
Deferred income at 1 September 2013	101,541	18,172
Resources deferred in the year	37,801	98,773
Amounts released from previous years	(70,821)	(15,404)
	<hr/> 68,521 <hr/>	<hr/> 101,541 <hr/>

QUEEN MARY'S HIGH SCHOOL (WALSALL)

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

17 Funds

	At 1 September 2013 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	At 31 August 2014 £
Restricted general funds					
General Annual Grant (GAG)	84,176	3,660,685	(3,671,650)	(30,202)	43,009
Transfer on conversion	54,693	-	-	-	54,693
Other incoming resources	-	338,870	(338,870)	-	-
	138,869	3,999,555	(4,010,520)	(30,202)	97,702
Pension reserve	(1,069,000)	-	(36,000)	189,000	(916,000)
	(930,131)	3,999,555	(4,046,520)	158,798	(818,298)
Restricted fixed asset funds					
Transfer on conversion	4,701,545	-	-	-	4,701,545
Capital expenditure from GAG	17,492	-	-	30,202	47,694
Private sector capital sponsorship	-	47,576	(47,576)	-	-
Depreciation	(232,219)	-	(97,253)	-	(329,472)
	4,486,818	47,576	(144,829)	30,202	4,419,767
Total restricted funds	3,556,687	4,047,131	(4,191,349)	189,000	3,601,469
Unrestricted funds	252,002	24,707	(19,058)	-	257,651
Total funds	3,808,689	4,071,838	(4,210,407)	189,000	3,859,120

Restricted general funds

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 2014. A small balance is carried forward as unspent from the year's GAG reserves. The balance on the funds arising from conversion are the reserves which contributed to the overall reserve balance on conversion from the former voluntary aided school.

Restricted fixed asset funds

The balance of this fund comprises of 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

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.

QUEEN MARY'S HIGH SCHOOL (WALSALL)

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

18 Analysis of net assets between funds

Fund balances at 31 August 2014 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Restricted pension funds £	Total funds £
Tangible fixed assets	-	-	4,419,767	-	4,419,767
Current assets	257,651	293,705	-	-	551,356
Current liabilities	-	(196,003)	-	-	(196,003)
Pension scheme liability	-	-	-	(916,000)	(916,000)
	<u>257,651</u>	<u>97,702</u>	<u>4,419,767</u>	<u>(916,000)</u>	<u>3,859,120</u>

19 Reconciliation of net income to net cash outflow from operating activities

	2014 £	2013 £
Net income	(138,569)	(118,536)
Depreciation (note 13)	97,253	105,391
Capital grants from DfE/EFA and other capital income	(47,576)	(152,658)
Investment income	(935)	(1,765)
Difference between pension charge and cash contributions	36,000	43,000
Decrease/(increase) in stocks	39,622	(12,463)
Decrease in debtors	10,361	29,800
(Decrease)/Increase in creditors	(219,107)	149,841
Net cash (outflow)/inflow from operating activities	<u>(222,951)</u>	<u>42,610</u>

20 Capital expenditure and financial investment

	2014 £	2013 £
Payments to acquire tangible fixed assets	(30,202)	(17,492)
Capital grants from DfE/EFA	-	152,658
Capital funding received from sponsors and others	47,576	-
Net cash inflow from capital expenditure and financial investment	<u>17,374</u>	<u>135,166</u>

QUEEN MARY'S HIGH SCHOOL (WALSALL)

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

21 Analysis of changes in net funds

	At 1 September 2013	Cash flows	At 31 August 2014
	£	£	£
Cash at bank and in hand	611,034	(204,642)	406,392
	<u>611,034</u>	<u>(204,642)</u>	<u>406,392</u>

22 Capital commitments

	2014	2013
	£	£
WiFi (surplus from GAG funds)	-	12,500
	<u>-</u>	<u>12,500</u>

23 Commitments under operating leases

At 31 August 2014 the School had annual commitments under non-cancellable operating leases as follows:

	2014	2013
	£	£
Expiry date: Between two and five years	3,362	3,362
	<u>3,362</u>	<u>3,362</u>

QUEEN MARY'S HIGH SCHOOL (WALSALL)

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

24 Pension 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 defined-benefit schemes.

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

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

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 teachers who are eligible for auto enrolment as defined by pensions legislation. Teachers are able to opt out after auto enrolment. Those who are not eligible may choose to join.

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.

The Teachers' Pensions Regulations require an annual account to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the account has been credited with a real rate of return, which is equivalent to assuming that the balance in the account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,000 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

Teachers' Pension Scheme Changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

QUEEN MARY'S HIGH SCHOOL (WALSALL)

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

24 Pension and similar obligations

(Continued)

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the proposed final agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall just outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been to be phased in from April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatted Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme will commence on 1 April 2015.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy 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 contribution made for the year ended 31 August 2014 was £98,726 (2013: £99,711), of which employer's contributions totalled £75,767 (2013: £74,867) and employees' contributions totalled £22,959 (2013: £24,844). The agreed contribution rates for future years are 14.1% for employers and between 5.5% and 7.5% for employees.

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

Principal Actuarial Assumptions

	At 31 August 2014	At 31 August 2013
Rate of increase in salaries	3.95%	4.15%
Rate of increase for pensions in payment / inflation	2.20%	2.40%
Discount rate for scheme liabilities	4.00%	4.50%
Inflation assumption (CPI)	2.20%	2.40%

QUEEN MARY'S HIGH SCHOOL (WALSALL)

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

24 Pension 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:

	At 31 August 2014	At 31 August 2013
Retiring today		
Males	22.9	22.1
Females	25.5	24.8
Retiring in 20 years		
Males	25.1	23.9
Females	27.8	26.7

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

	Expected return at 31 August 2014	Fair value at 31 August 2014 £000	Expected return at 31 August 2013	Fair value at 31 August 2013 £000
Equities	7.0%	239	7.0%	200
Government bonds	2.9%	42	3.4%	39
Other bonds	3.8%	55	4.4%	53
Property	6.2%	46	5.7%	41
Cash	0.5%	23	0.5%	19
Other	7.0%	126	7.0%	118
Total market value of assets		531		470
Present value of scheme liabilities				
- Funded		(1,447)		(1,539)
Deficit in the scheme		(916)		(1,069)

The actual return on scheme assets was £55,000 (2013: £40,000).

Amounts recognised in the statement of financial activities

	2014 £000	2013 £000
Current service cost (net of employee contributions)	(70)	(80)
Past service cost	-	-
Total operating charge	(70)	(80)

QUEEN MARY'S HIGH SCHOOL (WALSALL)

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

24 Pension and similar obligations (Continued)

Analysis of pension finance income / (costs)

Expected return on pension scheme assets	30	23
Interest on pension liabilities	(72)	(61)
	(42)	(38)
Pension finance income / (costs)	(42)	(38)

The actual gains and losses for the current period 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 a £53,000 loss (2013: £12,000 gain).

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

	2014	2013
	£000	£000
At 1 September 2013	1,539	1,382
Current service cost	70	80
Past service cost	-	-
Interest cost	72	61
Employee contributions	23	25
Actuarial (gain)/loss	(252)	-
Curtailments and settlements	-	-
Benefits paid	(5)	(9)
	1,447	1,539
At 31 August 2014	1,447	1,539

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

	2014	2013
	£000	£000
At 1 September 2013	470	340
Expected return on assets	30	23
Actuarial gain/(loss)	(63)	16
Employer contributions	76	75
Employee contributions	23	25
Benefits / transfers paid	(5)	(9)
	531	470
At 31 August 2014	531	470

The estimated value of employer contributions for the year ended 31 August 2014 is £75,767.

QUEEN MARY'S HIGH SCHOOL (WALSALL)

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

24 Pension and similar obligations

(Continued)

The history of experience adjustments is as follows:

	2014	2013	2012
	£000	£000	£000
Present value of defined benefit obligations	(1,447)	(1,539)	(1,382)
Fair value of share of scheme assets	531	470	340
Deficit in the scheme	(916)	(1,069)	(1,042)
Experience gains/(losses) on share of scheme assets	(63)	16	(13)
Experience (gains)/losses on scheme liabilities	(252)	Nil	Nil

QUEEN MARY'S HIGH SCHOOL (WALSALL)

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

25 Related parties

Owing to the nature of the academy'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 academy has an interest. In addition, senior members of the management team may also have an interest in organisations that the academy deals with. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

The following disclosures in relation to Related Party Transactions are thus made:

John Simpson Kitchens - an unincorporated business in which Mrs V T Simpson (the Deputy Head Teacher) has a connected interest. The unincorporated business is owned by her husband, Mr John Simpson. Transactions totalling £8,584 (2013: £6,345) in the year relating to building renovations and refurbishments took place.

In addition to this, there were transactions with the business of Mr Simpson's adult son, Mrs Simpson's step son, "Simlec" an unincorporated business, which totalled £3,121 (2013: £3,204) in the year for electrical works in connection with the above.

Mrs Susan Jones, a Governor and member of the Board undertook some work for the school assisting with exam invigilation and reception cover, for which she received total remuneration of £1,965 (2013: £1,643). This is not under a permanent contract of employment, and is on an ad hoc basis. Mrs Jones is not a staff governor.

The wife of staff governor Mr Kendrick Whitehead has an employment contract as a lunchtime supervisor. The Governor was not involved in approving the terms of the appointment. Remuneration for the year to 31 August 2014 for this position was paid at normal scale rates and amounted to £1,575.

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 Jones, Susan Rowley and Rebecca Hearsey served as both governors of Queen Mary's High School (Walsall) and trustees of The Foundation. Vivian Fairbank and Nicholas Chomyk served as both governors of Queen Mary's High School (Walsall) and The Mayfield Preparatory School.

Under the terms of a lease with Queen Mary's Grammar School (Walsall), the school leases part of a site owned by The Foundation. The School purchased landscaping services from Queen Mary's Grammar School (Walsall) amounting to £7,333 (2013: £8,000) in relation to this site. The cost of examinations for entry to Year 7 at the school is funded by The Foundation. In the year to 31 August 2014 this amounted to £14,899 (2013: £12,832).