

THE QUEEN ELIZABETH ACADEMY CHARITY (516412)

Formerly known as - ATHERSTONE GRAMMAR SCHOOL FOUNDATION

Financial Statements for the year ended 31st March 2019

(Incorporating the Cyril Collins Bursary)

Prepared

May 2019

Presented to Trustees

June 2019

Independent Review

9th March 2020

Approved by Trustees

THE QUEEN ELIZABETH ACADEMY CHARITY (516412)

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The following pages comprise the Financial Statements for the year ended 31st March 2019

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Report to the trustees of THE QUEEN ELIZABETH ACADEMY CHARITY on the accounts for the year ended 31st March 2019 set out on pages 2 to 9.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts in accordance with the Charities Act 2011 ("the Act")

The charity's trustees consider that an audit is not required for this year under section 144 of the Act and that an independent examination is needed.

It is my responsibility to

- examine the accounts under section 145 of the Charities Act
- to follow the applicable Directions given by the Charity Commission (under section 145(5)(b) of the Act, and
- to state whether particular matters have come to my attention

Basis of independent examiner's statement

My examination was carried out in accordance with general Directions by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all of the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a "true and fair" view and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no material matters have come to my attention which gives me cause to believe that in, any material respect:

- the accounting records were not kept in accordance with section 130 of the Act: or
- the accounts did not accord with the accounting records; or
- the accounts did not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a "true and fair" view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Bethan Moore FCA
Chartered Accountant
24A Coton Road, Nuneaton CV11 5TW



9th March 2020

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TRUSTEE'S REPORT FOR THE YEAR ENDED 31st MARCH 2019

The Trustees have actively managed the charity throughout the year

TRUSTEES

The following trustees have served during the year

Mr Hugh Nethercot	Appointed to 31st December 2019	Chairman of Trustees
Mr Richard Frank Sharrott	Appointed to 31st December 2019	Trustee and Clerk to Trustees
Mr Dan Watts - Principal TQEA	Appointed to 31st December 2020	Trustee
Mrs Alison Elizabeth Bursnell	Appointed to 31st December 2021	Trustee
Cllr Neil Dirviaks	County Council Nominee to serve till 2020 elections	Nominated Trustee

OBJECTS

The objects of the Charity as laid down and amended by Charity Commission minutes dated 27th January 1992 and order dated 4th April 2016 are :-

- To assist the Governors for the time being of the Academy to discharge their obligations under the Education Acts
- To provide to the Academy such benefits of any kind not normally provided by the local authority
- To promoting the education of persons under the age of 25 who are in need of financial support
- To provide and assisting in provision of facilities, equipment and vehicles for education purposes at the Academy
- To provide funding for educational activities including out-of-hours school tuition
- To provide transport for out-of-hours activities and International Exchanges
- To award grants and awards to promote educational benefits

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GRANT AWARDS MADE TO PROMOTE EDUCATION AT THE QUEEN ELIZABETH ACADEMY

From the revenue income and capital funds of the charity the trustees awarded funds for use by the Academy on and in specified projects

The awards made and utilisation of those funds have been

	Revenue Funding £	Capital Funding £
Funds unspent at 1st April 2018 available for future years	30,645	20,986
Resources received in year	42,937	20,000
Expenditures made during the year	(37,066)	(29,640)
Provision for 2019/20 grants	To be agreed at Trustee's Annual General Meeting	
Funds unspent at 31st March 2019 available for future years	£ 36,516 =====	£ 11,346 =====

Capital project funding has been and will be boosted by withdrawal of capital investments arising from portfolio value growth

Grants expenditure made includes :-

Revenue funding

- Promotional Incentives
- Sponsorship of Student Exchange - Outwards China April 2019
- Specific subject books and aids including Maths, Combined Sciences. English, Media Studies and French
- Staff development
- Support for Breakfast Club
- Gardening equipment and study facilities
- Administration facilities

Capital funding

- Projection Equipment - Main Hall
- Trampoline equipment - Out of Hours facility
- Provision of a class set of tablets
- Provision of iPad Air

Funds unspent at the end of the year are available to be carried forward to ensuing year

Signed on behalf of the Board of Trustees by Chairman Mr Hugh Nethercot

June 2019

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Balance sheet as at 31st March 2019 - Net Assets Employed

£ p	2018 £ p		Note reference	£ p	2019 £ p	Bursary £ p
		Fixed Assets				
0.00		Freehold Land and Buildings	1		0.00	
		Investments at Market value				
	109,815.43	Internally managed funds	2	110,120.66		1,037.21
	<u>823,829.00</u>	Quilter Cheviot Portfolio	3	<u>835,262.81</u>		
933,644.43					945,383.47	
		Current Assets				
	15,794.73	Balances at Bank		13,885.89		
	381.23	Building Society Deposits				381.23
	1,408.34	Due from Academy management body		0.00		
	0.00	Debtor prepaid legal fees		497.00		
	4,050.00	Prepaid 2018/9 grants		0.00		
	<u>1,040.34</u>	National Savings Deposits		<u>1,040.34</u>		
22,674.64					15,423.23	
		Current Liabilities				
	0.00	Payments due to/(from) The Queen Elizabeth Academy Charity (516412)		(100.92)		100.92
	0.00	CHINA project funds held		(471.15)		
	(100.00)	Bursary Prizes due				(100.00)
	<u>(2,993.96)</u>	Trade creditors		<u>(470.00)</u>		
(3,093.96)					(1,042.07)	
		Provisions				
	(20,986.37)	Agreed grants for Capital projects	4	(11,346.77)		
	<u>(30,644.97)</u>	Agreed grants for Revenue projects	4	<u>(36,515.45)</u>		
(51,631.34)					(47,862.22)	
901,593.77		Net Assets Employed			£ 911,902.41	£ 1,419.36
=====					=====	=====

The Trustee's Report and Notes on pages 7 to 9 form part of these accounts

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Balance sheet as at 31st March 2019 - Asset Funding

The Trustee's Report and Notes on pages 7 to 9 form part of these accounts

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Income and Expenditure Account for the year ended 31st March 2019

2018		Notes	2019 Revenue £ p	2019 Capital £ p	Total £ p	Cyril Collins Bursary £ p
£ p	INCOME					
	Investment income					
3,081.79	Internally managed funds		3,095.94		3,095.94	23.56
34,451.39	Professionally managed funds		39,841.03		39,841.03	
<u>37,533.18</u>			<u>42,936.97</u>	<u>0.00</u>	<u>42,936.97</u>	<u>23.56</u>
	Interest income					
0.03	Interest received gross		0.00		0.00	
0.00	Partial refund on Managed Portfolio to fund grants			20,000.00	20,000.00	
<u>37,533.21</u>	TOTAL INCOME		<u>42,936.97</u>	<u>20,000.00</u>	<u>62,936.97</u>	<u>23.56</u>
	EXPENDITURE					
50.00	Legal fees		931.18		931.18	
0.00	Donation to Friends of Atherstone		0.00		0.00	
7,683.23	Professional Investment manager fees		9,622.81		9,622.81	
400.00	Independent Reviewer fees		470.00		470.00	
<u>8,133.23</u>	TOTAL EXPENDITURE		<u>11,023.99</u>	<u>0.00</u>	<u>11,023.99</u>	<u>0.00</u>
<u>29,399.98</u>	EXCESS OF INCOME OVER EXPENDITURE for the year		<u>31,912.98</u>	<u>20,000.00</u>	<u>51,912.98</u>	<u>23.56</u>
	Grants made in year		(26,042.50)	(29,639.60)	(55,682.10)	0.00
	Provision for 2019/20 grants					
(30,000.00)	Income projects	4				
(20,000.00)	Capital projects	4				
<u>(600.02)</u>	MOVEMENT ON REVENUE FUNDS in year		<u>5,870.48</u>	<u>(9,639.60)</u>	<u>(3,769.12)</u>	<u>23.56</u>
<u>(20,000.00)</u>	MOVEMENT ON CAPITAL FUNDS for the year				<u>=====</u>	<u>=====</u>
	Provisions brought forward 1st April 2018		30,644.97	20,986.37		
	Provisions carried forward 31st March 2019		<u>36,515.45</u>	<u>11,346.77</u>	<u>=====</u>	<u>=====</u>

The Trustee's Report and Notes on pages 7 to 9 form part of these accounts

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Accounting Policies

Recognition of Income

Income is recognised when it is received and in the case of dividends when they are declared

Recognition of Expenditure

An accruals basis is adopted which charges against revenue all costs attributable to the year of account

Grants and Awards

All grants and awards, both revenue and capital, are accounted for as paid by the trustees and are accounted when they are paid and no accrual is made for grants in course of process.

Grants paid in the year that are chargeable against later year provision are recorded as being prepaid and do not appear in the Income and Expenditure account for the year ended 31st March 2019

Notes to the accounts

1 Freehold Land and Buildings

- A All freeholds have been acquired by the charity on creation of the Free School and acquired at NO financial cost
Title to the Freehold for the portion of the Playing Field held was registered at the Land Registry in 2016 and bears a registered title WK474915
- B The Playing Field is used by the Academy and a formal lease for its use is being negotiated with The Academy Transformation Trust the academy management body
The terms are to be for 20 years at a peppercorn rent "if requested"
- C The trustees have reviewed a report that there may be additional Freehold Land in the form of 5 cottages that have been leased out on long leases by the Trustees some many years ago.
Solicitors were instructed to research this possibility and an "Initial Registration" of the Freehold in the name of the Trustees was filed but declined by the Land Registry as not proven. All documentation relating to that application is held by our solicitors and retained for any future application or use.
At this point in time the Trustees consider that it is not appropriate for any further expenditure to be incurred in proceeding any further with the unproven reports.

2 Internally managed Investments

These investments, including those held for the Cyril Collins Bursary, were acquired in the name of the Foundation many years ago.

The trustees have been and remain satisfied with the performance, yield and capital value and do not propose to make any changes to the holdings

		Valuation	Income
		£	£ p
Value as at 1st April 2018	Charity	108,778	3096
	Collins Bursary	<u>1,037</u>	24
		109,815	
Increase in value in year		<u>1,343</u>	
Value as at March 2019		111,158	
		=====	
	Charity	110,121	
	Collins Bursary	1,037	

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Notes to the accounts - Continued

2 Investments - Internally managed funds

Security	Charnico Official Income Units	CAF UK Equity Fund B Income	Charnico Common Investment Fund	Total	Cyril Collins Bursary Charibond Income
Units held	1,881.36	49,939.66	3,781.62		841.00
	£ p	£ p	£ p	£ p	£ p
Market value 1st April 2018	26,686.72	74,834.24	7,256.93	108,777.89	1,037.54
Increase /(Decrease) in year	2,107.87	(685.68)	(79.42)	1,342.77	(0.33)
Market value 31st March 2018	<u>28,794.59</u>	<u>74,148.56</u>	<u>7,177.51</u>	<u>110,120.66</u>	<u>1,037.21</u>
	=====	=====	=====	=====	=====
Income in year	<u>946.70</u>	<u>1,846.72</u>	<u>302.52</u>	<u>3,095.94</u>	<u>23.56</u>
	=====	=====	=====	=====	=====

The trustees remain happy that the performance of these units is satisfactory and do not recommend any changes

3 Quilter Cheviot Portfolio

The trustees invested £800,000 with Quilter Cheviot in 2016 on a discretionary basis with expressed instruction embargoing certain areas of investment - Gambling; No High Interest Loan companies; Consumer Credit and Pornography

	£ p		
Capital sum invested	800,000.00		
Growth 2016/7	<u>48,488.00</u>		
Portfolio value 31st March 2017	848,488.00	Income generated	34,451
Decrease in value 2017/8	<u>(24,659.00)</u>	Management fees	<u>(7,683)</u>
Portfolio value 31st March 2018	<u>823,829.00</u>	Year to 31st March 2018	<u>26,768</u>
Partial repayment 2018/9	(20,000.00)	Income generated	39,841
Increase in value 2018/9	<u>31,433.81</u>	Management fees	<u>(9,622)</u>
Portfolio value 31st March 2019	<u>835,262.81</u>	Year to 31st March 2019	<u>30,219</u>
	=====		=====

Instruction has been given to the Investment managers to repay £50,000 of capital in August 2019 to fund

2018/9 capital grants - continuing provisions	20,000
Equipment for newly extended classrooms - special provision	30,000

Notes to the accounts - Continued

4 Provision for grants for both capital and revenue projects

	Revenue Funding £	Capital Funding £
Funds unspent at 1st April 2018 available for future years	30,645	20,986
Resources received in year	42,937	20,000
Expenditures made during the year	(37,066)	(29,640)
Provision for 2019/20 grants	To be agreed at Trustee's Annual General Meeting	
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Revenue funding

Promotional Incentives
Sponsorship of Student Exchange - Outwards China April 2019
Specific subject books and aids including Maths, Combined Sciences. English, Media Studies and French
Staff development
Support for Breakfast Club
Gardening equipment and study facilities
Administration facilities

Capital funding

Projection Equipment - Main Hall
Trampoline equipment - Out of Hours facility
Provision of a class set of tablets
Provision of iPad Air

Funds unspent at the end of the year are available to be carried forward to ensuing year

The trustees have indicated their willingness to make additional capital funds available to TQEA to finance furniture and equipment that will be required in the proposed additional classrooms to be provided in 2019/20 academic year

5 Market Value reserve

This reserve relates solely to the Quilter Cheviot Portfolio

The portfolio is actively managed with numerous transactions placed each year.
The reserve recognises the unrealised increases and decreases in value of securities held at Balance Sheet date
The reserve reflects the results of the management and looks at the whole portfolio.
The trustees are satisfied with the result and management in the difficult economic market place within the Brexit period.