

Registered number: 454793
Charity number: 1092221

THE ROYAL WOLVERHAMPTON SCHOOL
(A company limited by guarantee)

UNAUDITED

GOVERNORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

THE ROYAL WOLVERHAMPTON SCHOOL
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2017**

Governors

Mr P Hill, FCMA, CGMA, CPFA, Chairman
Mr A K M H Rashid, JP, MA, M Phil
Mrs J Lawson BA, ACIB (resigned 16 November 2016)
Mr M White BSc (Econ) (Hons) MBA (resigned 16 November 2016)
Mr M Masters (Old Royal)

Company registered number

454793

Charity registered number

1092221

Registered office

The Royal Wolverhampton School
Penn Road
Wolverhampton
West Midlands
WV3 0EG

Accountants

Crowe Clark Whitehill LLP
Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

THE ROYAL WOLVERHAMPTON SCHOOL
(A company limited by guarantee)

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017

The Governors present their annual report together with the financial statements of The Royal Wolverhampton School for the 1 September 2016 to 31 August 2017. The Governors confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective 1 January 2015).

Reference and Administration Information

The School (RWS) is constituted as a charitable company. The company itself is registered under Charity Number 1092221, and as a company limited by guarantee (under Company Number 454793) and is regulated by its Memorandum and Articles of Association dated 15 March 2002, subsequently amended in June 2004, January 2005, August 2011 and August 2016.

Closure of the independent school and the opening of an independent Free School

On 1st September 2016 RWS in effect converted to an independent Free School under a new company (registered no: 09250153) known as The Royal School, Wolverhampton (RSW). At 23.59.59 on 31st August RWS closed its school and at 00.00.01 on 1st September the Free School company opened its school.

This was the culmination of an extensive and in-depth strategic review by the Governors of the options for the School. The result of that review was a successful application to the Department for Education for the School to become a Free School, an Academy Trust in legal terms. Tuition fees will be paid for by the Government, but the school retains its freedoms to set a distinctive ethos, culture and operation that serves not only the existing pupils, but far more from the local area. It continues to be an all-through school from Primary Reception to Sixth Form, non-selective, co-educational day and boarding school.

A scheme was agreed on 16 June 2016 with the Charity Commission to permit this process.

The sale of the assets and liabilities of the independent school was arranged by the Education Skills Funding Agency with all the land and buildings being acquired by the Department for Communities and Local Government, some on a short lease to RSW so they are available to the Free School while it accommodates the significant planned expansion in pupil numbers and undergoes a major refurbishment and building programme to ensure it is able to accommodate at least 1500 pupils in a good environment.

The overdraft and bank loan were written off as part of this transaction, the Leavers Exhibition Fund remained in RWS. RWS will in future be known as The Royal Wolverhampton School Foundation (The Foundation). It will remain a charity but with amended Objects, as set out later in this report.

Structure, Governance and Management

The Directors of the charitable company are its Governors for the purpose of charity law and throughout this report are collectively referred to as the Governors. The Governors are also members of the company for the purpose of company law.

The Governors who served during the year are named on page 1.

The School is constituted as a charitable company – a company limited by guarantee.

The Governors are elected at a full Board of Governors meeting. There are currently three members of the Board, as permitted by a change in the Articles on August 2016 though there was a greater number for most of the year, when the School was running an operational independent school.

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Recruitment and Training of Governors

The Governors are mindful that the Board should contain members drawn from a broad range of backgrounds including science, healthcare, business, politics, professions and public life. Prospective Board members are encouraged to visit the School, meet the staff and pupils and have a brief introduction to the way in which the School works and the expectations placed on Governors. They are interviewed by the Chairman of the Governors and the Headmaster prior to any decision by the other members of the Board. Election to the Board can only take place by unanimous approval at a Full board meeting.

Governors are appointed for a term of 5 years and for a maximum uninterrupted period of 15 years.

On appointment Governors are given the opportunity to participate in an induction course either individually or as part of a group event. Existing Governors are encouraged to attend training courses run by AGBIS, ISBA, IAPS and other professional advisors on an ad hoc or demand basis. Governors also receive regular presentations in advance of the termly Board meetings about aspects of the School's activities or topics of importance that may impact on the School's activities. Board members have been given specific training in such areas such as child protection, safer staff recruitment and Health and Safety and it recognises the need to maintain awareness of developments in education governance.

Public Benefit

In setting our policy and planning our activities our Governors have given careful consideration to the Charity Commission's general guidance on public benefit, in particular to its supplementary public benefit guidance on advancing education and on fee charging, and of the requirements of the Charities Act 2011.

Funds acquired through donations, legacies and bequests will be used to further the Foundations aims.

Objects and Activities

Charitable Objects

The School's objects, as set out in the Memorandum of Association, are the advancement of education of persons of school age.

Aims

The Foundation only has assets transferred on the setting up of the Free School which comprise The Leaving Exhibition Fund plus any future donations, legacies and bequests received in the year.

Its aims are therefore to manage these funds and make such disbursements as decided by the Directors of The Foundation.

STRATEGIC REPORT

Achievements and Performance

During the year income of £94k was received.

Fundraising performance

Donations in the year totalled £15k (unrestricted funds).

Financial Review

The Foundations total reserves of £130,032 at the year end included £78,564 endowment capital and £51,468 unrestricted funds.

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Reserves policy

The Foundation does not possess large endowment reserves to generate income to assist in the financing of the charity.

The Governors are of the view that it is appropriate to retain sufficient funds to protect the Foundation against uninsurable risks and future uncertainties.

Future Plans

The Company will in future operate in accordance with the aims of The Foundation as set out above.

Governors' Responsibilities Statement

The Governors (who are also directors of The Royal Wolverhampton School for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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 judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

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

This report, incorporating the Strategic report, was approved by the Governors, in their capacity as company directors, on 24/5/18 and signed on their behalf by:



Mr P Hill, FCMA, CGMA, Chairman
Governor

THE ROYAL WOLVERHAMPTON SCHOOL
(A company limited by guarantee)

**INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 AUGUST 2017**

INDEPENDENT EXAMINER'S REPORT TO THE GOVERNORS OF THE ROYAL WOLVERHAMPTON SCHOOL (the 'company')

I report to the charity Governors on my examination of the accounts of the company for the year ended 31 August 2017.

This report is made solely to the company's Governors, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the company's Governors those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the company and the company's Governors as a body, for my work or for this report.

RESPONSIBILITIES AND BASIS OF REPORT

As the Governors of the company (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the company's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

INDEPENDENT EXAMINER'S STATEMENT

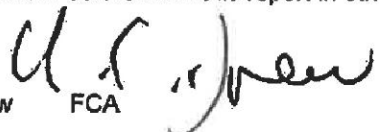
I have completed my examination. I can confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act 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; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

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.

Signed:

Helen Drew FCA



Dated:

26-5-18

CROWE CLARK WHITEHILL LLP

Chartered Accountants
Black Country House
Rounds Green Road
Oldbury
B69 2DG

THE ROYAL WOLVERHAMPTON SCHOOL
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**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	Unrestricted funds 2017 £	Endowment funds 2017 £	Total funds 2017 £	Total funds 2016 £
INCOME AND ENDOWMENTS FROM:					
Donations and legacies	2	15,312	78,564	93,876	422,481
Charitable activities:					
School fees receivable	3	-	-	-	6,857,167
Ancillary trading income	4	-	-	-	441,849
Non-ancillary trading income	5	-	-	-	18,930
TOTAL INCOME AND ENDOWMENTS		15,312	78,564	93,876	7,740,427
EXPENDITURE ON:					
Raising funds:					
Financing costs	7	-	-	-	667,857
Charitable activities:					
Education and grant making		-	-	-	6,812,879
Other charitable activities		3,448	-	3,448	-
Other expenditure		-	-	-	5,169,441
TOTAL EXPENDITURE	6	3,448	-	3,448	12,650,177
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS					
		11,864	78,564	90,428	(4,909,750)
Transfer of assets and liabilities to The Royal School, Wolverhampton	18	(440,913)	(78,564)	(519,477)	-
NET EXPENDITURE BEFORE OTHER RECOGNISED GAINS AND LOSSES		(429,049)	-	(429,049)	(4,909,750)
NET MOVEMENT IN FUNDS		(429,049)	-	(429,049)	(4,909,750)
RECONCILIATION OF FUNDS:					
Total funds brought forward		480,517	78,564	559,081	5,468,831
TOTAL FUNDS CARRIED FORWARD		51,468	78,564	130,032	559,081

The notes on pages 9 to 25 form part of these financial statements.

All of the 2016 income and expenditure excluding donations and legacies are now from discontinued operations.

THE ROYAL WOLVERHAMPTON SCHOOL
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REGISTERED NUMBER: 454793

BALANCE SHEET
AS AT 31 AUGUST 2017

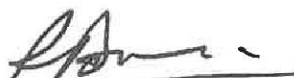
	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	11		-		3,984,399
Investments	12		-		102
			-		3,984,501
CURRENT ASSETS					
Debtors	13	10,747		362,022	
Investments	14	-		20,000	
Cash at bank and in hand		122,285		-	
		133,032		382,022	
CREDITORS: amounts falling due within one year	15	(3,000)		(3,577,067)	
NET CURRENT ASSETS/(LIABILITIES)			130,032		(3,195,045)
TOTAL ASSETS LESS CURRENT LIABILITIES			130,032		789,456
CREDITORS: amounts falling due after more than one year	16		-		(230,375)
NET ASSETS			130,032		559,081
CHARITY FUNDS					
Endowment funds	18		78,564		78,564
Unrestricted funds	18		51,468		480,517
TOTAL FUNDS			130,032		559,081

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The Governors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act.

The Governors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the Governors on 24/5/18 and signed on their behalf, by:



Mr P Hill, FCMA, CGMA, Chairman

The notes on pages 9 to 25 form part of these financial statements.

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	20	102,285	(2,779,667)
Cash flows from investing activities:			
Proceeds from the sale of tangible fixed assets		3,417,168	-
Purchase of tangible fixed assets		-	(161,985)
Proceeds from sale of investments		20,000	-
Net cash provided by/(used in) Investing activities		3,437,168	(161,985)
Cash flows from financing activities:			
Repayments of borrowings		(1,113,415)	(282,913)
Interest paid on borrowings		-	(58,534)
Net cash used in financing activities		(1,113,415)	(341,447)
Change in cash and cash equivalents in the year		2,426,038	(3,283,099)
Cash and cash equivalents brought forward		(2,303,753)	979,346
Cash and cash equivalents carried forward		122,285	(2,303,753)

The notes on pages 9 to 25 form part of these financial statements.

THE ROYAL WOLVERHAMPTON SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES

1.1 Charity information

The Royal Wolverhampton School is a company limited by guarantee (registered number 00454793), which is incorporated and registered in England and Wales. Its charity registration number is 1092221. The registered office and principal place of business is Penn Road, Wolverhampton, West Midlands, WV3 0EG.

Its principal activity is to support the provision of education at The Royal School, Wolverhampton.

The members of the company are the Governors named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

1.2 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Royal Wolverhampton School meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.3 Going concern

On 1 September 2016 the majority of the activities, assets and liabilities of The Royal Wolverhampton School transferred as a going concern to the Free School known as The Royal School, Wolverhampton (registered number 09250153). The existing charity now operates on a smaller scale, providing support to the new school. After making appropriate enquiries, the trustees have a reasonable expectation that the company has adequate resources to continue in existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

1.4 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Governors in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

THE ROYAL WOLVERHAMPTON SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.5 Income

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

For legacies, entitlement is taken as the earlier of the date on which either: the Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Charity, or the Charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donations received for the general purpose of the Foundation are credited to unrestricted funds. Where the donor or appeal has imposed trust law restrictions, voluntary income is credited to the relevant restricted fund and incoming endowments are accounted for as permanent trust capital or expendable trust capital, according to whether the donor intends retention is to be permanent or not. Gifts in kind are valued at estimated open market value at the date of gift, in the case of assets for retention or consumption, or at the value to the Foundation in the case of donated services or facilities.

1.6 Expenditure

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

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

All expenditure is inclusive of irrecoverable VAT.

1.7 Tangible fixed assets and depreciation

All assets costing more than £2,500 are capitalised.

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 incorporating income and expenditure account.

THE ROYAL WOLVERHAMPTON SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% straight line
Motor vehicles	-	20% straight line
Fixtures, fittings & equipment	-	15% straight line
Computer equipment	-	33% straight line
Refurbishment costs	-	20% straight line

1.8 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

1.9 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of financial activities incorporating income and expenditure account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.10 Operating leases

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

1.11 Debtors

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

1.12 Cash at Bank and in hand

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.13 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.14 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments.

1.15 Pensions

Retirement benefits to employees were provided through two schemes, one defined contribution and one multi-employer defined benefit scheme. The pension costs were charged in the Statement of financial activities as follows:

(a) The School operated a defined contribution pension scheme for non-teaching staff and the pension charge represents the amounts payable by the School to the fund in respect of the year.

(b) The School contributed to the Teachers' Pension defined benefits pension scheme. The scheme is a multi-employer scheme where it is not possible, in the normal course of events, to identify on a consistent and reasonable basis, the share of underlying assets and liabilities belonging to individual participating employers. Therefore, as required by FRS 102, the School accounts for this scheme as if it was a defined contribution scheme. The amount charged to the Statement of financial activities represents contributions payable to the scheme in respect of the accounting period.

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2017 £	Endowment funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	10,312	78,564	88,876	13,888
Legacies	5,000	-	5,000	-
Gift aid donation from subsidiary	-	-	-	408,593
Total donations and legacies	15,312	78,564	93,876	422,481
Total 2016	422,481	-	422,481	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

3. CHARITABLE ACTIVITIES - SCHOOL FEES RECEIVABLE

	2017	2016
	£	£
Gross School Fees	-	7,524,635
Discounts and allowances:		
Merit scholarships	-	(398,779)
Allowances and other discounts	-	(669,247)
Fees less discount	-	6,456,609
Add back scholarships paid by restricted funds	-	40,618
Add back scholarships paid by endowment funds	-	359,940
	-	6,857,167

Scholarships and bursaries, and awards were paid for a total of 248 pupils in 2016. Within this means tested bursaries totalling £470,568 were paid to 155 pupils in 2016.

In 2016, of the total income from school fees receivable, £6,816,549 was to unrestricted funds and £40,618 was to restricted funds.

4. CHARITABLE ACTIVITIES - ANCILLARY TRADING INCOME

	2017	2016
	£	£
Half term, after school care and overseas charges	-	170,413
Registration fees and deposits	-	1,000
Sundry income	-	270,436
	-	441,849

All ancillary trading income was unrestricted income.

5. OTHER TRADING ACTIVITIES

	Unrestricted funds 2017 £	Endowment funds 2017 £	Total funds 2017 £	Total funds 2016 £
Hire of buildings and grounds	-	-	-	18,930
Total 2016	18,930	-	18,930	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

6. ANALYSIS OF EXPENDITURE BY EXPENDITURE TYPE

	Staff costs 2017 £	Depreciation 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Costs of generating funds:					
Financing costs	-	-	-	-	667,857
Costs of generating funds	-	-	-	-	667,857
Charitable activities:					
Grants for Foundationers	-	-	-	-	400,558
Education	-	-	-	-	3,324,804
Boarding and domestic	-	-	-	-	934,133
Establishment and maintenance	-	-	-	-	949,382
Support costs and governance	-	-	3,448	3,448	1,204,002
Charitable activities	-	-	3,448	3,448	6,812,879
Impairment	-	-	-	-	5,169,441
	-	-	3,448	3,448	12,650,177
Total 2016	4,135,948	482,605	8,031,624	12,650,177	

In 2016, the total charitable activities expenditure of £6,812,879, was £6,406,841 from unrestricted funds, £40,618 from restricted funds and £365,420 from endowed funds. The impairment cost of £5,169,441 was unrestricted.

Grants for Foundationers

	2017 £	2016 £
From restricted funds	-	40,618
From endowment funds	-	359,940
	-	400,558

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

Governance included in support costs

In 2016 support costs for schooling included office and sundry expenses, marketing, IT costs, legal and professional costs and governance costs of £18,450 which relate to auditors fees.

In 2017 support costs included IT costs and independent examiners fees of £3,000.

7. FINANCING COSTS

	Unrestricted funds 2017 £	Endowment funds 2017 £	Total funds 2017 £	Total funds 2016 £
Bank interest and charges	-	-	-	61,645
Professional fees	-	-	-	207,592
Finance lease interest	-	-	-	26,067
Bad debts	-	-	-	85,181
Prompt payment discounts	-	-	-	287,372
	-	-	-	667,857
<i>Total 2016</i>	<i>667,857</i>	<i>-</i>	<i>667,857</i>	

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned by the charity	-	341,741
- held under finance leases	-	140,864
Impairment of tangible fixed assets	-	5,169,441
Operating lease rentals	-	15,327

During the year, no Governors received any remuneration (2016 - £NIL).

During the year, no Governors received any benefits in kind (2016 - £NIL).

During the year, no Governors received any reimbursement of expenses (2016 - 8 Governors - £5,263).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

9. AUDITORS' REMUNERATION

	2017 £	2016 £
Fees payable to the company's auditor for the audit of the company's annual accounts	-	13,650
Fees payable to the company's auditor in respect of:		
The auditing of accounts of subsidiaries of the company	-	2,700
All other non-audit services not included above	-	1,000
	<u> </u>	<u> </u>

Independent examiner's fees for 2017 are £3,000 (2016 -£Nil).

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NOTES TO THE FINANCIAL STATEMENTS
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10. STAFF COSTS

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	-	3,486,259
Social security costs	-	269,947
Other pension costs	-	379,742
	<u>-</u>	<u>4,135,948</u>

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

	2017 No.	2016 No.
Teaching	-	91
Catering	-	29
Domestic	-	20
Maintenance	-	9
Administration	-	20
International office	-	3
	<u>-</u>	<u>172</u>

Average headcount expressed as a full time equivalent:

	2017 No.	2016 No.
Total staff	-	131

The number of higher paid employees was:

	2017 No.	2016 No.
In the band £90,001 - £100,000	-	1

During the prior year redundancy payments totalling £36,682 were made.

In 2016 the key management personnel of the charity comprised the executive team. The total employee benefits of the key management personnel were £472,277.

During the year no volunteers donated any time to the charity.

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FOR THE YEAR ENDED 31 AUGUST 2017**

11. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures, fittings & equipment £	Refurbish- ment costs £	Motor vehicles £	Computer equipment £	Total £
Cost						
At 1 September 2016	11,914,523	1,671,167	667,983	22,880	802,256	15,078,809
Disposals	(11,914,523)	-	-	-	-	(11,914,523)
Transfer to The Royal School	-	(1,671,167)	(667,983)	(22,880)	(802,256)	(3,164,286)
At 31 August 2017	-	-	-	-	-	-
Depreciation						
At 1 September 2016	8,497,355	1,426,914	667,983	12,081	490,077	11,094,410
On disposals	(8,497,355)	-	-	-	-	(8,497,355)
Transfer to The Royal School	-	(1,426,914)	(667,983)	(12,081)	(490,077)	(2,597,055)
At 31 August 2017	-	-	-	-	-	-
Net book value						
At 31 August 2017	-	-	-	-	-	-
At 31 August 2016	3,417,168	244,253	-	10,799	312,179	3,984,399

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2017 £	2016 £
Computer equipment	-	246,770

On 16 June 2016 a Scheme was approved by the Charity Commission. The Scheme allowed the School Campus to be sold and the proceeds of the sale to be applied for the purposes of the Royal Wolverhampton School, including the discharge of its debts. This sale was transacted on 1 September 2016 and the property was impaired at 31 August 2016 to the consideration received.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

12. FIXED ASSET INVESTMENTS

	Subsidiary £
Market value	
At 1 September 2016	102
Transfer to The Royal School	(102)
	-
At 31 August 2017	-

13. DEBTORS

	2017 £	2016 £
Trade debtors	-	19,604
Amounts owed by group undertakings	-	220,381
Other debtors	10,747	-
Prepayments and accrued income	-	122,037
	10,747	362,022

14. CURRENT ASSET INVESTMENTS

	2017 £	2016 £
Unlisted investments - Premium bonds	-	20,000
	-	20,000

15. CREDITORS: Amounts falling due within one year

	2017 £	2016 £
Bank loans and overdrafts	-	3,415,729
Net obligations under finance leases and hire purchase contracts	-	81,158
Other taxation and social security	-	5,592
Other creditors	-	10,788
Accruals	3,000	63,800
	3,000	3,577,067

The bank borrowings were secured by a legal mortgage over the property owned by the School. The Royal Wolverhampton School Enterprises Limited acted as a guarantor for this loan.

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NOTES TO THE FINANCIAL STATEMENTS
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16. CREDITORS: Amounts falling due after more than one year

	2017	2016
	£	£
Net obligations under finance leases and hire purchase contracts	-	230,375

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	2017	2016
	£	£
Between one and five years	-	230,375

17. FINANCIAL INSTRUMENTS

	2017	2016
	£	£
Financial assets measured at fair value through income and expenditure	122,285	20,102
Financial assets measured at amortised cost	10,747	239,985
Financial liabilities measured at amortised cost	3,000	3,732,875

Financial assets measured at fair value through income and expenditure comprise cash at bank and investments.

Financial assets measured at amortised cost comprise fee debtors and other debtors.

Financial liabilities measured at amortised cost comprise bank loan, finance lease creditor, trade creditors, fee deposits, accruals and other creditors.

The income, expenses, gains and losses in respect of financial instruments are summarised below:

	2017	2016
	£	£
Impairment losses of financial assets measured at amortised cost	-	199,576

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NOTES TO THE FINANCIAL STATEMENTS
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18. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 August 2017 £
Unrestricted funds					
Orphan Foundation General Funds	480,517	15,312	(3,448)	(440,913)	51,468
Endowment funds					
The Leaving Exhibition Fund	78,564	78,564	-	(78,564)	78,564
Total of funds	559,081	93,876	(3,448)	(519,477)	130,032

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 August 2016 £
Unrestricted funds					
Orphan Foundation General Funds	2,715,893	7,659,191	(12,203,521)	2,308,954	480,517
	2,715,893	7,659,191	(12,203,521)	2,308,954	480,517
Endowment funds					
The Leaving Exhibition Fund	78,564	-	-	-	78,564
School campus	2,308,954	-	-	(2,308,954)	-
The Orphan Scholarship Fund	107,661	-	(107,661)	-	-
The Charles Hayward Scholarship	252,279	-	(252,279)	-	-
Chapel Fund	3,509	-	(3,509)	-	-
Prize Fund	1,971	-	(1,971)	-	-
	2,752,938	-	(365,420)	(2,308,954)	78,564
Restricted funds					
The Orphan Scholarship Fund	-	40,618	(40,618)	-	-
	-	40,618	(40,618)	-	-
Total of funds	5,468,831	7,699,809	(12,609,559)	-	559,081

The Leaving Exhibition Fund represents the permanent endowment capital of a fund to be applied for the

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

award of leaving exhibitions tenable at any place of higher or further education to persons under the age of 25 years, who have been in attendance at the school. The income from the fund is credited to a Restricted Fund and applied for the purpose of this fund. This fund is held and operated by the Charity on behalf of The Royal Wolverhampton School Endowment Charity.

The Orphan Scholarship Fund represented the permanent endowment capital of a fund for the granting of full or partial remission of fees for the benefit of orphans at the school. The income from the fund was credited to a Restricted Fund and applied for the purpose of the fund.

The Charles Hayward Scholarship Fund represented the permanent endowment capital of a fund to be applied for awarding Scholarships. The income from the fund was credited to a Restricted Fund and applied for the purpose of this fund.

On 16 June 2016 a Scheme was approved by the Charity Commission. The Scheme gave the power to apply the capital and income of the Charles Hayward Scholarship Fund and the Orphan Scholarship Fund in accordance with the objects of the charity, as noted within the Scheme. These funds were subsequently spent. The Scheme also allowed the School Campus to be sold and the proceeds of the sale to be applied for the purposes of the Royal Wolverhampton School, including the discharge of its debts. This sale was transacted on 1 September 2016 and therefore the School Campus Fund was shown as unrestricted as at 31 August 2016.

SUMMARY OF FUNDS - CURRENT YEAR

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 August 2017 £
General funds	480,517	15,312	(3,448)	(440,913)	51,468
Endowment funds	78,564	78,564	-	(78,564)	78,564
	<u>559,081</u>	<u>93,876</u>	<u>(3,448)</u>	<u>(519,477)</u>	<u>130,032</u>

SUMMARY OF FUNDS - PRIOR YEAR

	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 August 2016 £
General funds	2,715,893	7,659,191	(12,203,521)	2,308,954	480,517
Endowment funds	2,752,938	-	(365,420)	(2,308,954)	78,564
Restricted funds	-	40,618	(40,618)	-	-
	<u>5,468,831</u>	<u>7,699,809</u>	<u>(12,609,559)</u>	<u>-</u>	<u>559,081</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2017 £	Endowment funds 2017 £	Total funds 2017 £
Current assets	54,468	78,564	133,032
Creditors due within one year	(3,000)	-	(3,000)
	<u>51,468</u>	<u>78,564</u>	<u>130,032</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2016 £	Endowment funds 2016 £	Total funds 2016 £
Tangible fixed assets	3,984,399	-	3,984,399
Fixed asset investments	102	-	102
Current assets	303,458	78,564	382,022
Creditors due within one year	(3,577,067)	-	(3,577,067)
Creditors due in more than one year	(230,375)	-	(230,375)
	<u>480,517</u>	<u>78,564</u>	<u>559,081</u>

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

	2017 £	2016 £
Net expenditure for the year (as per Statement of Financial Activities)	(429,049)	(4,909,750)
Adjustment for:		
Depreciation charges	-	482,605
Impairment of fixed assets	-	5,169,441
Decrease/(increase) in debtors	8,857	(67,961)
Increase/(decrease) in creditors	3,000	(3,512,536)
Interest paid on borrowings	-	58,534
Transfer of assets and liabilities to The Royal School, Wolverhampton	519,477	-
Net cash provided by/(used in) operating activities	<u>102,285</u>	<u>(2,779,667)</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017	2016
	£	£
Cash in hand	122,285	-
Overdraft facility repayable on demand	-	(2,303,753)
Total	122,285	(2,303,753)

22. PENSION COMMITMENTS

This note relates to the prior year only.

Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year in 2016 included contributions payable to the TPS of £312,179 and at the year-end £Nil was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by the Teachers' Pension Scheme Regulations 2014. Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set following scheme valuations undertaken by the Government Actuary's Department. The latest actuarial valuation of the TPS was prepared as at 31 March 2012 and the valuation report, which was published in June 2014, confirmed an employer contribution rate for the TPS of 16.4% from 1 September 2015. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 16.48%.

This employer rate will be payable until the outcome of the next actuarial valuation, which is due to be prepared as at 31 March 2016, with any resulting changes to the employer rate expected to take effect from 1 April 2019. This valuation will also determine the opening balance of the cost cap fund and provide an analysis of the cost cap as required by the Public Service Pensions Act 2013.

Scheme for non-teaching staff

The School operated a defined contribution pension scheme for non-teaching staff.

Contributions to the defined contribution pension scheme during the 2016 year included in the pension charge for the year amounted to £107,062.

23. OPERATING LEASE COMMITMENTS

At 31 August 2017 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

	2017	2016
	£	£
Amounts payable:		
Within 1 year	-	15,327

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NOTES TO THE FINANCIAL STATEMENTS
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24. RELATED PARTY TRANSACTIONS

There were no other related party transactions other than those disclosed in note 8 and note 10.