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Company Limited by Guarantee  
Registration number: 07895684 (England and Wales)

**BUSHEY ST JAMES TRUST**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2012**

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**BUSHEY ST JAMES TRUST**  
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**BUSHEY ST JAMES TRUST**  
**REFERENCE AND ADMINISTRATIVE DETAILS**

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**Trustees**

Keith Douglas	Headteacher BMS
Heather Maddox	Headteacher LR
Caroline Would	
Samuel Russell	
Jonathan Davies	
Theresa Rodwell	
Dinah Hoeksma	
Richard Abrahams	Vice Chair
Simon Kinna	Chair
Robert Coombs	

**Appointed**

3 January 2012
3 January 2012
1 February 2012
1 February 2012
1 February 2012
1 February 2012
1 February 2012
1 February 2012
3 January 2012
1 February 2012

Company Secretary  
Rosalyn Armitage - Brain

**Senior Management Team**

Headteacher BMS - Keith Douglas	Assistant Headteacher – William Fisher
Headteacher LR - Heather Maddox	Assistant Headteacher – Elizabeth Weddle
Deputy Headteacher BMS – Hilary Morawska	Assistant Headteacher – Michelle Durham
Deputy Headteacher LR – Ruth Ironside	
Director of Finance – Peter Waite	

**Registered Office**

Bushey Meads School  
Coldharbour Lane  
Bushey  
Hertfordshire  
WD23 4PA

**Company Registration**

**Number**  
07895684

**Independent Auditors**

Crowe Clark Whitehill LLP  
Carrick House  
Lypiatt Road  
Cheltenham  
GL50 2QJ

**Solicitors**

Stone King LLP  
16 St John's Lane  
London  
EC1M 4BS

**Bankers**

Lloyds TSB  
45 The Broadway  
Ealing  
London  
W5 5JU

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## **BUSHEY ST JAMES TRUST REPORT OF THE TRUSTEES FOR THE PERIOD ENDED 31 AUGUST 2012**

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The Trustees present their annual report together with the financial statements and auditor's report of the Charitable Company for the period ended 31 August 2012

The financial statements have been prepared in accordance with the accounting policies on pages 20-38 of the financial statements, and comply with the Company's Memorandum and Articles of Association, the Companies Act 2006, and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities," (SORP 2005), and the Academies Accounts Direction, (August 2011)

### **Structure, Governance and Management**

#### **Constitution**

Bushey St James Trust is a company limited by guarantee and is an exempt charity. The Charitable Company's Memorandum and Articles of Association and Funding Agreement are the primary governing documents of the Academy Trust. The Charitable Company was incorporated on 3 January 2012 as Bushey St James Trust (federating Bushey Meads Secondary School and Little Reddings Primary School)

The Trustees act as the Trustees for the charitable activities of Bushey St James Trust and as Directors of the Charitable Company for the purposes of Company law. The Charitable Company is incorporated as Bushey St James Trust Ltd.

Details of the Trustees who served Bushey St James Trust throughout 2012 are included in the Reference and Administrative Details on page 1.

#### **Members' Liability**

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

#### **Trustees' Indemnities**

As disclosed in note 22, professional indemnity insurance is paid on behalf of the Trustees of the Academy.

#### **Principal Activities**

Bushey Meads School is an 11-19 mixed comprehensive high school specialising in technology. The School continues to be popular and oversubscribed – there were 716 applications for 170 places. In February 2012 the School was inspected by Ofsted and was awarded as being a good school with outstanding features. One of the few schools in the country to achieve outstanding for the behaviour and safety of students. The inspectors recognised the uncompromising drive to raise standards. Not least, it reflects the consistently high level of expectations at the School and the determination and hard work of students, parents, staff and Trustees that have led to pupils' excellent examination results.

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## BUSHEY ST JAMES TRUST REPORT OF THE TRUSTEES FOR THE PERIOD ENDED 31 AUGUST 2012

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Little Reddings is a two form entry primary school with a nursery class. There are currently 352 pupils on roll and the numbers are growing. The School has just increased its PAN to 60 from 51 to accommodate the local need for additional places in the future. The last Ofsted inspection was in 2010 where the School was found to be good with some outstanding features notably the behaviour of the children. Pupils were found to achieve well.

The object of Bushey St James Trust is set out in the Company's Articles of Association, namely "to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining and carrying on, managing and developing a school offering a broad and balanced curriculum"

### **Method of Recruitment and Appointment or Election of Trustees / Directors**

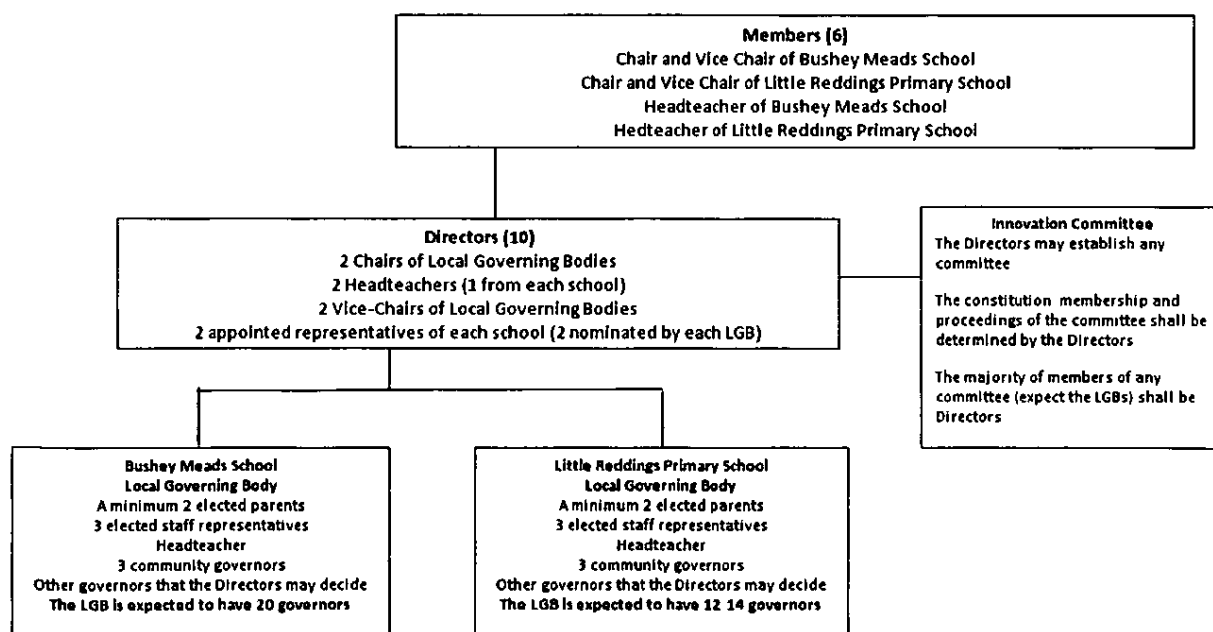
The Academy's Board of Trustees is subject to retirement by rotation. Trustees are eligible for re-election at the meeting at which they retire. The Trustees to retire are those who have served the longest in office since their appointment or re-election. New Trustees are recruited in accordance with the Articles of Association and 'A Guide to the Law for School Trustees'. The term of office for any Governor is 4 years, although this time limit does not apply to the Headteachers.

The Board of Trustees who were in office on 31 August 2012 and served throughout the year are listed on page 1.

### **Policies and Procedures Adopted for the Induction and Training of Trustees**

Bushey Meads and Little Reddings under Bushey St James Trust continue to procure Governor Support services provided by Hertfordshire County Council, the local education authority. Additional training is provided as required based on individual or collective need. External advice and support is commissioned where necessary.

### **Organisation Structure**



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## **BUSHEY ST JAMES TRUST REPORT OF THE TRUSTEES FOR THE PERIOD ENDED 31 AUGUST 2012**

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The structure of the Trust consists of three senior levels

- 1 the Board of Trustees, including the Headteachers, Chairs of Trustees (see diagram above)
- 2 the Local Governing Bodies of Bushey Meads School and Little Reddings Primary School
- 3 the Senior Leadership Teams of Bushey Meads School and Little Reddings Primary School

The Board of Trustees is responsible for setting the Trust's priorities, adopting the budget, monitoring performance against these plans and making major decisions about the direction of the federation

The Headteacher, Deputy Headteacher and Senior Leadership Team of each School controls the School at an executive level, implementing the policies set by the Board of Trustees and reporting back to them

The Board of Trustees has established two Local Governing Bodies (LGB), one for each school within the federation. Each committee has its own terms of reference detailing the responsibilities discharged to the sub-committee, to the Headteachers, (The Accounting Officer), Deputy Headteachers and to the Senior Leadership Team. The terms of reference and meeting frequency for each sub-committee is reviewed and approved by the Board of Trustees annually. The terms of reference for the Finance Sub-Committee detail the Academy's authorised spending limits.

The sub-committees of the LGB at Bushey Meads are

- Strategic Planning
- Student Matters
- Performance Monitoring
- Infrastructure

Groups of Trustees may be formally organised outside of the sub-committee structure to support the Academy as required, to consider

- Headteacher, Deputy Headteacher and Assistant Headteacher recruitment
- Performance management of the Head teacher
- Pupil behaviour and discipline
- Staff conduct and discipline
- Complaints
- Significant areas of change management, (i.e., Academy status and the new curriculum)

The sub-committees of the LGB at Little Reddings are

- Finance and Premises
- Staffing (Pay and Personnel)
- Health and Safety

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## **BUSHEY ST JAMES TRUST REPORT OF THE TRUSTEES FOR THE PERIOD ENDED 31 AUGUST 2012**

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Groups of Trustees may be formally organised outside of the sub-committee structure to support the Academy as required, to consider

- Admissions
- Performance management of the Head teacher
- Pupil behaviour and discipline
- Staff conduct and discipline
- Complaints
- Significant areas of change management, (i.e., Academy status and the new curriculum)

### **Risk Management**

The Board of Trustees has considered the major risks to which the schools are exposed, in particular those relating to governance, finance, insurance, attainment, attendance, behaviour, health and safety, organisation, operations, safeguarding, reputation, HR and ICT

The Board of Trustees have implemented a number of systems to assess and reduce risks that the schools face, especially in operational areas in relation to teaching, health and safety (including school trips and the schools' minibuses), behaviour management, and in relation to the control of finances. They have introduced policies and systems for the recruitment, selection and vetting of new staff, continual professional development of staff, child protection, supervision of students around the school site and internal financial controls to minimise financial risk. Adequate insurance has been arranged where significant financial risk remains. The Academy has an effective system of internal financial control as explained in the Statement on Internal Control.

### **Connected Organisations, including Related Party Relationships**

The Academy continues to work in partnership with Highwood School, furthering the pursuit of the Academy's charitable activities.

Highwood has a newly appointed Headteacher and Bushey Meads and Little Reddings have provided support.

### **Objects and Aims of the Academy**

As described, the object of Bushey St James Trust is set out in the Company's Articles of Association.

The Board of Trustees continues to set the Academy's strategic aims through the School's improvement plan. These aims are monitored closely by the Governing Bodies and reported to the Board of Trustees by way of Headteachers, Senior Team Reports and through the work of the sub-committees.

The aims and objectives for the Academy are derived from the Trust's mission statement which is 'Working to build a cohesive learning community which supports the best educational outcomes for all members.'

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**BUSHEY ST JAMES TRUST  
REPORT OF THE TRUSTEES  
FOR THE PERIOD ENDED 31 AUGUST 2012**

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The key aims of the Academy for the forthcoming year are

- Striving for excellence in all we do
- Providing opportunities for all
- Nurture greater integration and community cohesion
- Providing continuity between key stages
- Actively seek to collaborate and establish partnerships with organisations that will contribute to the development of such an ethos
- Work with and involve key stakeholders, partners and communities
- Ensure that key stakeholder groups, including parents, staff and the local community have a voice
- Provide a programme of high quality continuing professional development and training for all staff to underpin and sustain improvements in teaching and learning
- Emphasise in students the traditional values of self discipline, responsibility, respect, trust and cooperation

**Objectives, Strategies and Activities**

The key objectives for the forthcoming year are

**Bushey Meads School**

- 1 80% of students achieve level 5 or higher in Maths and English at key stage 3
- 2 All grades at KS3 to be above the national average
- 3 83% 5 A\*-C grades at GCSE
- 4 74% 5 A\*-C at GCSE including Maths and English
- 5 90% 5 A\*-G at GCSE including Maths and English
- 6 15% A\* or A grades at GCSE
- 7 74% of students achieve 3 levels of progress in GCSE English
- 8 77% of students achieve 3 levels of progress in GCSE Maths
- 9 95% pass rate at AS and A2, (A-E grades)
- 10 50% A\*-B grades at A2
- 11 80% A\*-C grades at A2
- 12 55% A\*-C grades at AS
- 13 Attendance target is 95%

**Little Reddings School**

- 1 90% of Year 6 pupils attaining level 4 or above in reading
- 2 76% of Year 6 pupils attaining Level 5 in reading
- 3 90% of Year 6 pupils attaining Level 4 or above in writing
- 4 57% of Year 6 attaining Level 5 in writing
- 5 93% of Year 6 pupils attaining Level 4 or above in maths
- 6 53% of Year 6 pupils attaining level 5 in maths
- 7 97% of Year 6 pupils attaining level 4 or above in science
- 8 57% of Year 6 pupils attaining Level 5 in science
- 9 Attendance target is 95%



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**BUSHEY ST JAMES TRUST  
REPORT OF THE TRUSTEES  
FOR THE PERIOD ENDED 31 AUGUST 2012**

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**Public Benefit**

The Trustees confirm that they have complied with their duty in section 17 of the Charities Act 2011 to have due regards to public benefit guidance published by the Charity Commission for England and Wales. The Trustees consider that the Academy's aims are demonstrably to the public benefit.

**Achievements and Performance**

This Annual Report covers the Academy's first period of operation.

Bushey Meads School

There are 1,088 students on roll in September 2012.

Little Reddings Primary School

There are 352 students on roll in September 2012.

The Academy is committed to continual improvement which is achieved in a number of ways including improvement planning, review meetings, continual professional development, lesson observations, performance management, learning walks, self-evaluation, data analysis and action planning.

Table 1 below provides a summary of the Bushey Meads' performance in 2012 examination season.

**Table 1. Summary of GCSE examination results, (2012).**

<b>KEY STAGE 4 RESULTS</b>	<b>Bushey Meads School</b>
Indicator (% or point score)	2012
5A*-C including English & Maths	65 (Target 67.6)
5A*-C, any subject	81 (Target 80)
2A*-C in Science	57
English Baccalaureate*	10
English A*-C	75
Expected Progress in English	71 (Target 73)
Maths A*-C	78
Expected Progress in Maths	76 (Target 77)
Capped Points Score (best 8) *	346.7

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**BUSHEY ST JAMES TRUST  
REPORT OF THE TRUSTEES  
FOR THE PERIOD ENDED 31 AUGUST 2012**

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**Table 2. Summary of the Little Reddings' performance in 2012.**

<b>KEY STAGE 1 RESULTS (%'s)</b>	<b>Little Reddings Primary</b>
Reading ( Level 2or above)	89 ( target 84)
Writing	91 ( target 82)
Maths	91 (target 86)
Science	95 (target 90)
Reading ( Level 3)	42 ( target 19)
Writing	21 ( target 21)
Maths	33 ( target 23)
Science	32
Overall average point score	16 1

<b>KEY STAGE 2 RESULTS (%'s)</b>	
Reading ( Level 4 or above)	85 (target 80)
Writing ( Level 4 or above)	88 (target 80)
Maths	81 ( target 80)
Science	90 ( target 90)
Reading ( Level 5)	51 (target 54)
Writing ( Level 5)	45 ( target 39)
Maths ( Level 5 or above)	44 (10% at Level 6) (target 39)
Science ( Level 5)	36 ( target 35)
Overall points score for English	29 ( 27 6 in 2011)
Overall points score in maths	29 ( 28 7 in 2011)

**Going Concern**

After consideration of the School's financial position, its financial plans (including projected student numbers), the demand for places and the broader environment, the Board of Trustees have a reasonable expectation that the Academy has and will continue to have adequate resources to enable it to be a sustainable going concern in 2012/13 and for the foreseeable future. For this reason the Academy continues to adopt the going concern principle in preparing its financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

**Key Financial Performance Indicators and Financial Review**

The Academy received income into its Unrestricted Fund, Restricted General Funds and Fixed Asset Fund during 1 February to 31 August 2012.

**Restricted General Fund**

The majority of the Academy's income was received through Education Funding Agency (EFA) recurrent revenue grants into the Restricted General Fund, the use of which is restricted to the academy's charitable activities, its educational operations. These revenue grants, and the associated revenue expenditure made against them, are detailed in the SOFA. General Restricted Fund income for the year was £4,448,038, expenditure against the fund was £4,358,178 giving a restricted revenue fund carried forward of £129,860 before transfers from the Restricted Fixed Fund.

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**BUSHEY ST JAMES TRUST  
REPORT OF THE TRUSTEES  
FOR THE PERIOD ENDED 31 AUGUST 2012**

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**Unrestricted Funds**

Income received into the Unrestricted Fund was £833,478. This was predominantly attributable to the £547,684 closing balance transfer from Bushey Meads School, one of the predecessor schools. Expenditure against the fund was £89,957 for the year, giving an Unrestricted Fund carried forward of £743,521.

**Restricted Fixed Asset (Capital) Fund**

The Restricted Fixed Asset Fund balance is reduced by an annual depreciation charge over the expected useful life of the assets concerned in line with the Academy's depreciation policy.

Income received into the fund included the value of the predecessor School's assets at £12,823,785, Academies Capital Maintenance Funding and Formula Capital Funding of £215,865.

The SOFA details a £12,928,033 Restricted Fixed Asset Fund year end surplus after transfers between funds.

**Summary of Financial Performance**

Total fund balance as at 31 August 2012 was £12,313,414 comprised of £743,521, £129,860 and £12,928,033 in Unrestricted, Restricted General and Restricted Fixed Asset Funds respectively as well as the Restricted Pension Reserve deficit of £1,488,000.

**Balance Sheet**

The Academy's assets were predominantly used for providing education to school students. Some assets were used by the local community, predominantly for sports, as part of the School's sports focus and strategic aims to promote health, pathways into the community and work, and community cohesion.

The net book value of the Academy's tangible fixed assets was £13,162,991 as at 31 August 2012. The movement in this account is detailed in note 15.

Cash in hand at 31 August 2012 was £818,051.  
The Reserves and Investment Policies are detailed below.

**Financial and Risk Management Objectives and Policies**

The objective of the Academy's Risk Management procedure is to identify the principal risks facing the academy so that existing controls may be considered and further action taken if required, including external insurance.

The Board of Trustees has a comprehensive risk management process to identify and monitor the risks faced by the Academy.

The financial risks considered include economic / financial uncertainty, liquidity and solvency, credit risk, the risk of fraud and compliance with financial / statutory requirements.

The valuation of the defined benefit pension scheme is a liability of £1,488,000. On the Balance Sheet, this is included in the Academy's reserves.

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## **BUSHEY ST JAMES TRUST REPORT OF THE TRUSTEES FOR THE PERIOD ENDED 31 AUGUST 2012**

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### **Principal Risks and Uncertainties**

The Board of Trustees has a comprehensive risk management process to identify and monitor the risks faced by the Academy. The principal risks identified include governance, statutory compliance, finance, insurance, attainment, attendance, behaviour, health and safety, organisation, operations, safeguarding, reputation, HR and ICT. A risk rating mechanism is in place with greater emphasis directed towards those identified higher risk areas.

### **Reserves Policy**

The Board of Trustees reviews the Academy's Reserve Policy annually. The Board of Trustees have determined that the appropriate level of free reserves should be the equivalent to £460,000 which represents one month's gross salary costs.

The reason for this reserve is to provide sufficient working capital and to provide a cushion to deal with unexpected emergencies. In future years capital maintenance and development projects may be considered in the reserves policy review.

The Academy's free reserves as at 31<sup>st</sup> August 2012 were £508,563 (Total reserves less fixed assets and restricted general reserves).

### **Investment Policy**

Investment vehicles are approved by the Board of Trustees with the support of expert advice as necessary. The Academy has invested the majority of the closing balance from the predecessor school in a Three Month Fixed Investment Account at Lloyds TSB. This is a low risk short term investment. The objective of this account is to hold the Academy's reserve at low risk.

The Academy does not have any endowment funds.

### **Plans for Future Periods**

Bushey St James Trust strives to continually improve levels of attainment for all students, equipping them with the qualifications, skills and character to follow their chosen pathway, whether it be into further and higher education or employment.

The curriculum, the quality of teaching and learning and informed interventions are consistently reviewed to help every child achieve their full potential.

The Trust believes that developing the whole child is critical to improving levels of attainment and in developing broader skills and character that will develop students' commitment to lifelong learning and enrich their quality of life. To this extent, the Trust strives to provide exceptional behaviour and attendance management support to its students and to offer a broad range of extra-curricular activities.

### **Funds held as Custodian Trustee on behalf of others**

Neither Bushey St James Trust Ltd nor the Board of Trustees are acting as third party custodial trustees.

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**BUSHEY ST JAMES TRUST  
REPORT OF THE TRUSTEES  
FOR THE PERIOD ENDED 31 AUGUST 2012**


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The auditors, Crowe Clark Whitehill LLP who were appointed during the year, are willing to continue in office and a resolution to appoint them will be proposed at the Annual General Meeting

The report of the Trustees was approved by the Members of the Trust on 13 December 2012 and signed on its behalf by



**Mr Simon Kinna**  
**Chair of the Board of Trustees**



**Mr Keith Douglas**  
**Accounting Officer and Head teacher**

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**BUSHEY ST JAMES TRUST  
TRUSTEES STATEMENT  
FOR THE PERIOD ENDED 31 AUGUST 2012**

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**Scope of Responsibility**

The Trustees accept overall responsibility for ensuring that Bushey Meads School and Little Reddings Primary School have effective and appropriate system of control, financial and otherwise. However such systems are 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 Trustees have delegated day-to-day responsibility to the Headteachers. The Headteacher of

Bushey Meads School is the Accounting Officer, 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 schools and the Secretary of State for Education. The Accounting Officer is also responsible for reporting to the Trustees any material weaknesses or breakdowns in internal control.

**Trust**

The information on the trust included here supplements that described in the Report of the Trustees and in the Statement of Trustees' Responsibilities. The Bushey St James Trust has formally met 6 times during the period. Attendance during the period at meetings of the Trust was

<b>Trustees</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Robert Coombs	1	6
Caroline Would	5	6
Samuel Russell	5	6
Jonathan Davies	5	6
Theresa Rodwell	5	6
Dinah Hoeksma	6	6
Richard Abrahams	4	6
Simon Kinna	6	6
Keith Douglas	6	6
Heather Maddox	6	6

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**BUSHEY ST JAMES TRUST  
GOVERNANCE STATEMENT  
FOR THE PERIOD ENDED 31 AUGUST 2012**

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**Governance (continued)**

The Finance and Human Resource responsibilities of the Trust are controlled by the Board of Trustees, through each school's local 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 on-going process

designed to identify and prioritise the risks to the achievement of school trust 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 the schools for the period ended 31 August 2012 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 trust 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 on-going process for identifying, evaluating and

managing the school's significant risks that has been in place for the period ending 31 August 2012 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

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**BUSHEY ST JAMES TRUST  
GOVERNANCE STATEMENT  
FOR THE PERIOD ENDED 31 AUGUST 2012**

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**The Risk and Control Framework**

The schools' 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 Governing Body,
- regular reviews by the Finance and Personnel 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 guidelines
- delegation of authority and segregation of duties,
- identification and management of risks


**Review of Effectiveness**

As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by

- the work of the Responsible Officer,
- the work of the external auditor,
- the financial management and governance self-assessment process,
- the work of the executive managers within the school trust who have responsibility for the development and maintenance of the internal control framework

Approved by order of the members of the Trust on 13 December 2012 and signed on its behalf by

  
SIMON KINNA  
Chairman

  
KEITH DOUGLAS  
Headteacher BMS and Accounting Officer



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**BUSHEY ST JAMES TRUST  
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE  
FOR THE PERIOD ENDED 31 AUGUST 2012**

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As Accounting Officer of Bushey St James Trust I have considered my responsibility to notify the Governing Body and the Education Funding Agency of material irregularity, impropriety and

non-compliance with EFA terms and conditions of funding, under the funding agreement in place

between the School and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook

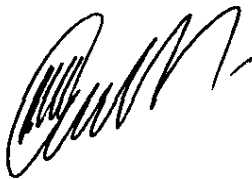
I confirm that I and the Governing Body are able to identify any material irregular or improper use of

funds by the School, or material non-compliance with the terms and conditions of funding under the

School's funding agreement and the Academies Financial Handbook

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been

discovered to date



KEITH DOUGLAS  
Headteacher BMS and Accounting Officer

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**BUSHEY ST JAMES TRUST**  
**STATEMENT OF TRUSTEES RESPONSIBILITIES**  
**FOR THE PERIOD ENDED 31 AUGUST 2012**

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The Trustees (who are also Directors of Bushey St James Trust for the purposes of Company Law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards)

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees 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 the incoming resources and application of resources, including the income and expenditure, of the Charitable Company for that period. In preparing these financial statements, the Trustees are required to

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

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

The Trustees are responsible for ensuring that in its conduct and operation the Charitable Company applies financial and other controls, which conform with the requirement 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 Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charitable Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

So far as each Trustee is aware at the time the report is approved

- there is no relevant information of which the auditors are unaware, and
- that the Trustees have taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Approved by order of the Trustees on 13 December 2012, and signed on its behalf by

  
SIMON KINNA  
Chair

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## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BUSHEY ST JAMES TRUST**

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We have audited the financial statements of Bushey St James Trust for the period ended 31 August 2012 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes numbered 1 to 26

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 Annual Accounts Direction [2011/12] issued by the Education Funding Agency

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

### **Respective responsibilities of Trustees and auditor**

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the Directors of the Charitable Company for the purpose 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 Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements

In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

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## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BUSHEY ST JAMES TRUST (CONTINUED)**

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### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the Charitable Company's affairs as at 31 August 2012 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including the Annual Accounts Direction [2011/12] issued by the Education Funding Agency, and
- have been prepared in accordance with the requirements of the Companies Act 2006

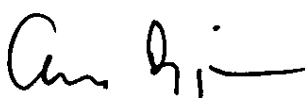
### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Report for the financial period for which the financial statements are prepared is consistent with the financial statements

### **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
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of Trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Guy Biggin  
Senior Statutory Auditor

For and on behalf of  
**Crowe Clark Whitehill LLP**  
Statutory Auditor  
Carrick House  
Lypiatt Road  
Cheltenham  
Gloucestershire  
GL50 2QJ

Dated 18 December 2012

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## INDEPENDENT AUDITOR'S REPORT ON REGULARITY TO THE GOVERNING BODY OF BUSHEY ST JAMES TRUST AND THE EDUCATION FUNDING AGENCY

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In accordance with the terms of our engagement letter dated 12 November 2012 and further to the requirements of the Education Funding Agency (EFA), we have carried out a review to obtain assurance about whether, in all material respects, the expenditure disbursed and income received by the Academy Trust during the period 1 February 2012 to 31 August 2012 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 the Governing Body and the EFA. Our review work has been undertaken so that we might state to the governing body and the EFA those matters we are required to state to it in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the governing body and the EFA, for our review work, for this report, or for the opinion we have formed.

### **Respective responsibilities of the Governing Body and Auditors**

The governing body is responsible, under the requirements of the Academies Act 2010, subsequent legislation and related regulations, 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.

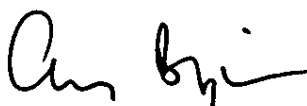
Our responsibilities for this review are established in the United Kingdom by our profession's ethical guidance and the audit guidance set out in the EFA's Financial Handbook and Accounts Direction. We report to you whether, in our opinion, anything has come to our attention in carrying out our review which suggests that in all material respects, expenditure disbursed and income received during the period 1 February 2012 to 31 August 2012 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

### **Basis of opinion**

We conducted our review in accordance with the Academies Handbook and the Accounts Direction [2011/12] issued by the EFA.

### **Opinion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 February 2012 to 31 August 2012 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Guy Biggin  
Senior Statutory Auditor

For and on behalf of  
**Crowe Clark Whitehill LLP**  
Statutory Auditor  
Carrick House  
Lypiatt Road  
Cheltenham  
Gloucestershire  
GL50 2QJ

18 December 2012

**BUSHEY ST JAMES TRUST**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
(Incorporating an Income and Expenditure Account)  
**FOR THE PERIOD ENDED 31 AUGUST 2012**

	Note	Unrestricted General Fund £	Restricted General Fund £	Restricted Fixed Asset Fund £	Total 2012 £
<b>Incoming Resources</b>					
<b>Incoming resources from generated funds:</b>					
Voluntary income	3	547,684	-	12,823,785	13,371,469
Non-ancillary trading income	4	37,635	-	-	37,635
Investment income	5	744	-	-	744
<b>Incoming resources from charitable activities</b>					
Funding for educational operations	6	60,121	4,448,038	215,865	4,724,024
Other income	7	187,294	-	-	187,294
<b>Total incoming resources</b>		<b>833,478</b>	<b>4,448,038</b>	<b>13,039,650</b>	<b>18,321,166</b>
<b>Resources expended</b>					
<b>Charitable Expenditure</b>					
Academy's Educational Operations	10	57,197	4,358,178	111,617	4,526,992
<b>Governance costs</b>	11	<b>32,760</b>	<b>-</b>	<b>-</b>	<b>32,760</b>
<b>Total resources expended</b>	8	<b>89,957</b>	<b>4,358,178</b>	<b>111,617</b>	<b>4,559,752</b>
<b>Net incoming resources before transfers</b>		<b>743,521</b>	<b>89,860</b>	<b>12,928,033</b>	<b>13,761,414</b>
<b>Transfers</b>					
Gross transfers between funds	18	-	-	-	-
<b>Net incoming resources before other recognised gains and losses</b>		<b>743,521</b>	<b>89,860</b>	<b>12,928,033</b>	<b>13,761,414</b>
<b>Other recognised gains and losses</b>					
Brought-forward defined pension scheme liability	27	-	(1,468,000)	-	(1,468,000)
Actuarial losses on defined benefit pension schemes	27	-	20,000	-	20,000
<b>Net movement in funds</b>		<b>743,521</b>	<b>(1,358,140)</b>	<b>12,928,033</b>	<b>12,313,414</b>
<b>Reconciliation of funds</b>					
Total funds brought forward at 1 February 2012	18	-	-	-	-
<b>Total funds carried forward at 31 August 2012</b>	18	<b>743,521</b>	<b>(1,358,140)</b>	<b>12,928,033</b>	<b>12,313,414</b>

All of the Academy's activities derive from continuing operations during the 2012 financial period. A separate Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

The Statement of Financial Activities analyses all the capital and incoming resources and expenditure of the Academy during the period and reconciles the movements in funds. The overall financial position at the period-end is summarised on the Balance Sheet on page 21.

The notes on pages 23 to 38 form part of these financial statements.

**COMPANY NUMBER: 07895684  
BUSHEY ST JAMES TRUST  
BALANCE SHEET  
AS AT 31 AUGUST 2012**

	Note	2012 £	2012 £
<b>Fixed assets</b>			
Tangible fixed assets	15		<u>13,162,991</u>
<b>Current assets</b>			
Debtors	16	352,850	
Cash at bank and in hand		<u>818,051</u>	
		1,170,901	
<b>Current liabilities</b>			
<b>Creditors:</b> amounts falling due within one year	18	<u>(532,478)</u>	
<b>Net current assets</b>			638,423
<b>Total assets less current liabilities</b>			<u>13,801,414</u>
<b>Net assets excluding pension liability</b>			<u>(1,488,000)</u>
Pension scheme liability			
<b>Net assets including pension liability</b>			<u>12,313,414</u>
<b>Restricted funds</b>			
Pension deficit			(1,488,000)
Fixed asset fund			12,928,033
Other restricted fund			<u>129,860</u>
<b>Total restricted funds</b>			<u>11,569,893</u>
<b>Unrestricted funds</b>			
General funds			<u>743,521</u>
<b>Total funds</b>	19		<u>12,313,414</u>

The financial statements on pages 20 to 38 were approved by the Trustees and authorised for issue on 13 December 2012 and are signed on their behalf by

  
**SIMON KINNA**  
Chair of Trustees

The notes on pages 23 – 38 form part of these financial statements

**BUSHEY ST JAMES TRUST  
CASH FLOW STATEMENT  
FOR THE PERIOD ENDED 31 AUGUST 2012**

	Note	2012 £
<b>Net cashflow from operating activities</b>		<b>1,052,265</b>
<b>Returns on investments and servicing of finance</b>	<b>25</b>	<b>744</b>
<b>Capital expenditure</b>	<b>26</b>	<b>(234,958)</b>
<b>Increase in cash in the period</b>		<b>818,051</b>
<b>Reconciliation of net cash flow to movement in net funds</b>		
Increase in cash		
Change in net funds		<b>818,051</b>
Net funds at start of period		-
<b>Net funds at 31 August 2012</b>		<b><u>818,051</u></b>

**Analysis of changes in net funds**

	At 4 March 2011	Cash Flow	At 31 August 2012
Cash in hand and at bank	<u>-</u>	<b><u>818,051</u></b>	<b><u>818,051</u></b>
Net funds	<u>-</u>	<b><u>818,051</u></b>	<b><u>818,051</u></b>

All the Academy's cashflows are derived from acquisitions in the current financial period  
The notes on pages 23 – 38 form part of these financial statements



**BUSHEY ST JAMES TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2012**

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**1. ACCOUNTING POLICIES**

**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 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.

**Going Concern**

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

**Conversion to an Academy Trust**

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the School for £nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion to an academy trust have been valued at their fair value being a reasonable estimate of the current market value that the Trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Bushey St James Trust. The amounts have been recognised under the appropriate Balance Sheet categories, with a corresponding amount recognised in voluntary income as income in the Statement of Financial Activities and analysed under Unrestricted Funds, Restricted General Funds and Restricted Fixed Asset Funds. Further details of specific elements of the transaction are set out in the accounting policies below.

**Incoming resources**

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

**Grants receivable**

Grants receivable 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.

**Donations**

Donations are included in the Statement of Financial Activities on a cash received basis or on an accruals basis where they are assured with reasonable certainty and are receivable at the Balance Sheet date.

**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.

Interest receivable is included within the Statement of Financial Activities on a receivable basis.

**Donated Services and gifts in kind**

The value of donated services and gifts in kind provided to the Academy are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy Trust can be reliably measured. An equivalent amount is included as expenditure.

**BUSHEY ST JAMES TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE PERIOD ENDED 31 AUGUST 2012**

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under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy's policies

In respect of buildings transferred to the Academy from its previous form as a Foundation School, the open market value of this has been included within voluntary income under the Restricted Fixed Asset Fund. The cost of the building is depreciated over 50 years

**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 a particular heading 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 by the Academy Trust's educational operations

**Governance costs**

These include the costs attributable to the Academy Trust'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

**Tangible Fixed Assets**

Assets costing £450,823 or more, which have been acquired since the Academy was established, 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 the expected useful economic life. The related grants are credited to a Restricted Fixed Asset Fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on 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 Academy Trust's depreciation policy

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight line basis over its expected useful lives, as follows

Freehold land and buildings	2%
Fixtures and fittings	10%
Motor Vehicles	20%
Computer equipment	20-33%

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

**BUSHEY ST JAMES TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2012**

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**Taxation**

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a Charitable Company for UK corporation tax purposes. Accordingly, the Academy Trust 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.

**Teachers' Pension Scheme**

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust 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 22, the TPS is a multi-employer scheme and the Academy Trust 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.

**Local Government Pension Scheme**

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit 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.

**Fund Accounting**

Unrestricted Funds are those funds which may be used towards meeting the objectives of the Charitable Company at the discretion of the Trustees.

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

Restricted Fixed Asset Funds are funds raised for the purpose of specific capital projects.

**Recognition of Liabilities**

Liabilities are recognised when either a constructive or legal obligation exists.

**BUSHEY ST JAMES TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2012**

**2. GENERAL ANNUAL GRANT (GAG)**

	2012 £
<b>a. Result and carry forward for the period (pre-clawback)</b>	
GAG brought forward from previous period	-
GAG allocation for the current period	<u>3,784,414</u>
<b>Total GAG available to spend</b>	<u>3,784,414</u>
Recurrent expenditure from GAG	3,784,414
Fixed Assets purchased from GAG	<u>-</u>
<b>GAG carried forward to next year</b>	<u>-</u>
Maximum permitted GAG carry forward at end of current period (12% of allocation for current period)	454,490
<b>GAG to surrender to EFA</b>	-
(12% rule breached if result is positive)	(454,490)

**3. VOLUNTARY INCOME INCLUDING INCOME TRANSFERRED FROM THE FOUNDATION ON CONVERSION**

	Unrestricted Funds £	Restricted Funds £	Total £
Donations	547,684	-	547,684
In kind support – transfer of buildings	<u>-</u>	<u>12,823,785</u>	<u>12,823,785</u>
	<u>547,684</u>	<u>12,823,785</u>	<u>13,371,469</u>

**4. NON ANCILLARY TRADING INCOME**

	Unrestricted Funds £	Restricted Funds £	2012 Total £
Hire of facilities	31,088	-	31,088
Trading income	<u>6,547</u>	<u>-</u>	<u>6,547</u>
	<u>37,635</u>	<u>-</u>	<u>37,635</u>

**5. INVESTMENT INCOME**

	Unrestricted Funds £	Restricted Funds £	Total £
Bank interest	<u>744</u>	<u>-</u>	<u>744</u>

**BUSHEY ST JAMES TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2012**

**6. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted Funds £	Restricted Funds £	Total £
<b>DfE / EFA capital grant</b>			
Other capital grants	-	212,195	212,195
Devolved Formula grant	-	3,670	3,670
<b>DfE / EFA revenue grants</b>			
General Annual Grant (GAG) (note 2)	-	3,784,414	3,784,414
Start up grants	50,000	-	50,000
Other DfE / EFA grants	10,121	341,785	351,906
<b>Other Government grants</b>			
School Standards Funds	-	321,839	321,839
	<u>60,121</u>	<u>4,663,903</u>	<u>4,724,024</u>

**7. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES – OTHER INCOME**

	Unrestricted Funds £	Restricted Funds £	Total £
Catering income	82,882	-	82,882
School trips	56,607	-	56,607
Other non trading income	47,805	-	47,805
	<u>187,294</u>	<u>-</u>	<u>187,294</u>

**8. TOTAL RESOURCES EXPENDED**

	Staff costs £	Premises £	Other costs £	2012 Total £
<b>Academy's educational operations</b>				
Direct costs	2,686,653	111,617	515,320	3,313,590
Allocated support costs	429,743	-	783,659	1,213,402
Governance costs including allocated support costs	-	-	32,760	32,760
<b>Total</b>	<u>3,116,396</u>	<u>111,617</u>	<u>1,331,739</u>	<u>4,559,752</u>

**9. SURPLUS FOR THE PERIOD**

Surplus for the period is stated after charging -

	2012 £
Auditor's remuneration for audit services	8,100
Auditor's remuneration for non-audit services	<u>-</u>

**BUSHEY ST JAMES TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2012**

**10. ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted Funds £	Restricted Funds £	Total 2012 £
<b>Direct costs</b>			
Teaching and educational support staff costs	-	2,686,653	<b>2,686,653</b>
Depreciation	-	111,617	<b>111,617</b>
Educational supplies	7,727	136,697	<b>144,424</b>
Educational consultancy	-	72,356	<b>72,356</b>
Staff development	-	31,589	<b>31,589</b>
Examination fees	-	72,405	<b>72,405</b>
Other direct costs	<u>-</u>	<u>194,546</u>	<u><b>194,546</b></u>
	<u><b>7,727</b></u>	<u><b>3,305,863</b></u>	<u><b>3,313,590</b></u>
<b>Allocated support costs</b>			
Support staff costs	-	429,743	<b>429,743</b>
Recruitment and support	-	8,435	<b>8,435</b>
Maintenance of premises and equipment	-	363,701	<b>363,701</b>
Cleaning	-	68,633	<b>68,633</b>
Rent & rates	-	18,942	<b>18,942</b>
Security and transport	-	10,600	<b>10,600</b>
Catering	-	109,330	<b>109,330</b>
School trips	49,470	-	<b>49,470</b>
Insurance	-	39,776	<b>39,776</b>
Other support costs	<u>-</u>	<u>114,772</u>	<u><b>114,772</b></u>
	<u><b>49,470</b></u>	<u><b>1,163,932</b></u>	<u><b>1,213,402</b></u>
	<u><b>57,197</b></u>	<u><b>4,469,795</b></u>	<u><b>4,526,992</b></u>

**11. GOVERNANCE COSTS**

	2012 £
Legal and Professional fees	<b>22,516</b>
Audit fees	<u><b>10,244</b></u>
	<u><b>32,760</b></u>

**BUSHEY ST JAMES TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2012**

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**12. STAFF COSTS**

	<b>2012 £</b>
Staff costs during the period were	
Wages and salaries	2,528,226
Social security costs	197,620
Pension costs	<u>390,550</u>
	<u><b>3,116,396</b></u>

	<b>2012 No.</b>
<b>Charitable Activities</b>	
Teachers	69
Administration and support	47
Management	<u>8</u>
	<u><b>124</b></u>

	<b>2012 No.</b>
* The number of employees whose emoluments fell within the following bands was	
£60,001 - £70,000	2
£90,001 - £100,000	1

76 of the above employees participated in the Teachers' Pension Scheme. During the period ended 31 August 2012, pension contributions for these Members of staff amounted to £234,985\*

Of the above employees earning more than £60,000 per annum, none participated in the Local Government Pension Scheme during the period ended 31 August 2012

\* figures have been pro-rated to represent a 12 month period

**BUSHEY ST JAMES TRUST  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE PERIOD ENDED 31 AUGUST 2012**

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**13. TRUSTEES' REMUNERATION AND EXPENSES**

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

The Head teachers' emoluments which fell within the following bands was

1	£95,000 - £100,000
1	£65,000 - £70,000

During the period ended 31 August 2012, travel and subsistence expenses totalling £189 were reimbursed to one Governor.

\* figures have been pro-rated to represent a 12 month period

Related party transactions involving Trustees are set out in note 25

**14. TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £25,000,000 on any one claim. The cost for the period ended 31 August 2012 of specific governor and officer insurance cannot be separately distinguished from the total cost of the school's insurance.

The cost of insurance is included in total insurance costs.



**BUSHEY ST JAMES TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE PERIOD ENDED 31 AUGUST 2012**

**15. TANGIBLE FIXED ASSETS**

	Land and Buildings £	Fixtures and Fittings £	Computer Equipment £	Total £
<b>Cost</b>				
At start of period	-	-	-	-
Transfer on conversion	12,823,785	-	-	12,823,785
Additions	<u>380,721</u>	<u>3,209</u>	<u>66,893</u>	<u>450,823</u>
<b>At 31 August 2012</b>	<b><u>13,204,506</u></b>	<b><u>3,209</u></b>	<b><u>66,893</u></b>	<b><u>13,274,608</u></b>
<b>Depreciation</b>				
At start of period	-	-	-	-
Charged in period	<u>111,617</u>	<u>-</u>	<u>-</u>	<u>111,617</u>
<b>At 31 August 2012</b>	<b><u>111,617</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>111,617</u></b>
<b>Net book value</b>				
<b>At 31 August 2012</b>	<b><u>13,092,889</u></b>	<b><u>3,209</u></b>	<b><u>66,893</u></b>	<b><u>13,162,991</u></b>
At start of period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Included within Fixed Assets is recognition of the value of the land and buildings transferred to the Academy from its predecessor form as a Foundation School. The value recognised is in accordance with a formal valuation that took place on 31 August 2012, totalling £12,823,785. Going forward the site will be depreciated straight line over a period of 50 years.

**16. DEBTORS**

	2012 £
Trade debtors	4,415
Other debtors	259,146
Prepayments	<u>89,289</u>
	<b><u>352,850</u></b>

**BUSHEY ST JAMES TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE PERIOD ENDED 31 AUGUST 2012**

**17. CREDITORS:** amounts falling due within one year

	2012 £
Trade Creditors	160,715
Other taxation and social security	149,178
Other creditors	86,024
Accruals	<u>136,561</u>
	<u><b>532,478</b></u>

**18. STATEMENT OF FUNDS**

	<i>Balance at start of period 2012 £</i>	<b>Incoming Resources £</b>	<b>Resources expended £</b>	<b>Gains, Losses and Transfers £</b>	<b>Balance at 31 August 2012 £</b>
<b>Restricted General Funds</b>					
General Annual Grant (GAG)	-	3,784,414	(3,784,414)	-	-
Other EFA grants	-	341,785	(341,785)	-	-
Other government grants	-	321,839	(191,979)	-	129,860
Pension reserve	-	-	(40,000)	(1,448,000)	<u>(1,488,000)</u>
	-	<u>4,448,038</u>	<u>(4,358,178)</u>	<u>(1,448,000)</u>	<u><b>(1,358,140)</b></u>
<b>Restricted Fixed Asset Fund</b>					
Donations	-	12,823,785	(111,617)	-	12,712,168
DfE/EFA capital grants	-	212,195	-	-	212,195
Devolved formula grant	-	3,670	-	-	3,670
	-	<u>13,039,650</u>	<u>(111,617)</u>	-	<u><b>12,928,033</b></u>
<b>Unrestricted Funds</b>					
Unrestricted funds	-	833,478	(89,957)	-	<u><b>743,521</b></u>
<b>Total funds</b>	-	<u><b>18,321,166</b></u>	<u><b>(4,559,752)</b></u>	<u><b>(1,448,000)</b></u>	<u><b>12,313,414</b></u>

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

Restricted General Funds - EFA grants (including GAG), which must be used to meet the cost of running Bushey St James Trust. Any unexpended balance of these grants beyond the stipulated thresholds must be surrendered to the EFA at 31 August 2012.

Restricted Other Funds - represents donations and fundraising income generated by the School, which is for restricted use as stipulated by the donor.

Unrestricted Funds - represents income generated by the School (such as lettings and hire of facilities) and any other donations or investment income, which is not restricted for any specific purpose and can be spent as determined by the Governing Body.

**BUSHEY ST JAMES TRUST  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE PERIOD ENDED 31 AUGUST 2012**

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**19. CAPITAL COMMITMENTS**

At 31 August 2012 there were contracted capital commitments of £168,152

**20. CONTINGENT LIABILITIES**

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a government capital grant was received, the Academy is required either to reinvest the proceeds or to repay to the Secretary of State the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of State sums determined by reference to -

- a) the value at that time of the Academy's site and premises and other assets held for the purpose of the Academy
- b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement

**21. MEMBERS' LIABILITIES**

Every member of the Charitable Company undertakes such amount as may be required (such amount not exceeding £10) to the assets of the company in the event of it being wound up while he or she is a member or within one period after he or she ceases to be a member, for the payment of the Trust's debts and liabilities before he or she ceases to be a member and of the costs, charges and expenses of winding up and for the adjustment of the rights of contributions amongst themselves

**BUSHEY ST JAMES TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE PERIOD ENDED 31 AUGUST 2012**

**22. RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	2012 £
Net income	13,761,414
Non Cash Movements	
Capital Assets Transferred from Existing School	(12,823,785)
Depreciation (note 14)	111,617
Bank Interest (note 6)	(744)
Capital Grants	(215,865)
FRS 17 Pension Cost less Contributions Payable (note 23)	40,000
(Increase) in debtors	(352,850)
Increase in creditors	<u>532,478</u>
<b>Net Cash Inflow From Operating Activities</b>	<b><u>1,052,265</u></b>

**23. RETURNS ON INVESTMENT AND SERVICING OF FINANCE**

	2012 £
Interest received	<u>744</u>
<b>Net cash inflow from returns on investment and servicing of finance</b>	<b><u>744</u></b>

**24. CAPITAL EXPENDITURE**

	2012 £
Purchase of tangible fixed assets	(450,823)
Capital grants received	<u>215,865</u>
<b>Net cash outflow from capital expenditure</b>	<b><u>(234,958)</u></b>

**25. RELATED PARTY TRANSACTIONS**

Owing to the nature of the Academy's operations and the composition of the Board of Trustees being linked to local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Board of Trustees may have an interest

**BUSHEY ST JAMES TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE PERIOD ENDED 31 AUGUST 2012**

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**26. PENSIONS AND SIMILAR OBLIGATIONS**

The Academy'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 Royal County of Berkshire Pension Scheme 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 was March 2004 and the LGPS, 31 March 2010

**Teachers' Pension Scheme**

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS"), for its teaching staff This is a multi-employer defined benefits pension scheme and it is not possible or appropriate to consistently identify the liabilities of the TPS which are attributable to the School As required by FRS17 "Retirement Benefits", the School accounts for this scheme as if it were a defined contribution scheme

On 4 July 2012 the Chief Secretary to the Treasury confirmed that the Government will be taking forward legislation based on the reformed scheme design for the Teachers' Pension Scheme to be introduced in 2015 as set out in the Teachers' Pension Scheme – Proposed Final Agreement ("the TPS Agreement") The TPS Agreement sets out the main parameters for both the provision of future pension benefits and the structuring of the future contributions to the TPS including the basis for increasing average employee contribution rates up to 2015

Under the TPS Agreement, employer contribution rates from 1 April 2012 are continuing at 14.1% with employee rates varying between 6.4% and 8.8% For subsequent years data and information is being collated to inform a Government review of the tiering structures in advance of the Department for Education consulting on contribution increases for 2013/14 onwards

The Government have set a gross cost ceiling for the main public service pension schemes of 21.7% with a net cost ceiling of 12.1% and an average employee contribution of 9.6%

The Government Actuary's Department has in a report dated 9 March 2012 concluded that the TPS Agreement scheme design is within this required cost ceiling This conclusion is dependent on and sensitive to the data, methodology and assumptions adopted and further details on these are available in the full Government Actuary's report which is available on the Department for Education website

The pension charge for the period includes contributions payable to the TPS of £249,819 At the period-end £nil, was accrued in respect of contributions to this scheme

The pension charge for the period includes contributions payable to the LGPS of £119,375 At the period-end £nil was accrued in respect of contributions to this scheme

**BUSHEY ST JAMES TRUST  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE PERIOD ENDED 31 AUGUST 2012**

**26. PENSIONS AND SIMILAR OBLIGATIONS (CONTINUED)**

**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 period ended 31 August 2012 was £149,000, of which employer's contributions totalled £115,000 and employees' contributions totalled £34,000. The agreed contribution rates for future years are 20.6 per cent for employers with a deficit contribution still to be defined by Hertfordshire CC and LGPS. Contributions are from 5.50 to 7.50 per cent for employees depending on salary.

**Principal actuarial assumptions**

	<b>At 31 August 2012</b>
Rate of increase in salaries	4.5%
Rate of increase of pensions in payment / inflation	2.2%
Discount rate for scheme liabilities	4.1%
Expected return on scheme assets at 31 August	4.9%

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

	<b>At 31 August 2012</b>
Retiring today – males	21.0
Retiring today – females	23.8
Retiring in 20 years – males	22.9
Retiring in 20 years – females	25.7

**BUSHEY ST JAMES TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE PERIOD ENDED 31 AUGUST 2012**

**26. PENSIONS AND SIMILAR OBLIGATIONS (CONTINUED)**

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

	Expected return at 31 August 2012	Fair value at 31 August 2012 £'000
Equities	5.6%	535
Government bonds	3.4%	147
Property	3.7%	46
Cash	2.8%	46
<b>Total market value of assets</b>		<u>774</u>
Present value of scheme liabilities		<u>(2,262)</u>
<b>Surplus/(deficit) in the scheme</b>		<u><b>(1,488)</b></u>

To develop the expected long term rate of return on assets assumption, the employer considered the current level of expected returns on risk free investments (primarily government bonds), the historical level of the risk premium associated with the other asset classes in which the portfolio is invested and the expectations for the future returns of each asset class. The expected return of each asset class was then weighted based on the asset allocation to develop the expected long term rate of return on assets assumption for the portfolio. This resulted in the selection of the above assumptions.

The actual return on scheme assets was £28,000

**The amounts included within the Statement of Financial Activities would be as follows:**

	2012 £'000
Current service cost	121
Past service gain	<u>-</u>
Total operating charge	<u>121</u>
<b>Analysis of pension finance income / (costs)</b>	
Expected return on scheme assets	(20)
Interest on pension liabilities	<u>54</u>
<b>Pension finance income / (costs)</b>	<u><b>155</b></u>

The actuarial gains and losses for the current period £20,000 are recognised in the Statement of Financial Activities. The cumulative amount of gains and losses recognised in the Statement of Financial Activities since the adoption of FRS 17 is a £20,000 gain.

The School's regular contributions to the defined benefit pension fund for the accounting period to 31 August 2013 are estimated to be £206,000.

**BUSHEY ST JAMES TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
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**26. PENSIONS AND SIMILAR OBLIGATIONS (CONTINUED)**

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

	<b>2012</b>
	<b>£'000</b>
<b>At start of period</b>	<b>2066</b>
Current service cost	<b>121</b>
Interest cost	<b>54</b>
Employee contributions	<b>34</b>
Actuarial (gain)	<b><u>(13)</u></b>
<b>At 31 August 2012</b>	<b><u>2,262</u></b>

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

	<b>2012</b>
	<b>£'000</b>
<b>At start of period</b>	<b>598</b>
Expected return on assets	<b>20</b>
Actuarial gain	<b>7</b>
Employer contributions	<b>115</b>
Employee contributions	<b><u>34</u></b>
<b>At 31 August 2012</b>	<b><u>774</u></b>

As described above the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor School and the Academy Trust at the Balance Sheet date.