

BUSHEY ST JAMES TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

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BUSHEY ST JAMES TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017

Members

Samuel Russell
Dinah Hoeksma
Richard Abrahams
Anna Smakowska (appointed 8 June 2017)
Sir Alan Steer (appointed 8 June 2017)
Adrian Duke-Cohan (appointed 8 June 2017)

Trustees

Jeremy Turner, Executive Principal, Headteacher of BMS
Samuel Russell, Chair of Trustees
Dinah Hoeksma
Richard Abrahams, Vice Chair
Reverend David Poultney

Company registered number

07895684

Company name

Bushey St James Trust

Principal and registered office

Coldharbour Lane
Bushey
Hertfordshire
WD23 4PA

BUSHEY ST JAMES TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2017**

Advisers (continued)

Company secretary

Suzanne Briscall

Senior management team

Bushey Meads

Jeremy Turner, Executive Principal

William Fisher, Senior Assistant Headteacher

Sara Ash, Deputy Headteacher

Graeme Searle, Assistant Headteacher

Lauren Wright, Assistant Headteacher

Edward Spary, Assistant Headteacher

Little Reddings

Carly Simmonds, Headteacher

Tamsin Giannone, Assistant Headteacher

Sean Power, Assistant Headteacher

Claire Morton, Assistant Headteacher

Independent auditor

Crowe Clark Whitehill LLP

Carrick House

Lypiatt Road

Cheltenham

GL50 2QJ

Bankers

Lloyds Bank plc

45 The Broadway

Ealing

London

W5 5JU

Solicitors

Stone King

16 St John's Lane

London

EC1M 4BS

BUSHEY ST JAMES TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017

The Trustees present their Annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2016 to 31 August 2017. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

During the financial year ending 31 August 2017, the Trust operated one secondary and one primary academy in Bushey, Hertfordshire. On 1 December 2017, the Trust took on responsibility for Hartsbourne Primary School.

Bushey Meads School is an 11-19 mixed comprehensive high school specialising in technology. The School continues to be popular and oversubscribed – there were 1,065 applications for 200 places - this is 4.5% up from 2014.

Little Reddings is a two form entry primary school with a nursery. There are currently 365 pupils on roll. There is currently a bulge class in Year 2.

Structure, governance and management

● **Constitution**

The Academy Trust is a charitable company limited by guarantee and 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 Trustees of Bushey St James Trust are also the directors of the charitable company for the purpose of company law.

The charitable company is incorporated as Bushey St James Trust.

Details of the Trustees who served during the are included in the Reference and Administrative details on page 1.

The Academy Trust was incorporated on 3 January 2012 and commenced trading on that date.

● **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.

● **Method of recruitment and appointment or election of Trustees**

The management of the Academy Trust is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

● **Policies and procedures adopted for the induction and training of Trustees**

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

● **Organisational structure**

The structure of the Trust consists of four levels:

1. The members: are responsible for final approval of any amendment to any constitutional aspect of the Trust's activities and also they form the quorum whenever there is a vote required upon the business being transacted at any meeting.
2. The directors/trustees (The Executive Trust Board) who include the Executive Principal of the schools within the Academy: are responsible for setting the Trust's priorities, adopting the budget, monitoring performance against these plans and making major decisions about the direction of the Trust.
3. The Local Governing Bodies (LGB) of Bushey Meads School and Little Reddings Primary School have their own terms of reference detailing the responsibilities discharged to each sub-committee of the LGB; to the Headteachers and Senior Leadership Teams.
4. 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 Trust.

The 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 Trust. Each committee has its own terms of reference detailing the responsibilities discharged to the sub-committee, to the Headteachers (The Accounting Officer), 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 Board of Trustees approves the Academy's Schedule of Financial Delegation annually.

The sub-committees of the LGB at Bushey Meads are:

- Teaching and Learning
- Student Achievement
- Finance and Resources (which is a joint committee across both schools in the Trust)

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 appraisal of the Executive Principal
- Pupil behaviour and discipline
- Staff conduct and discipline
- Complaints
- Significant areas of change management, (i.e. Academy status and the new curriculum)

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

The sub-committees of the LGB at Little Reddings are:

- Teaching and Learning
- Pupil Progress
- Finance and Resources (which is a joint committee across both schools in the Trust)

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

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

• **Pay policy for key management personnel**

The Pay Review Committee is authorised by the Trust Board to determine all matters relating to pay and related performance of staff, to establish a whole school pay policy for adoption by the Governing Body and to monitor and review the pay policy as necessary. The Pay Review Committee has delegated powers to:

- Ensure that Performance Management, Pay Policy and Staff Absence Policies are appropriately reviewed and statutorily compliant;
- Take all decisions relating to pay in accordance with the approved pay policy;
- Ensure the Academy is adhering to correct procedures in terms of performance management and to award pay progression of the Executive Principal, Headteachers' and Senior Leadership team;
- Review staff absence policy procedure and receive reports on long term and persistent absence issues;
- Appoint an external advisor for the Executive Principal's/Headteachers' performance management;
- Review the organisational structure of the school on an annual basis and recommend the annual pay budget, including pay progression to the Governing Body;
- Ensure that pay decisions are fair and equitable.

Objectives and Activities

• **Objects and aims**

As described, 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".

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 Local Governing Body's and reported to the Board of Trustees by way of Executive Principal, Headteachers, Senior Leadership Team Reports and through the work of the sub committees.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

The aims and objectives for the Academy Trust 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.'

At the heart of the Trust is the desire to collaborate effectively and enable the two schools to build on their success and improve their performance, drawing on the experience of all staff across the Trust.

There is a shared vision to develop first class provision between the two primary and secondary phases and to:

- a) aim for excellence in all we do;
- b) provide students with the best possible start for their futures;
- c) nurture greater integration and community cohesion;
- d) provide a programme of high quality continuing professional development and training for all staff to underpin and sustain improvements in teaching and learning;
- e) emphasise to students the traditional values of self-discipline, responsibility, respect, trust and cooperation.

The Bushey St James Trust values, underpinning the work of the Trust, aim to:

- deliver educational excellence
- ensure all children exceed expectations
- prepare young people for the future
- ensure that the Trust enhances the local community
- ensure that the schools within the Trust are happy, safe and inclusive
- support families to encourage aspiration
- act with responsibility, accountability and transparency
- create a seamless educational experience
- encourage independence and creativity
- inspire, nurture and empower all staff who work within the Trust

● **Objectives, strategies and activities**

The key objectives for 2017 - 2018 are:

- Progress 8 Score +0.2*
- Attainment 8 Score 53
- 91% (L4+) 75% (L5+) of students achieve A*- C in GCSE English*
- 92% (L4+) 80% (L5+) of students achieve A*- C in GCSE Maths*
- 88% (L4+) 70% (L5+) of students achieve A*-C in GCSE English & Maths*
- 11% of students achieve the English Baccalaureate
- To ensure that the performance of the school's children on free school meals, including those in care, continues to improve compared to results in previous years
- Average Point Score per entry at A2 is 36.0
- Average Point Score per student at A2 is 105.9
- A level Value Added Score improves in 2017
- 53% A*- B grades at A2
- 95% A* - C grades at A2
- 100% pass rate at A2 (A* - E grades)
- Attendance target is 96%*

All objectives are FFT20 targets and regarded as particularly challenging targets. * Denotes main essential aspirational objectives and the others are seen as desirable.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Little Reddings School:

- at least 65% of pupils meet the expected standard in English reading
- at least 65% of pupils meet the expected standard in English writing
- at least 65% of pupils meet the expected standard in mathematics
- Attendance target is 96%

● **Activities for achieving objectives**

Bushey Meads School

In September 2015 the school was inspected by Ofsted under the new rigorous framework and was recognised as being a good school. The final report outlined the major improvements made in the previous year and identified the clear strengths of the school which included transformational changes made in the 12 months prior to the inspection and strongly raised expectations.

The report emphasised the weekly focus of assembly and form times as contributing to a strong sense of purpose in lessons and other activities, clearer roles for senior and middle leaders, wider responsibilities for students and staff knowing their subjects well and being keen to learn from one another. It also recognised that the new curriculum introduced was proving interesting and relevant to students' needs, parents being supportive of the school and their child's learning and the fact that standards had risen this year in a wide range of subjects.

Stating that effective leadership of teaching, learning and assessment had helped to raise standards, improved teaching helping to accelerate students' progress and the fact that students were receiving better feedback and marking from their different teachers since the last inspection was another pleasing aspect of the report. The report also highlighted that staff were very positive about working at the school. Ofsted strongly recognised the role that leaders and Governors were playing in quite rightly expecting more of students' achievement and indeed having a clearer picture of teachers' strengths and areas that needed developing.

The report stated that they had made firm decisions when managing teachers' performance to make sure that students are well taught. Overall the report reflected the consistently high level of expectation at the school and the determination and hard work of students, parents, staff, Governors and Trustees that had led to improved provision and outcomes.

Since that inspection the journey of school improvement has continued strongly and over the last two years the school has continued to improve across all areas and has built upon these very strong foundations. Student outcomes at GCSE and AS and A2 level have risen rapidly.

In 2016 the school achieved the best results at Post 16 for six years. At GCSE nearly 80% of students passed with at least five good A* - C GCSE grades. The school's positive 'Progress 8' Score indicated that on average in every subject, every student was achieving well above their expected level and demonstrating real added value to education and learning at Bushey Meads School.

In 2017 the school again celebrated achieving 'best results ever'. At a time when most schools' results indicated a dip in performance at GCSE level (particularly with the introduction of the new much more rigorous English and Maths specifications) it was very pleasing to achieve the best ever combined English result of 87%, best ever Maths result of 86% and best ever 5+ A* – C measure including English and Maths of 76%. In addition to this, nearly 1 in 5 students achieved 5 or more A* and A grades.

Results at A level in 2017 were also very good and demonstrated that the school was continuing to add real value to students' education. With some of the inspiring, vocational courses, students achieved almost two grades higher than their aspirational target grades. Students across all subjects celebrated on A level results day as they gained some hugely prestigious places at some of the country's top universities.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Based on last year's nationally published statistics, the Bushey Meads Sixth Form outperformed every school in the South West Herts area. For some faculties the results were even more impressive and the outstanding Maths Faculty achieved a value added score of 1.45 meaning that on average every single student achieved grades that were between 1 and 2 grades higher than their predictions.

Little Reddings School

In November 2014, the school was inspected by Ofsted and found to be 'requires improvement'. At the time this matched with the recently appointed Headteacher's and HCC's view of the school. A detailed Post Ofsted action plan was put in place and during the following year HMI and HCC visits confirmed that the school was moving forward well to becoming a 'good' school. In November 2016 the school was inspected and achieved a rating of Good and again since then the journey of strong school improvement has continued in all areas. Results in terms of progress measures at all key stages have improved significantly.

● **Main activities undertaken to further the charity's purposes for the 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

● **Key performance indicators**

The Trustees use certain high level key performance indicators to monitor the overall financial positions of the Trust.

Staff costs as a percentage of GAG income

Bushey Meads School: 87% (2016 - 87%)
Little Reddings Primary School: 79% (2016 - 85%)

Sixth Form pupil numbers

Bushey Meads School: 254 (2016 - 219)

Ofsted and other external accreditation

Bushey Meads School: In September 2015 the school was inspected by Ofsted under the new rigorous framework (from September 2015) and was recognised as being a good school. The final report outlined the major improvements made in the previous year prior to the inspection and identified the clear strengths of the school which included transformational changes and strongly raised expectations which have continued to be built on and embedded over the last two years.

Little Reddings Primary School: In November 2014 the school was inspected by Ofsted and found to be 'requires improvement'. At the time this matched with the recently appointed Headteacher's and HCC's view of the school. A detailed Post Ofsted action plan was put in place and during the following year HMI and HCC visits confirmed that the school was moving forward well to becoming a 'good' school. In November 2016 the school was reinspected and achieved a rating of Good and again since then the journey of strong school improvement has continued in all areas. Results in terms of progress measures at all key stages have continued to improve significantly.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

● **Going concern**

After making appropriate enquiries, the board of trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

● **Review of activities**

The Academy Trust 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.

The information below provides a summary of the Bushey Meads' performance in 2016 examination season:

Summary of GCSE examination results

- 5A*-C including English and Maths: 75% (2016 - 69%)
- 5A*-C any subject: 78% (2016 - 77%)
- 2A*-C in Science: 51% (2016 - 60%)
- English Baccalaureate: 19% (2016 - 34%)
- English A* - C: 87% (2016 - 81%)
- Expected progress in English: 65% (2016 - 81%)
- Maths A*-C: 86% (2016 - 74%)
- Expected progress in Maths: 69% (2016 - 75%)
- Capped Points Score (best 8), new measure: 41.73

Summary of A level examination results

- 3 A Levels A* - E: 81% (2016 - 77%)
- 2 A Levels A* - E: 95% (2016 - 94%)
- AAB in Facilitating Subjects: 4% (2016 - 24%)
- Average Point Score per Entry, new measure: 32.58

The information below provides a summary of the Little Reddings' performance in 2017:

Summary of KS1 results (% age related expectations)

- Reading: 63% (2016 - 54%)
- Writing: 51% (2016 - 42%)
- Maths: 67% (2016 - 50%)

Summary of KS2 results (% age related expectations)

- Reading: 80% (2016 - 66%)
- Writing: 84% (2016 - 23%)
- Maths: 74% (2016 - 48%)

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

- **Investment policy and performance**

Investment vehicles are approved by the Board of Trustees with the support of expert advice as necessary. The Academy Trust has invested £700,000 in a fixed term deposit account at Lloyds Bank Plc. 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.

Financial review

- **Reserves policy**

The Board of Trustees reviews the Trust's Reserve Policy annually. The Board of Trustees have determined that the appropriate level of free reserves should be the equivalent to £530,000 which represents one months 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 August 2017 were £940,036 (2016 - £1,344,393)

- **Principal risks and uncertainties**

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

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 Trust has an effective system of internal financial control as explained in the Statement on Internal Control.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

● **Principal funding**

The Academy Trust received income into its Unrestricted Fund, Restricted General Funds and Fixed Asset Fund during 1 September 2016 to 31 August 2017.

Restricted General Fund

The majority of the Academy Trust's income was received through Education & Skills Funding Agency (ESFA) 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 Statement of Financial Activities (SOFA). General Restricted Fund income for the year was £7,823,428 (2016 - £7,830,247), expenditure against the fund was £7,973,877 (2016 - £7,686,194) giving a restricted revenue deficit of £150,449 (2016 - surplus of £144,053) in the year.

Unrestricted Funds

Income received into the Unrestricted Fund was £741,096 (2016 - £626,310). Expenditure against the fund was £774,406 (2016 - £636,152) for the year, giving an Unrestricted Fund carried forward of £940,036 (2016 - £1,344,393) after transfers.

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 was Academies Capital Maintenance Funding, Formula Capital Funding, and Capital Improvement Fund totalling £31,116 (2016 - £1,404,928).

In addition, £2,550,000 (2016 - £587,350) has been received towards the school expansion project - a scheme to which the Trustees had already set aside a reserve of £250,000. This reserve is included within the restricted fixed asset fund.

The SOFA details a £18,750,878 (2016 - £16,155,866) Restricted Fixed Asset Fund year end balance after transfers between funds.

Summary of Financial Performance

Total fund balance as at 31 August 2017 was £17,231,799 (2016 - £14,442,817) comprised of £940,036, £62,536 and £18,750,878 in Unrestricted, Restricted General and Restricted Fixed Asset Funds respectively excluding the Restricted Pension Reserve deficit of £2,501,000.

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 £17,417,204 as at 31 August 2017. The movement in this account is detailed in note 14.

Cash in hand at 31 August 2017 was £2,971,381.

Plans for future periods

● **Future developments**

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.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

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.

Bushey Meads School was approved by HCC to expand its admission number by 30 places. This was due to an increase in the school age population in the Watford area and took place in September 2016. HCC commissioned a report on the Bushey Meads School site and recommended areas requiring expansion. Bushey Meads commissioned its own report and conducted its own internal review of capacity, which it was agreed were feasible.

A grant of £3.55 million was allocated for this expansion. Phase 1 building works commenced in March 2016 and were completed in October 2016. These works provide the Academy Trust with an additional three classrooms and 51 parking spaces. Further funds of £0.5 million were made available to see through Phase 2 which has commenced and will provide additional extensions to a number of existing buildings including music, English and the Sixth Form Centre. Further works are also extending the provision for the Art and PE and Health Departments.

Funds held as custodian

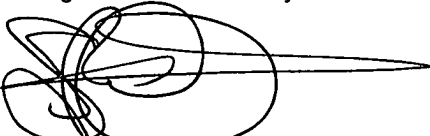
Neither Bushey St James Trust nor the Board of Trustees are acting as third party custodial Trustees.

Disclosure of information to auditor

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The Trustees' report was approved by order of the Board of Trustees, as the company directors, on 7/12/17 and signed on its behalf by:


Samuel Russell
Chair of the Board of Trustees


Jeremy Turner
Accounting Officer and Executive Principal

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GOVERNANCE STATEMENT

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Bushey St James Trust has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The board of trustees has delegated the day-to-day responsibility to the Executive Principal of Bushey Meads School, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Bushey St James Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of trustees has formally met 3 times during the year and called 2 extra-ordinary board meetings. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Jeremy Turner	5	5
Samuel Russell, Chair of Trustees	3	5
Dinah Hoeksma	5	5
Richard Abrahams, Vice Chair	5	5
Reverend David Poultney	2	5

The Finance and Human Resource Committee responsibilities of the Trust are controlled by the Board of Trustees, through each School's Local Governing Body.

Attendance at meetings in the year was as follows:

Bushey Meads School	Meetings attended	Out of a possible
Jeremy Turner	4	5
John Hastie	5	5
Di Hoeksma	3	5
Richard Abrahams	0	5
Macdonald Frederick	1	5
Ian Gibson	1	5
Ruth Levy	0	1
Koulla Fisher	4	5
Hilary Morawska	0	0
Andel Akram	2	3

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GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

Little Reddings Primary School	Meetings attended	Out of a possible
Carly Simmonds	5	5
Jeremy Turner	4	5
John Hastie	5	5
Sebastian Gray	5	5
Wayne Larman	3	3

Review of Value for Money

As Accounting Officer, the Executive Principal of Bushey Meads School has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

The school has continued to work hard throughout the previous academic year to ensure that best value is achieved through educational outcomes improving with the same resources. This has centred around a number of key areas including a continued review of the school curriculum to ensure that more students are offered and placed on courses of their choice throughout Key Stages 3, 4 and 5. This has complimented the increased time which has been provided for English and Maths provision within the school to drive up standards in these areas and, with English in particular, underpin improvements across all subjects.

Staff timetables have again been reviewed and the school has ensured that all staff are teaching appropriate loadings and there is little 'slack' on the timetable – particularly at Key Stage 5. Where staff have left the school they have not simply been replaced on a 'like for like' basis but the school has reviewed both efficiencies and need in all cases.

In addition, clear and efficient roles and responsibilities of all senior leaders and further streamlining of the way they interface with the Local Governing Body and Trust Board has been implemented. Clear job descriptions and person specifications are being rolled out to all new posts in the school.

Greater efficiencies of practice have been sort in all areas of school life and this has been most notable in a reorganisation of the senior leadership team in the school to increase capacity and flexibility, encourage a greater sharing of good practice and provide a sustainable leadership model moving forward.

An increased emphasis on marketing and recruitment to the Sixth Form was undertaken and the numbers of students joining or staying on at the school at this level has increased by 30 students overall. There has also been a more flexible approach to ensuring access to IT – thus increasing efficiency and best value in this area for all students.

Space around the school has been continually reviewed and improved; the Sixth Form Centre, BSJT Main Office, Executive Principal's and other new offices have been provided in key areas of the school. Learning Support is another area of the school that have been enhanced at minimal cost.

A major refurbishment of the school's main hall was completed and this space is now used as a state of the art performance venue and also doubles up as a dance teaching space. A major CIF bid was placed with the DfE last year and resulted in £1.4 million pounds of funding being made available to the school to refurbish the buildings at Bushey Meads in terms of replacing windows and insulating and cladding all concrete panelled external walls. This project is part way through completion and will undoubtedly ensure major cost savings over

BUSHEY ST JAMES TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

time in terms of minimising heat loss and increasing energy efficiency, as well as providing a much smarter and more fit for purpose learning environment.

Each School's Local Governing Body and the Trust Board have strong oversight of the financial management of the budget. The Joint Finance and Human Resources Committee meet regularly to review the financial position, to receive reports and to challenge decisions. Our external auditors review our financial processes and mid-year completed a supplementary work audit focusing on a detailed review of fixed assets across the Trust.

The levels of delegation on spending proposals ensure we take the necessary steps to achieve best value. The local full Governing Body recommends the budget for approval by the Trust Board each year and is mindful of the need to balance expenditure against income to ensure their school has a sustainable future.

The Central Finance team are always striving to find Best Value in purchasing and with an enhanced "buying power" across the Trust has made some notable savings; together with the opportunity to make easy comparison on suppliers and service.

Next Steps: To further develop the centralising of support services and improve systems to improve effectiveness and efficiencies of scale.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy 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 Bushey St James Trust for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Finance and Human Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

BUSHEY ST JAMES TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Crowe Clark Whitehill LLP, the external auditor, to perform additional checks.

The auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period included:

A detailed review on the process of accounting for fixed assets including reconciling the fixed asset register to the finance system; and asset management.

On an annual basis, the auditor reports to the board of trustees through the Finance and Human Resources committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

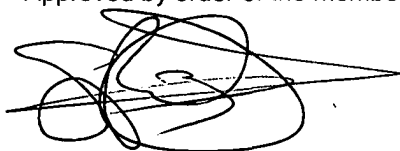
Review of Effectiveness

As Accounting Officer, the Executive Principal of Bushey Meads School has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 7/12/17 and signed on their behalf, by:



Samuel Russell
Chair of the Board of Trustees

Jeremy Turner
Accounting Officer and Executive Principal

BUSHEY ST JAMES TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Bushey St James Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

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



Jeremy Turner
Accounting Officer and Executive Principal

BUSHEY ST JAMES TRUST
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2017

The Trustees (who act as governors of Bushey St James Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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 its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102) and the Academies Accounts Direction 2016 to 2017;
- make judgements 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 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 and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/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.

Approved by order of the members of the board of trustees on 7/12/17 and signed on its behalf by:



Samuel Russell
Chair of the Board of Trustees

BUSHEY ST JAMES TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
BUSHEY ST JAMES TRUST**

Opinion

We have audited the financial statements of Bushey St James Trust for the year ended 31 August 2017 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP (FRS 102) and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP (FRS 102) and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

BUSHEY ST JAMES TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
BUSHEY ST JAMES TRUST**

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

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

BUSHEY ST JAMES TRUST
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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
BUSHEY ST JAMES TRUST**

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy Trust's or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. The description forms part of our Auditor's report.

Guy Biggin (Senior statutory auditor)

for and on behalf of

Crowe Clark Whitehill LLP

Statutory Auditor

Carrick House
Lypiatt Road
Cheltenham
GL50 2QJ
19 December 2017

BUSHEY ST JAMES TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BUSHEY ST JAMES TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 6 November 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Bushey St James Trust during the year 1 September 2016 to 31 August 2017 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 Bushey St James Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Bushey St James Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Bushey St James Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Bushey St James Trust's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Bushey St James Trust's funding agreement with the Secretary of State for Education dated 23 November 2011, and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

BUSHEY ST JAMES TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BUSHEY ST JAMES TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Crowe Clark Whitehill LLP

Statutory Auditor

Carrick House
Lypiatt Road
Cheltenham
GL50 2QJ

19 December 2017

BUSHEY ST JAMES TRUST
(A company limited by guarantee)

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

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Income from:						
Donations and capital grants	3	3,158	-	2,581,116	2,584,274	1,998,479
Charitable activities	4	415,897	7,823,428	-	8,239,325	8,172,527
Other trading activities	5	308,144	-	-	308,144	267,667
Investments	6	13,897	-	-	13,897	10,162
Total income		741,096	7,823,428	2,581,116	11,145,640	10,448,835
Expenditure on:						
Raising funds		388,332	-	-	388,332	338,085
Charitable activities		386,074	7,973,877	516,724	8,876,675	8,554,103
Total expenditure	7	774,406	7,973,877	516,724	9,265,007	8,892,188
Net income / (expenditure) before transfers		(33,310)	(150,449)	2,064,392	1,880,633	1,556,647
Transfers between Funds	19	(371,047)	(159,573)	530,620	-	-
Net income / (expenditure) before other recognised gains and losses		(404,357)	(310,022)	2,595,012	1,880,633	1,556,647
Other recognised gains/(losses)		-	929,000	-	929,000	(1,182,000)
Net movement in funds		(404,357)	618,978	2,595,012	2,809,633	374,647
Reconciliation of funds:						
Total funds brought forward		1,344,393	(3,057,442)	16,155,866	14,442,817	14,068,170
Total funds carried forward		940,036	(2,438,464)	18,750,878	17,252,450	14,442,817

The notes on pages 28 to 51 form part of these financial statements.

BUSHEY ST JAMES TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07895684

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£	2017 £	£	2016 £
Fixed assets					
Tangible assets	14		17,417,204		15,144,215
Current assets					
Stocks	15	3,219		7,461	
Debtors	16	463,998		1,269,449	
Cash at bank and in hand		2,971,381		2,545,776	
		3,438,598		3,822,686	
Creditors: amounts falling due within one year	17	(872,799)		(1,109,556)	
Net current assets			2,565,799		2,713,130
Total assets less current liabilities			19,983,003		17,857,345
Creditors: amounts falling due after more than one year	18	(229,553)		(232,528)	
Net assets excluding pension scheme liabilities			19,753,450		17,624,817
Defined benefit pension scheme liability	24	(2,501,000)		(3,182,000)	
Net assets including pension scheme liabilities			17,252,450		14,442,817
Funds of the academy					
Restricted income funds:					
Restricted income funds	19	62,536		124,558	
Restricted fixed asset funds	19	18,750,878		16,155,866	
Restricted income funds excluding pension liability		18,813,414		16,280,424	
Pension reserve		(2,501,000)		(3,182,000)	
Total restricted income funds			16,312,414		13,098,424
Unrestricted income funds	19		940,036		1,344,393
Total funds			17,252,450		14,442,817

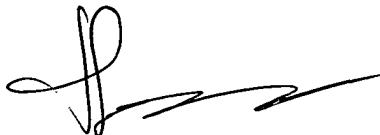
BUSHEY ST JAMES TRUST
(A company limited by guarantee)

BALANCE SHEET (continued)
AS AT 31 AUGUST 2017

The financial statements on pages 24 to 51 were approved by the Trustees, and authorised for issue, on 7/12/17 and are signed on their behalf, by:



Samuel Russell
Chair of the Board of Trustees



Jeremy Turner
Accounting Officer and Executive Principal

The notes on pages 28 to 51 form part of these financial statements.

BUSHEY ST JAMES TRUST
(A company limited by guarantee)

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	21	<u>644,257</u>	<u>(220,303)</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(2,789,713)	(1,341,340)
Capital grants from DfE/ESFA		<u>2,581,116</u>	<u>1,992,278</u>
Net cash (used in)/provided by investing activities		<u>(208,597)</u>	<u>650,938</u>
Cash flows from financing activities:			
Repayments of borrowings		(14,454)	-
Bank interest		<u>4,399</u>	<u>10,162</u>
Net cash (used in)/provided by financing activities		<u>(10,055)</u>	<u>10,162</u>
Change in cash and cash equivalents in the year		<u>425,605</u>	<u>440,797</u>
Cash and cash equivalents brought forward		<u>2,545,776</u>	<u>2,104,979</u>
Cash and cash equivalents carried forward	22	<u><u>2,971,381</u></u>	<u><u>2,545,776</u></u>

BUSHEY ST JAMES TRUST
(A company limited by guarantee)

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

1. Accounting Policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

The company is a private company (limited by guarantee), which is incorporated and registered in England and Wales (no. 07895684). The address of the principal office is Coldharbour Lane, Bushey, Hertfordshire, WD23 4PA.

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the 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) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Bushey St James Trust constitutes a public benefit entity as defined by FRS 102.

1.2 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder and include grants from the Department for Education.

BUSHEY ST JAMES TRUST
(A company limited by guarantee)

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

1. Accounting Policies (continued)

1.3 Income

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

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of financial activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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

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

1.4 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. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Academy Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities are costs incurred on the Academy Trust's educational operations, including support costs and those costs relating to the governance of the Academy Trust appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

BUSHEY ST JAMES TRUST
(A company limited by guarantee)

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

1. Accounting Policies (continued)

1.5 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 Academy Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.6 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, 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 the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. 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:

Land and buildings	-	2% - 10%
Motor vehicles	-	20%
Fixtures and fittings	-	10% - 33%
Computer equipment	-	20% - 33%
Assets under construction	-	No depreciation charged until the asset is brought into use

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

1.7 Operating leases

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

BUSHEY ST JAMES TRUST
(A company limited by guarantee)

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

1. Accounting Policies (continued)

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.9 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.

1.10 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.

1.11 Liabilities and provisions

Liabilities and provisions 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 Academy Trust 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.

1.12 Financial instruments

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 17 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

1.13 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.

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NOTES TO THE FINANCIAL STATEMENTS
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1. Accounting Policies (continued)

1.14 Pensions

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments Pension Scheme ("LGPS"). These are defined benefit schemes.

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 quadrennial valuations using a prospective unit credit method. As stated in note 24, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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 credit 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 the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities incorporating income and expenditure account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.15 Agency arrangements

The Academy Trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Trust does not have control over the charitable application of the funds. The Trust can use up to 5% of the allocation towards its own administrative cost and this is recognised in the Statement of Financial Activities. The funds received and paid and any balances held are disclosed in note 29.

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

1. Accounting Policies (continued)

1.16 Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Academy Trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. General Annual Grant (GAG)

Under the funding agreement with the Secretary of State some academies within the Academy Trust were subject to limits at 31 August 2017 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

No academies within the trust exceeded the limits during the year ended 31 August 2017.

3. Income from donations and capital grants

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	3,158	-	-	3,158	6,201
Government grants	-	-	2,581,116	2,581,116	1,992,278
	<u>3,158</u>	<u>-</u>	<u>2,581,116</u>	<u>2,584,274</u>	<u>1,998,479</u>
<i>Total 2016</i>	<u>6,201</u>	<u>-</u>	<u>1,992,278</u>	<u>1,998,479</u>	

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

4. Income from charitable activities

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Funding for educational operations	12,687	7,823,428	7,836,115	7,834,144
School trips	222,633	-	222,633	223,846
Other income from charitable activities	180,577	-	180,577	114,537
	<u>415,897</u>	<u>7,823,428</u>	<u>8,239,325</u>	<u>8,172,527</u>
<i>Total 2016</i>	<u>342,280</u>	<u>7,830,247</u>	<u>8,172,527</u>	

Funding for Academy's educational operations

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	5,933,072	5,933,072	5,805,262
Other DfE/ESFA revenue grants	-	1,291,742	1,291,742	1,249,863
	<u>-</u>	<u>7,224,814</u>	<u>7,224,814</u>	<u>7,055,125</u>
Other government grants				
Local Authority grants	-	461,437	461,437	393,083
Other government grants	-	134,427	134,427	332,039
	<u>-</u>	<u>595,864</u>	<u>595,864</u>	<u>725,122</u>
Other funding				
Academy funds	12,687	-	12,687	3,897
School Direct funding	-	2,750	2,750	50,000
	<u>12,687</u>	<u>2,750</u>	<u>15,437</u>	<u>53,897</u>
	<u>12,687</u>	<u>7,823,428</u>	<u>7,836,115</u>	<u>7,834,144</u>
<i>Total 2016</i>	<u>3,897</u>	<u>7,830,247</u>	<u>7,834,144</u>	

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

5. Other trading activities

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Hire of facilities	34,053	-	34,053	32,166
Trading income	6,363	-	6,363	5,445
Catering	267,728	-	267,728	230,056
	<u>308,144</u>	<u>-</u>	<u>308,144</u>	<u>267,667</u>
<i>Total 2016</i>	<u>267,667</u>	<u>-</u>	<u>267,667</u>	

6. Investment income

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Investment income	13,897	-	13,897	10,162
	<u>13,897</u>	<u>-</u>	<u>13,897</u>	<u>10,162</u>
<i>Total 2016</i>	<u>10,162</u>	<u>-</u>	<u>10,162</u>	

7. Expenditure

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Expenditure on trading activities	-	-	388,332	388,332	338,085
Funding for education:					
Direct costs	5,890,828	516,724	553,591	6,961,143	6,687,884
Support costs	844,038	-	1,071,494	1,915,532	1,866,219
	<u>6,734,866</u>	<u>516,724</u>	<u>2,013,417</u>	<u>9,265,007</u>	<u>8,892,188</u>
<i>Total 2016</i>	<u>6,319,354</u>	<u>447,652</u>	<u>2,125,182</u>	<u>8,892,188</u>	

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

8. Analysis of expenditure by activities

	Activities undertaken directly 2017 £	Support costs 2017 £	Total 2017 £	Total 2016 £
Funding for educational operations	6,961,143	1,915,532	8,876,675	8,554,103
<i>Total 2016</i>	6,687,884	1,866,219	8,554,103	

Analysis of direct costs

	Funding for education £	Total 2017 £	Total 2016 £
Educational supplies	412,612	412,612	419,345
Educational activities	34,257	34,257	24,857
Examination fees	107,769	107,769	105,217
Staff development	71,679	71,679	55,685
Other direct costs	202,158	202,158	370,852
Educational consultancy	16,724	16,724	9,637
Wages and salaries	4,285,945	4,285,945	4,109,116
National insurance	415,106	415,106	361,208
Pension cost	898,169	898,169	784,315
Depreciation	516,724	516,724	447,652
	6,961,143	6,961,143	6,687,884
<i>At 31 August 2016</i>	6,687,884	6,687,884	

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

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Funding for education £	Total 2017 £	Total 2016 £
Staff costs	831,559	831,559	768,519
Maintenance of premises and equipment	179,875	179,875	163,130
Cleaning	159,861	159,861	136,529
Rent & rates	24,879	24,879	25,564
Insurance	62,579	62,579	40,183
Security and transport	25,510	25,510	23,532
Professional fees	129,925	129,925	62,841
Other support costs	247,425	247,425	377,416
Recruitment & support	32,508	32,508	58,175
School trips	221,411	221,411	210,330
	<u>1,915,532</u>	<u>1,915,532</u>	<u>1,866,219</u>
<i>At 31 August 2016</i>	<u>1,866,219</u>	<u>1,866,219</u>	

During the year ended 31 August 2017, the Academy Trust incurred the following Governance costs: £63,925 (2016 - £62,841) included within the table above in respect of Funding for educational operations.

9. Net income/(expenditure)

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned by the charity	516,724	447,652
Auditor's remuneration - audit	12,725	9,450
Auditor's remuneration - other services	6,300	1,690
Operating lease rentals	<u>22,005</u>	<u>18,742</u>

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

10. Staff costs

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	4,905,759	4,702,808
Social security costs	470,723	404,244
Operating costs of defined benefit pension schemes	1,054,297	916,106
	<u>6,430,779</u>	<u>6,023,158</u>
Supply teacher costs	291,704	265,472
Staff restructuring costs	12,383	30,724
	<u><u>6,734,866</u></u>	<u><u>6,319,354</u></u>

Staff restructuring costs comprise:

	2017 £	2016 £
Severance payments	<u>12,383</u>	<u>30,724</u>

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £12,383 (2016 - £30,724). Individually the payments were: £8,114 and £4,269.

The average number of persons employed by the Academy Trust (including casual staff and invigilators) during the year was as follows:

	2017 No.	2016 No.
Teachers	84	65
Administrative and support	122	130
Management	12	14
	<u>218</u>	<u>209</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2017 No.	2016 No.
In the band £60,001 - £70,000	3	2
In the band £70,001 - £80,000	0	1
In the band £110,001 - £120,000	0	1
In the band £130,001 - £140,000	1	0

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FOR THE YEAR ENDED 31 AUGUST 2017

10. Staff costs (continued)

Four (2016 - four) of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2017, pension contributions for these members of staff amounted to £52,451 (2016 - £47,826)

The key management personnel of the Academy Trust comprise the Senior Management Team as detailed on page 2. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £785,539 (2016 - £672,414).

11. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2017 £	2016 £
Jeremy Turner	Remuneration	130,000-135,000	115,000-120,000
	Pension contributions paid	20,000-25,000	15,000-20,000
Dinah Hoeksma	Remuneration	0-5,000	

During the period ended 31 August 2017, travel and subsistence expenses totalling £1,840 were reimbursed or paid directly to 1 Trustee (2016: £988 to 1 Trustee).

12. Central services

The Academy Trust has provided the following central services to its academies during the year:

- IT support (staff costs, accountancy software)
- Governance costs
- Staff costs relating to site maintenance

The Academy Trust charges for these services on the following basis:

Bushey St James recharges Little Reddings Primary School for an agreed proportion of costs as they are incurred.

The actual amounts charged during the year were as follows:

	2017 £	2016 £
Little Reddings Primary School	<u>81,202</u>	<u>49,606</u>

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

13. Trustees' and Officers' Insurance

The Academy Trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

14. Tangible fixed assets

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Assets under Constructi on £	Total £
Cost						
At 1 September 2016	14,499,288	32,138	776,801	576,329	861,501	16,746,057
Additions	1,339,472	-	214,676	156,371	1,079,194	2,789,713
Transfer between classes	981,254	-	-	-	(981,254)	-
At 31 August 2017	16,820,014	32,138	991,477	732,700	959,441	19,535,770
Depreciation						
At 1 September 2016	1,118,472	25,712	110,381	347,277	-	1,601,842
Charge for the year	266,304	6,426	100,794	143,200	-	516,724
At 31 August 2017	1,384,776	32,138	211,175	490,477	-	2,118,566
Net book value						
At 31 August 2017	15,435,238	-	780,302	242,223	959,441	17,417,204
At 31 August 2016	13,380,816	6,426	666,420	229,052	861,501	15,144,215

Included within fixed assets is recognition of the value of land and buildings transferred to the Academy Trust from its predecessor 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 and included within this is £3,316,279 of land which is not depreciated.

15. Stocks

	2017 £	2016 £
Goods held for resale	3,219	7,461

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

16. Debtors

	2017 £	2016 £
Trade debtors	4,046	18,223
Amounts due from HMRC	176,578	117,919
Other debtors	37,683	153,848
Prepayments and accrued income	245,691	979,459
	<u>463,998</u>	<u>1,269,449</u>

17. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	83,799	149,437
Other taxation and social security	99,227	104,512
Other creditors	146,511	140,555
Accruals and deferred income	543,262	715,052
	<u>872,799</u>	<u>1,109,556</u>

	2017 £	2016 £
Deferred income		
Deferred income at 1 September 2016	170,652	151,184
Resources deferred during the year	193,583	170,652
Amounts released from previous years	(170,652)	(151,184)
Deferred income at 31 August 2017	<u>193,583</u>	<u>170,652</u>

At the balance sheet date, the Academy Trust was holding funds received in advance for school trips, music fees and after school clubs, as well as ESFA GAG Rates Relief funding and Devolved Formula capital funding received in advance of the 2017/18 financial year.

Included in other creditors are Salix loans of £34,858 (2016 - £46,337) from the ESFA. No interest is charged on this loan.

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

18. Creditors: Amounts falling due after more than one year

	2017	2016
	£	£
Other creditors	229,553	232,528

Creditors include amounts not wholly repayable within 5 years as follows:

	2017	2016
	£	£
Repayable by instalments	229,553	232,528

Other creditors due after more than one year relate to Salix loans from the ESFA:

- £187,902 repayable over a period of 6 years;
- £41,651 repayable over a period of 7 years

No interest is charged on these loans.

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

19. Statement of funds

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Unrestricted funds						
General Funds - all funds	1,344,393	741,096	(774,406)	(371,047)	-	940,036
Restricted funds						
General Annual Grant (GAG)	124,558	5,846,501	(5,748,950)	(159,573)	-	62,536
Pupil Premium	-	326,484	(326,484)	-	-	-
Other DfE/ESFA grants	-	1,051,829	(1,051,829)	-	-	-
Other government grants	-	595,864	(595,864)	-	-	-
School Direct	-	2,750	(2,750)	-	-	-
Pension reserve	(3,182,000)	-	(248,000)	-	929,000	(2,501,000)
	<u>(3,057,442)</u>	<u>7,823,428</u>	<u>(7,973,877)</u>	<u>(159,573)</u>	<u>929,000</u>	<u>(2,438,464)</u>
Restricted fixed asset funds						
Donations	13,408,212	-	(516,724)	2,758,597	-	15,650,085
Capital grants	1,736,003	31,116	-	-	-	1,767,119
Expansion project	(137,132)	2,550,000	-	(1,079,194)	-	1,333,674
Capital Improvement Fund	1,148,783	-	-	(1,148,783)	-	-
	<u>16,155,866</u>	<u>2,581,116</u>	<u>(516,724)</u>	<u>530,620</u>	<u>-</u>	<u>18,750,878</u>
Total restricted funds	<u>13,098,424</u>	<u>10,404,544</u>	<u>(8,490,601)</u>	<u>371,047</u>	<u>929,000</u>	<u>16,312,414</u>
Total of funds	<u>14,442,817</u>	<u>11,145,640</u>	<u>(9,265,007)</u>	<u>-</u>	<u>929,000</u>	<u>17,252,450</u>

Statement of funds - prior year

	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
Unrestricted funds						
General Funds - all funds	1,354,235	626,310	(636,152)	-	-	1,344,393
	<u>1,354,235</u>	<u>626,310</u>	<u>(636,152)</u>	<u>-</u>	<u>-</u>	<u>1,344,393</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Statement of funds (continued)

Restricted funds

General Annual Grant (GAG)	136,827	5,472,399	(5,256,346)	(228,322)	-	124,558
Pupil Premium	-	332,863	(332,863)	-	-	-
Other DfE/ESFA grants	-	1,249,863	(1,249,863)	-	-	-
Other government grants	-	725,122	(725,122)	-	-	-
School Direct	-	50,000	(50,000)	-	-	-
Pension reserve	(1,928,000)	-	(72,000)	-	(1,182,000)	(3,182,000)
	<u>(1,791,173)</u>	<u>7,830,247</u>	<u>(7,686,194)</u>	<u>(228,322)</u>	<u>(1,182,000)</u>	<u>(3,057,442)</u>

Restricted fixed asset funds

Donations	12,667,859	-	(447,652)	1,188,005	-	13,408,212
Capital grants	1,704,858	31,145	-	-	-	1,736,003
Expansion project	132,391	587,350	(122,190)	(734,683)	-	(137,132)
Capital Improvement Fund	-	1,373,783	-	(225,000)	-	1,148,783
	<u>14,505,108</u>	<u>1,992,278</u>	<u>(569,842)</u>	<u>228,322</u>	<u>-</u>	<u>16,155,866</u>
Total restricted funds	<u>12,713,935</u>	<u>9,822,525</u>	<u>(8,256,036)</u>	<u>-</u>	<u>(1,182,000)</u>	<u>13,098,424</u>
Total of funds	<u>14,068,170</u>	<u>10,448,835</u>	<u>(8,892,188)</u>	<u>-</u>	<u>(1,182,000)</u>	<u>14,442,817</u>

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

Restricted General Funds:

The General Annual Grant is subject to specific expenditure within the Academy's declared objectives. Other DfE/ESFA grants relate to Government funding for the provision of education by the Academy and have been fully expended in the year. Funding is repayable if the Academy does not meet all funding requirements.

Under the funding agreement with the Secretary of State, the Academy Trust was subject to a limit on the GAG that it could carry forward at 31 August 2017. This limit was not breached during the year ended 31 August 2017.

The Local Government Pension Scheme is also included within this fund. Please refer to note 24 for further details regarding this balance.

Restricted Fixed Asset Funds:

These funds relate to the land, buildings, and other fixed assets which are owned by the Academy and used in accordance with the charitable objectives.

A fund of £250,000 had been set aside in 2014 for the school expansion project which commenced in January 2015. A further £2,550,000 of funding was received during the year; £981,254 of which relates to a completed project; £878,574 relates to an ongoing project at year end; the remainder remains unspent at year end and will be used to complete Phase 2.

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Statement of funds (continued)

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.

Transfers between funds relate to amounts expended on fixed assets from the unrestricted general fund which have been used for the acquisition of fixed assets during the period.

Analysis of academies by fund balance

Fund balances at 31 August 2017 were allocated as follows:

	Total 2017 £	<i>Total 2016 £</i>
Bushey Meads School	747,492	1,266,869
Little Reddings Primary School	255,080	202,082
Total before fixed asset fund and pension reserve	1,002,572	1,468,951
Restricted fixed asset fund	18,750,878	16,155,866
Pension reserve	(2,501,000)	(3,182,000)
Total	17,252,450	14,442,817

Analysis of academies by cost

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciat- ion £	Total 2017 £	<i>Total 2016 £</i>
Bushey Meads School	4,722,947	643,436	382,563	1,160,437	6,909,383	6,540,663
Little Reddings Primary School	1,167,977	200,506	170,930	299,487	1,838,900	1,903,873
	5,890,924	843,942	553,493	1,459,924	8,748,283	8,444,536

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20. Analysis of net assets between funds

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	17,417,204	17,417,204
Current assets	940,036	1,164,888	1,333,674	3,438,598
Creditors due within one year	-	(872,799)	-	(872,799)
Creditors due in more than one year	-	(229,553)	-	(229,553)
Provisions for liabilities and charges	-	(2,501,000)	-	(2,501,000)
	<u>940,036</u>	<u>(2,438,464)</u>	<u>18,750,878</u>	<u>17,252,450</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Tangible fixed assets	-	-	15,144,214	15,144,214
Current assets	1,344,393	1,466,641	1,011,652	3,822,686
Creditors due within one year	-	(1,109,555)	-	(1,109,555)
Creditors due in more than one year	-	(232,528)	-	(232,528)
Provisions for liabilities and charges	-	(3,182,000)	-	(3,182,000)
	<u>1,344,393</u>	<u>(3,057,442)</u>	<u>16,155,866</u>	<u>14,442,816</u>

21. Reconciliation of net movement in funds to net cash flow from operating activities

	2017 £	2016 £
Net income for the year (as per Statement of Financial Activities)	1,880,633	1,556,647
Adjustment for:		
Depreciation charges	516,724	447,652
Loss on the sale of fixed assets	-	122,190
Decrease in stocks	4,242	270
Decrease/(increase) in debtors	805,451	(908,575)
(Decrease)/increase in creditors	(225,278)	491,953
Capital grants from DfE and other capital income	(2,581,116)	(1,992,278)
Defined benefit pension scheme cost less contributions payable	182,000	28,000
Defined benefit pension scheme finance cost	66,000	44,000
Bank interest	(4,399)	(10,162)
Net cash provided by/(used in) operating activities	<u>644,257</u>	<u>(220,303)</u>

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22. Analysis of cash and cash equivalents

	2017 £	2016 £
Cash in hand	2,971,381	2,545,776
Total	<u>2,971,381</u>	<u>2,545,776</u>

23. Capital commitments

At 31 August 2017 the Academy Trust had capital commitments as follows:

	2017 £	2016 £
Contracted for but not provided in these financial statements	<u>2,052,136</u>	<u>867,711</u>

24. Pension commitments

The Academy Trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Hertfordshire County Council. Both are Multi-employer defined benefit pension schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £58,014 were payable to the schemes at 31 August 2017 (2016 - £64,159) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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24. Pension commitments (continued)

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

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £898,169 (2016 - £784,315).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £432,000 (2016 - £414,000), of which employer's contributions totalled £350,000 (2016 - £336,000) and employees' contributions totalled £82,000 (2016 - £78,000). The agreed contribution rates for future years are 19.6% for employers and from 6.5% to 7.5% for employees depending on salary.

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

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.50 %	2.00 %
Expected return on scheme assets at 31 August	2.50 %	2.00 %
Rate of increase in salaries	2.50 %	3.60 %
Rate of increase for pensions in payment / inflation	2.40 %	2.10 %

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24. Pension commitments (continued)

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

	2017	2016
Retiring today		
Males	22.5	22.3
Females	24.9	24.5
Retiring in 20 years		
Males	24.1	24.3
Females	26.7	26.7

The Academy Trust's share of the assets in the scheme was:

	Fair value at 31 August 2017 £	<i>Fair value at 31 August 2016 £</i>
Equities	2,345,850	1,570,000
Gilts	902,250	698,000
Property	252,630	174,000
Cash and other liquid assets	108,270	50,000
Total market value of assets	<u>3,609,000</u>	<u>2,492,000</u>

The actual return on scheme assets was £53,000 (2016 - £74,000).

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

	2017 £	2016 £
Opening defined benefit obligation	5,674,000	3,754,000
Interest cost	119,000	146,000
Employee contributions	82,000	78,000
Benefits paid	(75,000)	(64,000)
Current service cost	532,000	364,000
Actuarial (gain) / losses	(222,000)	1,396,000
Closing defined benefit obligation	<u>6,110,000</u>	<u>5,674,000</u>

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24. Pension commitments (continued)

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

	2017 £	2016 £
Opening fair value of scheme assets	2,492,000	1,826,000
Interest income	53,000	74,000
Employer contributions	350,000	336,000
Employee contributions	82,000	78,000
Benefits paid	(75,000)	(64,000)
Actuarial gains	707,000	242,000
Closing fair value of scheme assets	3,609,000	2,492,000

25. Operating lease commitments

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

	2017 £	2016 £
Amounts payable:		
Within 1 year	24,893	11,944
Between 1 and 5 years	43,205	2,261
Total	68,098	14,205

26. Members' liability

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

27. Related party transactions

Owing to the nature of the Academy Trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

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28. Post balance sheet events

On 1 December 2017 Hartsbourne Primary School joined the Trust. In line with the Academy Accounts Direction, the donation on conversion from the Local Authority will be recognised in the year to 31 August 2018.

29. Agency Arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2017 the Trust received £19,605 (2016 - £16,651) and disbursed £14,067 (2016 - £2,529) from the fund. An amount of £19,660 (2016 - £14,122) is included in other creditors relating to undistributed funds that are repayable to ESFA.