

MAHARISHI SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2016

Company Limited by Guarantee
Registration Number: 1902341 (England and Wales)
Charity Registration Number: 517958

MAHARISHI SCHOOL TRUST LIMITED

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for the year ended 31 August 2016

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MAHARISHI SCHOOL TRUST LIMITED

REFERENCE AND ADMINISTRATIVE DETAILS

for the year ended 31 August 2016

Governors (Trustees)

* = members of the Finance Committee

G Evans
B Alexander
I Birnbaum* (Chairman)
C Winteringham
J Poole
L Walters*
E Freel
M Ingram
L Wilkinson (elected 31/10/2014)
J Hill (elected 31/10/14)
J G Phillips
R Buswell

Secretary

P Mitchell

Senior managers

Principal/Ex-officio Trustee/Accounting Officer
(Ceased 31/08/16)

D Cassells* (Resigned 31/08/16)

Principal (Commencing 1/09/16)

L Edwards*

Deputy Head - Secondary

M Ingram (Ceased 31/12/15)

Deputy Head - Secondary

L Walters (Appointed 1/1/16)

Deputy Head - Primary

E Freel

Director of Finance and Administration

P Mitchell*

Registered Office

Cobbs Brow Lane
Lathom
L40 6JJ
Tel: 01695 729912

Company Registration Number

1902341 (England and Wales)

Auditors

Chaytor Steele & Co
Chartered Accountants
9a Derby Street
Ormskirk
L39 2BJ

MAHARISHI SCHOOL TRUST LIMITED

REFERENCE AND ADMINISTRATIVE DETAILS

for the year ended 31 August 2016

Bankers

Lloyds
PO Box 1000
Andover
BX1 1LT

Barclays Bank
265-267 Lord Street
Southport
PR8 1PD

Solicitors

Naphens Solicitors
7 Winckley Square
Preston
Lancashire
PR1 3JD

MAHARISHI SCHOOL TRUST LIMITED

TRUSTEES' REPORT

for the year ended 31 August 2016

The trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2015 to 31 August 2016.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The School is a company limited by guarantee with no share capital (registration no. 1902341). The Academy Trust's memorandum and articles of association are the primary governing documents of the School together with the Funding Agreement entered into with the Secretary of State for Education. Members of the Academy Trust comprise of the signatories to the memorandum, up to 3 persons who may be appointed by Maharishi Foundation and 1 person who may be appointed by the Secretary of State, the Chair of Governors and others whom existing members may unanimously appoint. The articles of association require the members of the Academy Trust to appoint at least three governors to be responsible for the statutory and constitutional affairs and management of the School.

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.

Trustees' Indemnities

The Academy has purchased insurance to protect trustees, governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £1,000,000 for governors' liability on any one occurrence.

Principal Activities

The principal activity of the charitable company is the operation of the Maharishi School Trust to provide education for pupils of different abilities between the ages of 4 and 16 known as Consciousness-based Education.

Method of Recruitment and Appointment or Election of Trustees

The governors are directors of the charitable company for the purposes of the Companies Act 2006 and trustees for the purposes of charity legislation. The governors who were in office at 31 August 2016 and served throughout the year are listed on page 1. During the year under review the governors held 6 meetings. The training and induction provided for new Governors will depend on their existing experience. Where necessary, induction will provide information on charity, educational, legal and financial matters. All new Governors will be given a tour of the School, including the chance to meet with staff and students.

MAHARISHI SCHOOL TRUST LIMITED

TRUSTEES' REPORT

for the year ended 31 August 2016

Method of Recruitment and Appointment or Election of Trustees continued

All governors are provided with access to copies of our policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as governors. As the number of new governors a year is limited, induction tends to be done informally and is tailored specifically to the individual.

Policies and Procedures Adopted for the Induction and Training of Trustees

Company law requires the governors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company at the end of the financial year and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing financial statements which give a true and fair view, the governors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The governors are responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the charitable company and which enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the Academy Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The governors confirm that so far as they are aware, there is no relevant audit information of which the Academy Trust's auditors are unaware. They have taken all the steps that they ought to have taken as governors in order to make themselves aware of any relevant audit information and to establish that the Academy Trust's auditors are aware of that information. The governors are responsible for the maintenance and integrity of the Academy Trust's website.

Organisational Structure

The structure consists of two levels: the Governors and The Senior Managers. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the School by the use of budgets and making major decisions about the direction of the School, capital expenditure and senior staff appointments.

The Senior Managers are the Head teacher, Executive Director, two Deputy Heads and the Director of Finance and Administration. These managers control the School at an executive level implementing the policies laid down by the Governors and reporting back to them. As a group the Senior Managers are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for posts in the Management Team always contain a Governor.

MAHARISHI SCHOOL TRUST LIMITED

TRUSTEES' REPORT

for the year ended 31 August 2016

Risk Management

The governors have assessed the major risks to which the School is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the School, and its finances.

The governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, relationships and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The School has an effective system of internal financial controls and this is explained in more detail in the following statement.

Statement on the system of internal finance control

As governors, we acknowledge we have overall responsibility for ensuring that Maharishi School Trust has an effective and appropriate system of control, financial and otherwise. We are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the School and enable us to ensure the financial statements comply with the Companies Act. We also acknowledge responsibility for safeguarding the assets of the School and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that:-

- The School is operating efficiently and effectively;
- Its assets are safeguarded against unauthorised use or disposition;
- The proper records are maintained and financial information used within the Academy or for publication is reliable;
- The School complies with relevant laws and regulations.

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

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

The governors have considered the need for a specific internal audit function and have decided not to appoint an internal auditor. However, the governors have appointed M Miley as Responsible Officer (RO). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems.

MAHARISHI SCHOOL TRUST LIMITED

TRUSTEES' REPORT

for the year ended 31 August 2016

Statement on the system of internal finance control continued

On a termly basis, the RO is required to report to the governing body on the operation of the systems of control and on the discharge of the governing body's financial responsibilities. These arrangements can provide only reasonable and not absolute assurance that assets are safeguarded, transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the charitable company is the operation of the Maharishi School Trust to provide education for pupils of different abilities between the ages of 4 and 16 including the provision of Consciousness-based Education. The Trust organises itself to comply with all the requirements of the Funding Agreement entered into with the Secretary of State for Education, its Memorandum and Articles of Association and any other relevant policies required by statute or approved by relevant authorities.

The School's main strategy is encompassed in its stated ethos and educational objectives

- to be a safe, happy, caring community of teachers, supporters and learners;
- to help all individuals, within the relevant age group regardless of their race, gender, orientation or disability to acquire the skills and knowledge needed to achieve their full potential in a rapidly changing world;
- to develop understanding of and respect for a wide range of religious values, cultural traditions, languages and different ways of life;
- to encourage an enjoyment of life-long learning;
- to encourage positive parental and community involvement;
- to promote healthy lifestyles;
- to provide a curriculum that is stimulating, broad, balanced, innovative and creative;
- to celebrate achievement;
- to provide the opportunity for students and staff to enhance their enjoyment and perception of life through the development of their own consciousness;
- to provide tuition and learning opportunities for all students to attain appropriate academic qualifications; and
- to provide development and training opportunities for all staff, and especially teaching staff.

Objectives, Strategies and Activities

The main objectives of the School during the year ended 31 August 2016 are summarised below:

- to maintain the primacy of Consciousness-based Education as the unique educational strategy
- to ensure that every child enjoys the same high quality education in terms of appropriate resourcing, tuition and care;
- to raise the standard of educational achievement of all pupils;
- to improve the effectiveness of the School by keeping the curriculum and organisational structure under continual review;

MAHARISHI SCHOOL TRUST LIMITED

TRUSTEES' REPORT

for the year ended 31 August 2016

Objectives, Strategies and Activities

- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements; and
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness

Public Benefit

One of Maharishi Free School's guiding principles is "The world is my family".

We recognise the unity of every individual with every aspect of the world, not only other people, but the whole environment. A practical expression of this is the fundraising of various types our pupils undertake for those in need, both at home and around the world. The school is licenced to operate the Duke of Edinburgh award scheme and in its first year of participation had the highest proportion of involved pupils in the region. The award has since been further developed within the school with sufficient time and resource allowed for pupils to work towards both Bronze and Silver awards. The Duke of Edinburgh award includes the requirement of participants to undertake a volunteering activity.

The trustees have complied with their duty to have due regard to the Charity Commission guidance on public benefit by seeking to promote, sustain and increase individual and collective knowledge and understanding of specific areas of study, skills and expertise. In support of this Maharishi School provides its highly beneficial system of Consciousness-based Education to as many children as possible within the physical constraints of the current buildings. Despite this the school is often unable to satisfy demand for places, both locally and beyond.

Maharishi School also makes its facilities available to individuals and groups in the local community.

ACHIEVEMENTS AND PERFORMANCE

The School is in its fifth year of operation as a Free School and continues to attract students for all year groups. Total students at the year ended on 31st August 2016 numbered 194.

Fifteen pupils took their GCSEs in the Summer. 67% of pupils passed 5 GCSEs at A*-C, including Maths and English. Overall, the majority of pupils performed well compared to their CAT scores. 80% achieved A*-C in English Language, which is well above the national average of 60%. For English Literature, 60% achieved A*-C, in line with the national average. In Maths, 73% were at A*-C. It needs to be noted that, with small numbers, cohorts are more difficult to compare.

Sixteen pupils took their Key Stage 2 assessments in the Summer. Based on the pupils' CAT scores 71% achieved appropriately to their ability or above in Reading, 59% in Writing,, 71% in Mathematics and 59% in SPAG. The CAT scores demonstrate that this particular class were much less able in Maths as reflected in the pass rate. Analysis shows that 82% made the expected progress from KS1 to KS2 in

MAHARISHI SCHOOL TRUST LIMITED

TRUSTEES' REPORT

for the year ended 31 August 2016

ACHIEVEMENTS AND PERFORMANCE continued

Writing and 71% in Reading and Maths. As with GCSE, small numbers mean that cohorts are more difficult to compare and significantly only 1 pupil was in the school's Reception class and only a total of 5 pupils were with the school in KS1. Almost a third of the class had IEPs and 6 were awarded extra time in their SATs.

Eighteen pupils took their Key Stage 1 assessments in the Summer. There was a 75% pass rate in Maths and Reading, and 56% in Writing. The Phonics screening results for Year 1 had an 88% pass rate. In the EYFS with a good level of development the result was 76.5%.

To ensure that standards are continually raised the School operates a programme of standardised testing of ability, attainment and attitude including Cognitive Ability Testing. Attitudes are monitored from Reception and ability and attainment in Year 4, and then from Year 7 through to Year 11. Peer and Governor observation of lessons takes place and the school organises visits by inspectors. Staff maintain contacts with other local schools to share and learn successful practice. Continuing from September 2015, this includes Maharishi School being part of the "Shares" cluster of local schools in which training, information and practice experience are shared to benefit all cluster members equally.

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 Statement of Accounting Policies.

Key Financial Performance Indicators

Maharishi School has compared its financial performance against benchmarking data for the Academies sector and has also received the DfE's own benchmarking report on the school, based on 2014/15 data and, is satisfied that there are no immediate concerns. Of particular note is that of the DfE sample group Maharishi School's spending per pupil was the highest of the whole group and over double of three of the schools, indicating the school's commitment to delivering the best quality of education its resources allow.

The single greatest expenditure item for any school is staff salaries. The average cost as a percentage of total expenditure for 58% of Academies is 70-80%, of these 17.5% have staff costs of 75%-80%. The Maharishi School staff costs for 2015/16 was 79.35% of total expenditure and 77.87% of total income. The budgeted staff costs for 2016/17 is 78.01% of total expenditure and 77.14% of total income. The recent EFA benchmarking report on Maharishi School indicated that the school's expenditure on teaching staff was higher than the other 5 schools in the sample group and above the average by 11.2

MAHARISHI SCHOOL TRUST LIMITED

TRUSTEES' REPORT

for the year ended 31 August 2016

Key Financial Performance Indicators

percentage points. This will be contributed to by the school having the lowest pupil-teacher ratio of the group.

Environmentally Maharishi Secondary School is fortunate to occupy a building originally constructed using natural materials wherever practicable, including rammed earth walls. This building was converted for the School's conversion to Free School Status, under the auspices of the DfE, to the latest environmental performance standards, including a new roof. During the last year the school has successfully lobbied the EFA for funding to further protect the school site with a new, higher fence which is installed. CCTV cameras were also installed, from the school's funds.

There is a longer term plan to upgrade the Primary School site to achieve more energy efficient buildings. In 2014/15 the school was successful in its application for a DfE Condition Improvement Fund (CIF) grant for the development of a new, stand-alone classroom, constructed largely of timber products and to the highest energy-efficiency standards. This individually fenced building was occupied in February 2016 by the Reception class and other functions and is very popular with parents and staff alike.

During the year both school sites have benefitted from a significant upgrade to the school's broadband provision and the installation of wi-fi, controlled by low-power, individual room-controlled access points. This improvement to our IT infrastructure is in readiness for the introduction of Chromebooks operating through the Google Education platform, which will greatly enhance the learning experience for pupils and maximise the amount of teaching time within lessons.

Work has continued on improving the existing building, a converted barn, with the replacement of the remaining two old, timber French classroom doors and many of the timber-framed windows with UPVC components.

FINANCIAL REVIEW

Financial and Risk Management Objectives and Policies

The school Finance and Audit Committee regularly reviews the Trust's financial status, including risks and potential forecast pressures and work towards ending each year with a surplus in order to develop sufficient reserves. All the necessary policies and procedures are in place to protect the school from potential risks and are also subject to review.

The year in question is the fourth year in which the school has participated in the Local Government Pension Scheme, from which the Actuaries report indicates a scheme deficit of £147,000. This deficit is a result of the general position of the Lancashire LGPS, which is understood to be undergoing review which in turn will alleviate the deficit.

MAHARISHI SCHOOL TRUST LIMITED

TRUSTEES' REPORT

for the year ended 31 August 2016

Principal Risks and Uncertainties

Outlined below are the principal risks that may affect the Maharishi School Trust.

- 1 Maharishi School Trust has considerable reliance on government funding through the EFA. In 2015/16, approximately 94.2% (2.6% less than 2014/15) of the School's income was publicly funded and this requirement is expected to continue. A particular evolving risk results from funding reform - there can be no assurance that government policy or practice will remain consistent or that public funding will continue at the levels or on the same terms. The School will need to guard against the prospect of reduced government funding to education.

This risk can be mitigated in a number of ways:

- By closely monitoring the evolving education agenda and the changes outlined by the Department for Education
- By closely monitoring the School's cost base and ensure value for money is obtained across all expenditures.
- By working to maintain and increase pupil numbers to the maximum possible roll in order to receive the maximum achievable EFA funding

Reserves policy

The governors review the reserve levels of the School annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

Financial position

The School held fund balances at 31 August 2016 of £863,018 (2015 - £865,768) comprising £771,346 (2015 - £787,682) of restricted funds and £91,672 (2015 - £78,086) of unrestricted general funds.

Investment Policy

During the financial year Maharishi School Trust Ltd generated a cash balance of £218,003. The objective of the academy is to ensure that sufficient funds are available at short or no notice to meet foreseeable requirements, while earning an acceptable rate of return without undue risk.

PLANS FOR FUTURE PERIODS

Having upgraded the School will continue working to improve the levels of performance of its students at all levels. The School will also increase its recruitment up to the maximum capacity of our buildings. The School has significantly upgraded its built environment during the last period and is working to continue this work to create improved conditions for both pupil learning and staff working.

MAHARISHI SCHOOL TRUST LIMITED

TRUSTEES' REPORT

for the year ended 31 August 2016

AUDITORS

The auditors, Chaytor, Steele & Co, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

The report of the governors was approved by the governors on 15 December 2016 and signed on their behalf by:

**Ian Birnbaum,
Chairman**

MAHARISHI SCHOOL TRUST LIMITED

GOVERNANCE STATEMENT

for the year ended 31 August 2016

Scope of Responsibility

As trustees we acknowledge we have overall responsibility for ensuring that Maharishi School Trust Limited 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 assurances against material misstatement or loss.

The board of trustees has delegated the day-to-day responsibility to the Principal, 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 Maharishi School Trust Limited and the Secretary of State of 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 Statements of Trustees' Responsibilities. The board of trustees has formally met 6 times during the year.

Trustee	Meetings attended	Out of a possible
I Birnbaum (Chair)	6	6
D Cassells (Principal)	6	6
G Evans	6	6
B Alexander	6	6
C Winteringham	5	6
J Poole	5	6
L Walters	6	6
M Ingram	6	6
E Freel	5	6
R Buswell	4	5
L Wilkinsonl	5	6
J Hill	6	6
J Phillips	6	6
Non Trustee		
P Mitchell (Clerk)	6	6
R Scott (Executive Director)	5	6

MAHARISHI SCHOOL TRUST LIMITED

GOVERNANCE STATEMENT

for the year ended 31 August 2016

Governance continued

The committee assists the decision making of the GB, by enabling more detailed consideration to be given to the best means of fulfilling the GB's responsibility to ensure sound management of the School's finances and resources, including proper planning, monitoring and probity. The FC has the following responsibilities:

1. Consider the financial aspects of particular matters specifically referred to the committee.
2. Consider the School's indicative budget funding obtained from the Ready Reckoner and to assess its implications for the School in consultation with the Principal and Business Manager in advance of the financial year involved, drawing any matters of significance or concern to the attention of the GB.
3. Consider and recommend acceptance/non-acceptance of the School budget, at the start of each financial year, (1st September – 31st August.)
4. Contribute to the evolution of the School's Development Plan, through the consideration of financial priorities and proposals, in consultation with the Principal and Business Manager within the School's stated and agreed aims and objectives.
5. Receive and make recommendations on the broad budget headings and areas of expenditure to be adopted each year, including the level and use of any contingency fund or balances, ensuring the compatibility of all such proposals with the development priorities set out in the development plan.
6. Agree limits of delegation and virements.
7. Liaise with and receive reports from other GB committees as appropriate and make recommendations to those committees about the financial aspects of matters being considered by them.
8. Monitor and review income and expenditure on a regular basis and ensure compliance with the overall financial plan for the School and with the requirements of the FA, EFA or DfE, including the school's own internal financial regulations, drawing any matters of concern to the attention of the GB.
9. Monitor and review procedures for ensuring the effective implementation and operation of financial procedures on a regular basis, including the implementation of bank account arrangements and where appropriate to make recommendations for improvement where necessary.
10. Prepare the financial statement to form part of the annual report of the GB to parents and for filing in accordance with Companies Act requirements.

MAHARISHI SCHOOL TRUST LIMITED

GOVERNANCE STATEMENT

for the year ended 31 August 2016

Governance continued

11. Receive auditors and RO reports and to recommend to GB action as appropriate in response to audit findings.
12. Recommend to the GB the appointment or reappointment of the Trust's auditors.
13. Develop and recommend to the GB policies on charging, lettings and contracts that are in accordance with Financial Regulations and advise governors on the financial implications of adopting certain policies.
14. Additional items as required/agreed.

Premises

1. Follow the requirements of the FA and the DfE and other relevant statutory authorities concerning the upkeep of buildings and land.
2. Ensure that the conditions of the premises and grounds are monitored and receive regular reports.
3. Ensure that resources are available to implement repair and maintenance as required and in a timely manner.
4. Prepare a statement of priorities for maintenance and development (Asset Management Plan.)
5. Receive regular reports on the general maintenance of the premises and grounds and inform the GB of the effectiveness of any planned maintenance programmes/Asset Management Plan.
6. Approve the budget allocation for maintenance, repairs and redecoration.
7. Oversee the preparation, implementation and monitoring of premises-related contracts.
8. Prepare a letting policy for the approval of the GB and to monitor and advise the GB on the use of the school by outside bodies.
9. Consider and advise the GB on matters relating to the efficient and effective use of the premises and grounds.
10. Draft and review the Academy's Disaster Recovery Plan and make recommendations to the GB.
11. Be aware of the extent of insurance cover on premises and equipment and review annually.

MAHARISHI SCHOOL TRUST LIMITED

GOVERNANCE STATEMENT

for the year ended 31 August 2016

Governance continued

12. Additional items as required/agreed.

Attendance at finance committee meetings in the year was as follows

Trustee	Meetings attended	Out of a possible
I Birnbaum	7	7
D Cassells	7	7
L Walters	5	7
R Buswell	5	7
G Evans (as co-member for specific topic)	1	1
Non-Trustees		
R Scott	7	7
J Scott	6	7
P Mitchell	7	7

Review of Value for Money

As Accounting Officer the Principal has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The Accounting Officer is aware of the guidance in the Academies Accounts Direction 2015-16 regarding value for money statements published by the Education Funding Agency and understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer has set out below how they have ensured that the academy trust's use of its resources has provided good value for money during the academic year.

Maharishi School 2015/16 Value for Money statement.

This statement is to show that Maharishi School Trust's use of public assets and funds has provided good value for money during the year and to identify any opportunities for potential improvement, particularly in respect of the following:

- the economic, efficient and effective use of all the resources, for example to produce better educational results;
- the avoidance of waste and extravagance;

MAHARISHI SCHOOL TRUST LIMITED

GOVERNANCE STATEMENT

for the year ended 31 August 2016

Review of Value for Money continued

- the prudent and economical administration of the organisation;
- the establishment and maintenance of a system of financial governance, (including sound internal spending controls, keeping up-to-date financial records, continuous financial monitoring and timely reporting); and
- ensuring all financial transactions represent value for money.

Maharishi School Trust opened as a Free School in September 2011 with a capital cost to the DfE of under £1million, compared to the average premises cost of setting up a Free School published by the National Audit Office of £6.6million. The school was originally conceived on the basis of 15 pupils per class but, due to high levels of demand, we have increased class sizes to 18 by stages. This will fill the school's buildings to capacity. The fact of smaller class sizes ensures that teachers can devote more time to individual pupils and their particular requirements. Maharishi School Trust, in keeping with the requirements of its Funding Agreement (FA) with the Department for Education (DfE), has all the relevant policies and procedures in place to ensure that the Trust is properly run and provides value for money.

All matters relating to finance are referred to the Finance Committee, which is acutely aware of the Trust's limited budget and the pressures on it. They have actively questioned expenditure proposals, challenged variances, advised on strategy and expressed their reporting requirements. When satisfied, the Finance Committee have then made appropriate recommendations to the Governing Body. The Finance Committee also incorporates the function of an Audit Committee, as allowed due to the Trusts' size. As required in the Academies Financial Handbook, any staff members sitting on the Finance Committee are not members of the Audit element of the Finance Committee and do not participate in its discussions. Maharishi School has continued to utilise an independent Responsible Officer, who reviews the financial operations, risks, compliance, etcetera on a termly basis. Maharishi School's RO is a retired chartered accountant, whose termly reports inform the deliberations of the Audit Committee.

These bodies are subject to their own Terms of Reference/ Roles and Responsibilities documents and routinely meet every other month. Finance meetings take place ten days before Governors' meetings to ensure that the data and topics under discussion are still current. The meeting schedule is designed to accommodate the production of Quarterly finance reports in order that matters are reported and acted upon in a timely manner. Apart from one of the staff Governors, all members of the Governing Body are parents of current or past pupils of the school, except one other who is a former pupil, with an acute interest in the Trust's financial and educational performance. The Chair of the Governing Body is a former Chief Executive and Director of Children's Services of a London Borough.

MAHARISHI SCHOOL TRUST LIMITED

GOVERNANCE STATEMENT

for the year ended 31 August 2016

Review of Value for Money continued

Maharishi School Trust has been audited by the EFA who have expressed their satisfaction with the financial management and governance of the Trust, including the requisite policies and procedures. These include:

- Draft internal financial regulations: these ensure that the school maintains and develops systems of financial control which conform with the requirements both of propriety and of good financial management.
- Headteacher and Governing Body responsibilities: this document details the levels of decision making for all aspects of the school.
- Delegated authority table: this details the levels of authority for and conditions pertaining to expenditure amounts.
- Continuity plans for each and both school sites: these provide all the information needed to ensure the fastest possible disaster recovery of school operations.
- Risk Register: this lists all perceived potential risks to the school, level of risk and control procedures. Register updates are a Governing Body standing agenda item.
- Whistleblowing policy: this is intended to enable individuals to raise concerns about general malpractice, abuse or wrongdoing at an early stage and in the right way, without fear of victimisation, subsequent discrimination or disadvantage. The policy is designed to encourage and enable individuals to raise concerns within the school or, if necessary, externally rather than to overlook a problem. (This enables any member of staff, pupil, parent or member of the public to notify the relevant authority of suspected wrongdoing and ensures investigations are conducted, and if necessary acted upon, impartially and objectively.)

The Maharishi School Trust Governing Body has been able to approve a balanced budget and achieve a small GAG funding carry forward within recommended limits in all but this of its years of Free School operation. The Trust has submitted statutory financial reports, including Audited Accounts, EFA Accounts Return and EFA Budget Forecast Return which have satisfied the EFA Auditors (Deloitte). The Trust has also compared its financial performance with the James Crowper/Kreston (chartered accountants) Academies Benchmark Report 2016 and the DfE/EFA Benchmarking Report Card 2014/15 for the school (see Key Financial Performance Indicators – page 8). We are satisfied with our performance compared to Academy Trusts generally despite the diseconomies of scale due to our smaller class sizes and resultant per class funding, especially staff pupil ratio. This demonstrates a high

MAHARISHI SCHOOL TRUST LIMITED

GOVERNANCE STATEMENT

for the year ended 31 August 2016

Review of Value for Money continued

level of responsibility in the use of the Trust's funds. The Trust makes every effort to gain the maximum value in procurement of services and products. I am confident the Trust does very well at obtaining good value overall in procurement due to the ongoing review of suppliers and their prices by the finance and admin teams. In terms of the educational and societal outcomes of Maharishi School I can demonstrate that the resources expended are offering exceptional value for money.

Maharishi School was inspected by Ofsted in July 2013 resulting in a "Good" report in all areas. Development of full potential is nurtured at Maharishi School, as indicated by other pupil achievements. In addition to statutory testing Maharishi School utilises standardised ability, attainment, and attitude testing to regularly monitor pupil abilities and social development. Extracurricular activities are encouraged and facilitated, including the Duke of Edinburgh award. The first group of pupils all received their Bronze awards and in our second year pupils will also have an opportunity to take the Silver award. This introduction has been assisted by the school fundraising group, who also assist, for example, in school trip funding, which allows us to offer a full range of educational visits across the whole school, including residential and foreign trips.

Staff recruitment and deployment has been undertaken with care (using the practices recommended by 'Safer Recruitment'), and is regularly reviewed, to obtain the most beneficial outcomes for pupils. This has been particularly the case in the Primary phase which underwent planned expansion following becoming a Free School, where the allocation of teaching assistants reflects the specific requirements of classes as a whole and individual pupils, including those requiring degrees of one-to-one support. As planned, the school now provides more general literacy and numeracy support in the Secondary phase. During the last year there was significant staff recruitment in the Secondary phase in preparation for September 2016 following a number of retirements and other departures. Due to creative deployment this resulted in fewer staff overall, in turn resulting in cost savings and enabling the development of extra subjects. In just a few months the new staff have already proved themselves and made a positive impact on teaching in the school.

Maharishi School continues to utilise educational consultants to assist staff in maximising and adapting their skills to the ever changing conditions which accompany Free School status. In 2015/16 the school also joined a local cluster of schools called Shares. Although this incurred significant cost, the school feels that the value (both quantifiable and otherwise) has made this a good investment. Amongst other things, membership has enabled teaching staff to develop relationships with neighbouring schools, sharing good teaching practice and gaining a better understanding of the state sector.

MAHARISHI SCHOOL TRUST LIMITED

GOVERNANCE STATEMENT

for the year ended 31 August 2016

Review of Value for Money continued

During the year the Reception class occupied a new, purpose-built, stand-alone classroom, which replaced a portable building. The new classroom was funded by the CIF, is built to the latest energy-saving standards and is expected to make substantial financial savings on utility bills as well as provide an excellent and exciting teaching environment.

Maharishi School Trust started as a Free School with a good track record in both educational provision and financial management, and continues that ethos to the present. We always proactively seek the best value in the use of our funds and will continue to refine our approach to improve on past performance. The development of our pupils is of paramount importance to us and we will continue to do whatever we can to maximise the value to them of our funding.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of 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 Maharishi School Trust for the period 1 September 2015 to 31 August 2015 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 School 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 on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. The process is regularly reviewed by the board of trustees.

The Risk and Control Framework

The school's trust 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;

MAHARISHI SCHOOL TRUST LIMITED

GOVERNANCE STATEMENT

for the year ended 31 August 2016

Governance continued

- Regular reviews by the finance and general purposes 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 of capital investment) guidelines;
- Delegation of authority and segregation of duties;
- Identification and management risks.

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 M Miley, an accountant, as responsible officer (RO) to inform the audit function of the finance committee;

The RO's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a termly basis, the RO reports to the board of trustees 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 Principal 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 responsible officer and peer review;
- The work of the external auditor;
- 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 general purposes committee and a plan to address weaknesses (if relevant) and ensure continuous improvement of the system in place.

Approved by order of the board of trustees on 15 December 2016 and signed on its behalf by:

I Birnbaum
Chair of Trustees

L Edwards
Accounting Officer

MAHARISHI SCHOOL TRUST LIMITED

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Maharishi School Trust Limited I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies financial Handbook.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds of 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 2015.

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 EFA.

L Edwards
Accounting Officer
15 December 2016

MAHARISHI SCHOOL TRUST LIMITED

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Company law requires the 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 the apply them consistently;
- Observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions 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 confirm with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from EFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 15 December 2016 and signed on its behalf by:

Signed

**I Birnbaum
Chair of Trustees**

MAHARISHI SCHOOL TRUST LIMITED

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF MAHARISHI SCHOOL TRUST 31 August 2016

We have audited the financial statements of Maharishi School Trust Limited for the year ended 31 August 2016 on pages 27 to 52, which have been prepared on the basis of the accounting policies set out on pages 31 to 35.

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The responsibilities of the directors for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Responsibilities of the Trustees on page 18.

The trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been prepared in accordance with the Companies Act 2006. We also report to you if, in our opinion, the information given in the Trustees Annual Report is not consistent with those financial statements, if the charity has not kept adequate accounting records, if the charity's financial statements are not in agreement with these accounting records and returns, or if we have not received all the information and explanations we require for our audit.

We read the Trustees Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

MAHARISHI SCHOOL TRUST LIMITED

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF MAHARISHI SCHOOL TRUST 31 August 2016

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion:

- the financial statements give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended; and
- the financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and in accordance with the Companies Act 2006;
- the financial statements have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016.
- the information given in the trustees' report including the incorporated strategic report for the year for which the financial statements have been prepared is consistent with the financial statements.

G M DOBSON (Senior Statutory Auditor)
For and on behalf of
CHAYTOR STEELE & CO
Chartered Accountants & Statutory Auditors

9a Derby Street
Ormskirk
Lancashire
L39 2BJ

15 December 2016

MAHARISHI SCHOOL TRUST LIMITED

INDEPENDENT REPORTING AUDITOR'S ASSURANCE REPORT ON THE REGULARITY TO MAHARISHI SCHOOL TRUST LIMITED AND THE EDUCATION FUNDING AUTHORITY

In accordance with the terms of our engagement letter dated 17 October 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Maharishi School Trust Limited during the period 1 September 2015 to 31 August 2016 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 Maharishi School Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Maharishi School Trust and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Maharishi School Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Maharishi School Trust's accounting officer and the reporting auditor

The accounting officer is responsible, under the requirements of Maharishi School Trust's funding agreement with the Secretary of State Education dated 9 August 2011, the Deed of Variation dated 29 August 2014 and the Academies Financial Handbook, extant from 1 September 2015, 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 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 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 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

MAHARISHI SCHOOL TRUST LIMITED

INDEPENDENT REPORTING AUDITOR'S ASSURANCE REPORT ON THE REGULARITY TO MAHARISHI SCHOOL TRUST LIMITED AND THE EDUCATION AUTHORITY

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.

The work undertaken to draw our conclusion includes:

- Review expense claims and any unusual transactions ensuring the expenditure does not contravene the funding agreement
- Review of work undertaken and conclusions reached by Accounting Officer and the Responsible Individual throughout the year ensuring internal control procedures have been implemented
- Review responses from 2015 FMGE Return and assessment to ensure all actions required were implemented
- Review the risk register and representations given to trustees to ensure they are aware of their responsibilities including declarations of external interests
- All minutes of committee meetings were reviewed

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects of the expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

G M Dobson
Senior Statutory Auditor
CHAYTOR STEELE & CO
Chartered Accountants & Statutory Auditors

15 December 2016

MAHARISHI SCHOOL TRUST LIMITED
STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT
AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES)
for the year ended 31 August 2016

		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds 2016	Total Funds 2015
	Note	£	£		£	£
Incoming resources						
<i>Incoming resources from generating funds:</i>						
Voluntary income	3	7,963	11,356	-	19,319	52,843
Activities for generating funds	4	50,509	-	-	50,509	62,864
Investment income	5	293	-	-	293	284
<i>Incoming resources from charitable activities</i>						
Funding for the Academy trust's educational operations	6	-	1,084,619	144,975	1,229,594	1,106,483
Total incoming resources		<u>58,765</u>	<u>1,095,975</u>	<u>144,975</u>	<u>1,299,715</u>	<u>1,222,474</u>
Resources expended						
Costs of generating voluntary income	9	-	7,648	-	7,648	6,935
Fundraising trading	8	21,939	16,054	-	37,993	37,830
<i>Charitable activities:</i>						
Academy's educational operations	10	23,240	1,077,314	-	1,100,554	1,104,862
Governance costs	11	-	53,270	-	53,270	53,458
Total resources expended	7	<u>45,179</u>	<u>1,154,286</u>	<u>-</u>	<u>1,199,465</u>	<u>1,203,085</u>
Net incoming/(outgoing) resources before transfers		<u>13,586</u>	<u>(58,311)</u>	<u>144,975</u>	<u>100,250</u>	<u>19,389</u>
Gross transfers between funds	18	-	13,431	(13,431)	-	-
Net income/(expenditure) for the year c/f		<u>13,586</u>	<u>(44,880)</u>	<u>131,544</u>	<u>100,250</u>	<u>19,389</u>

MAHARISHI SCHOOL TRUST LIMITED
STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT
AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES) (continued)
for the year ended 31 August 2016

		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds 2016	Total Funds 2015
	Note	£	£		£	£
Net income/(expenditure) for the year b/f		13,586	(44,880)	131,544	100,250	19,389
Other recognised gains and losses						
Actuarial (losses) gains on defined benefit pension schemes	18,27	-	(103,000)	-	(103,000)	(2,000)
		-----	-----	-----	-----	-----
Net movement in funds		13,586	(147,880)	131,544	(2,750)	17,389
Reconciliation of funds						
Total funds brought forward at 1 September 2015	18	78,086	142,801	644,881	865,768	848,379
		-----	-----	-----	-----	-----
Total funds carried forward at 31 August 2016		91,672	(5,079)	776,425	863,018	865,768
		-----	-----	-----	-----	-----

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

MAHARISHI SCHOOL TRUST LIMITED
BALANCE SHEET at 31 August 2016

	Notes	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Tangible assets	15		872,582		682,157
Current assets					
Debtors	16	17,899		56,431	
Cash at bank and in hand		218,003		385,924	
		<u>235,902</u>		<u>442,355</u>	
Liabilities					
Creditors: Amounts falling due within one year	17	(98,466)		(232,744)	
Net current assets			<u>137,436</u>		<u>209,611</u>
Total assets less current liabilities					
Pension scheme liability	27		1,010,018		891,768
			<u>(147,000)</u>		<u>(26,000)</u>
Net assets including pension liability			<u>863,018</u>		<u>865,768</u>
Funds of the academy trust:					
Restricted income funds					
. Fixed asset fund	18	776,425		644,881	
. General fund	18	141,921		168,801	
. Pension reserve	18	(147,000)		(26,000)	
Total restricted funds			<u>771,346</u>		<u>787,682</u>
Unrestricted income funds					
. General fund	18	91,672		78,086	
Total unrestricted funds			<u>91,672</u>		<u>78,086</u>
Total funds			<u>863,018</u>		<u>865,768</u>

The financial statements on pages 27 to 52 were approved by the trustees, and authorised for issued on 15 December 2016 and are signed on their behalf by:

Ian Birnbaum,
Chairman

MAHARISHI SCHOOL TRUST LIMITED

**CASH FLOW STATEMENT
for the year ended 31 August 2016**

	Note	2016 £	2015 £
Net cash flow from operating activities	22	58,724	206,352
Returns on investments and servicing of finance	23	293	284
Capital expenditure	24	(226,938)	(52,412)
(Decrease)/Increase in cash in the year	25	<u>(167,921)</u>	<u>154,224</u>
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September 2015		385,924	231,700
Net funds at 31 August 2016		<u>218,003</u>	<u>385,924</u>

MAHARISHI SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2016

1. Statement of Accounting Policies

Basis of Preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention and 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 2015 to 2016 issued by the EFA, the Charities Act 2011 and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Going Concern

The governors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The governors make this assessment in respect of a period of 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.

Incoming resources

Grants receivable

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met.. Where entitlement occurs before income is received the income is accrued.

General Annual Grant is recognised in full in the year for which is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable 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.

Sponsorship income

Sponsorship income provided to the Academy which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

Donations

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

MAHARISHI SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2016

1. Statement of Accounting Policies (continued)

Interest receivable

Interest receivable is included within the statement of financial activities on a receivable basis.

- **Other Income**

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

- **Donated Service and Gifts in Kind**

The value of donated services and gifts in kind provided to the academy trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with academy trust's policies.

Resources Expended

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.

- **Costs of Generating Funds**

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

- **Charitable Activities**

These are costs incurred on the academy trust's educational operations.

- **Governance Costs**

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management and trustee's meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

MAHARISHI SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2016

1. Statement of Accounting Policies (continued)

Tangible Fixed Assets

Assets costing £1,231,326 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy.

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

- | | |
|---------------------------------------|----------------------|
| ○ Freehold buildings | 1%-25% Straight Line |
| ○ Fixtures, fittings and equipment | 25% Straight Line |
| ○ ICT equipment | 33% Straight Line |
| ○ Minibus (included within equipment) | 25% Straight Line |

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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

Leased assets

Rentals under operating leases are charged on an actual basis over the lease term.

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.

MAHARISHI SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2016

1. Statement of Accounting Policies (continued)

Pension Benefits

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

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 27, 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 contributions 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 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 and the scheme assets and the actual return on scheme assets is recognised in other recognised gains and losses.

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

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 funders 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/donor and include grants from the Education Funding Agency on behalf of the Department for Education.

MAHARISHI SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2016

1. Statement of Accounting Policies (continued)

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 27, 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. 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.

MAHARISHI SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2016

	2016	2015
	£	£
2 GENERAL ANNUAL GRANT (GAG)		
a. Results and Carry Forward for the Year		
GAG brought forward from last year	129,788	78,216
GAG allocation for current year	1,078,960	1,089,545
Total GAG available to spend	1,208,748	1,167,761
Recurrent expenditure from GAG	1,089,019	1,037,973
GAG carried forward to next year	119,729	129,788
Maximum permitted GAG carry forward at end of current year (12% of allocation for current year)	129,475	130,745
GAG to surrender to DfES	-9,746	- 957
(12% rule breached if result is positive)	(no breach)	(no breach)

Under the funding agreement with the Secretary of State the academy trust was subject to limits at 31 August 2016 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. The academy trust has not exceeded these limits during the year ended 31 August 2016.

3 VOLUNTARY INCOME

	Unrestricted	Restricted	Total	Total
	Funds	Funds	2016	2015
	£	£	£	£
Private sponsorship and donations				
Miscellaneous donations	7,963	-	7,963	12,913
Sport England Funding	-	-	-	30,780
Duke of Edinburgh	-	400	400	150
Edna Linnell Legacy	-	10,956	10,956	9,000
	<u>7,963</u>	<u>11,356</u>	<u>19,319</u>	<u>52,843</u>

MAHARISHI SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2016

4 ACTIVITIES FOR GENERATING FUNDS

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Fundraising	3,555	-	3,555	7,212
Pupil Trips	17,093	-	17,093	22,655
Uniform Sale	5,354	-	5,354	5,831
Student Teacher Training	950	-	950	-
Out of Hours Income	20,319	-	20,319	23,168
Catering Income	2,553	-	2,553	3,274
Bus Transfer Income	685	-	685	724
	-----	-----	-----	-----
	50,509	-	50,509	62,864
	-----	-----	-----	-----

5 INVESTMENT INCOME

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Bank Interest	293	-	293	284
	-----	-----	-----	-----

6 FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
DfE/EFA grants				
General Annual Grant (GAG) (note 2)	-	1,078,960	1,078,960	1,089,545
Condition Improvement Fund Grant	-	144,975	144,975	-
	-----	-----	-----	-----
	-	1,223,935	1,223,935	1,089,545
	-----	-----	-----	-----
Other Government grants				
Local authority grants	-	5,659	5,659	16,938
	-----	-----	-----	-----
	-	1,229,594	1,229,594	1,106,483
	-----	-----	-----	-----

MAHARISHI SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2016

7 RESOURCES EXPENDED

	Staff Costs	Non Pay Expenditure Other		Total	Total
	£	Premises £	Costs £	2016 £	2015 £
Costs of activities for generating funds	13,910	-	24,083	37,993	37,830
Costs of generating voluntary income	1,580	-	6,068	7,648	6,935
Academy's educational operations					
. Direct costs	643,710	7,926	145,740	797,376	807,612
. Allocated support costs	217,295	33,995	51,888	303,178	297,250
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	876,495	41,921	227,779	1,146,195	1,149,627
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Governance costs including allocated support costs	40,967	-	12,303	53,270	53,458
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	917,462	41,921	240,082	1,199,465	1,203,085
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Incoming /outgoing resources for the year

Include:	2016	2015
	£	£
Fees payable to auditor - audit	4,750	4,750
- other expenses	2,833	1,918
	<hr/>	<hr/>
	7,583	6,668
	<hr/>	<hr/>

8 CHARITABLE ACTIVITIES – COSTS OF ACTIVITIES FOR GENERATING FUNDS

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Catering	3,977	16,054	20,031	20,284
Support staff costs	13,910	-	13,910	11,593
Other support costs	4,052	-	4,052	5,953
	<hr/>	<hr/>	<hr/>	<hr/>
	21,939	16,054	37,993	37,830
	<hr/>	<hr/>	<hr/>	<hr/>

MAHARISHI SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2016

9 CHARITABLE ACTIVITIES – COSTS OF GENERATING VOLUNTARY INCOME

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
TM Teaching	-	7,648	7,648	6,935
	-----	-----	-----	-----

**10 CHARITABLE ACTIVITIES – ACADEMY'S EDUCATIONAL OPERATIONS
DIRECT COSTS**

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Teaching and educational support staff costs	5,000	638,710	643,710	622,900
Depreciation	-	36,514	36,514	53,947
Technology costs	-	17,793	17,793	31,820
Books, apparatus and stationery	-	32,586	32,586	16,676
Examination fees	-	4,800	4,800	4,833
Staff development	-	5,945	5,945	6,217
Educational Visits	12,405	-	12,405	18,270
Other direct costs	5,075	38,548	43,623	52,949
	-----	-----	-----	-----
	22,480	774,896	797,376	807,612

ALLOCATED SUPPORT COSTS

Support staff costs	-	217,295	217,295	191,220
Pupil recruitment and support	-	10,909	10,909	11,847
Maintenance of premises and equipment	-	34,442	34,442	56,870
Cleaning	-	2,492	2,492	2,364
Rent and rates	-	4,370	4,370	3,919
Heat and light	-	7,238	7,238	7,312
Insurance	-	7,376	7,376	6,517
Telephone	-	1,666	1,666	3,684
Transport	-	6,264	6,264	7,264
Technology costs	-	1,053	1,053	3,584
Bank interest and charges	-	644	644	1,039
Other support costs	760	8,669	9,429	1,630
	-----	-----	-----	-----
	760	302,418	303,178	297,250

ACADEMY'S EDUCATIONAL OPERATIONS	23,240	1,077,314	1,100,554	1,104,862
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MAHARISHI SCHOOL TRUST LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 August 2016

11 GOVERNANCE COSTS

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Legal and professional fees	-	4,673	4,673	5,941
Auditor's remuneration				
. Audit of financial statements	-	4,750	4,750	4,750
. Other audit costs	-	2,833	2,833	1,918
Support Staff Costs	-	40,967	40,967	40,783
Trustees' reimbursed expenses	-	47	47	66
	<hr/>	<hr/>	<hr/>	<hr/>
	-	53,270	53,270	53,458
	<hr/>	<hr/>	<hr/>	<hr/>

12 STAFF COSTS

Staff costs comprise:

	2015 £	2015 £
Wages and salaries	709,774	701,144
Social security costs	45,446	33,115
Other pension costs	124,674	111,975
	<hr/>	<hr/>
	879,894	846,234
Supply teacher costs	17,988	20,262
TM teaching costs	1,580	6,935
	<hr/>	<hr/>
	899,462	873,431
	<hr/>	<hr/>

MAHARISHI SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2016

12 STAFF COSTS (continued)

The average number of persons (including senior management team) employed by the Academy during the year ended 31 August 2016 expressed as full time equivalents was as follows:

Charitable Activities

	2016 No.	2015 No.
Teachers	13	13
Administration and support (including Teaching Assistants)	17	17
Management	3	3
	—	—
	33	33
	—	—

No employees earned more than £60,000 per annum (including taxable benefits but excluding employers' pension contributions) during the year ended 31 August 2016. (No employees earned more than £60,000-31 August 2015).

13 RELATED PARTY TRANSACTIONS – TRUSTEES' REMUNERATION & EXPENSES

The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees. The value of trustees' remuneration was as follows:

D Cassells (principal and trustee):	£45,000 - £50,000 (2015: £40,000 - £45,000)
M Ingram (Head of Cbe, Secondary and trustee):	£30,000 - £35,000 (2015: £30,000 - £35,000)
E Freel (Deputy Head, Primary and trustee):	£30,000 - £35,000 (2015: £30,000 - £35,000)
L Walters (Deputy Head and trustee):	£30,000 - £35,000 (2015: £20,000 - £25,000)

During the year ended 31 August 2016, travel and subsistence expenses totalling £47 (2015: £66) were reimbursed to one of the trustees.

Other related party transactions involving the trustees are set out in note 28.

14 TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2016 was £646 (2015: £646).

The cost of this insurance is included in the total insurance costs.

MAHARISHI SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2016

15 TANGIBLE FIXED ASSETS

	Freehold Land and Buildings £	Furniture & Equipment £	Computer Equipment & Software £	Total £
Cost				
At 1 September 2015	698,635	109,773	195,980	1,004,388
Additions	150,713	10,592	65,633	226,938
At 31 August 2016	<u>849,348</u>	<u>120,365</u>	<u>261,613</u>	<u>1,231,326</u>
Depreciation				
At 1 September 2015	51,214	79,838	191,179	322,231
Charged in year	12,758	12,310	11,445	36,513
At 31 August 2016	<u>63,972</u>	<u>92,148</u>	<u>202,624</u>	<u>358,744</u>
Net book values				
At 1 September 2015	647,421	29,935	4,801	682,157
At 31 August 2016	<u>785,376</u>	<u>28,217</u>	<u>58,989</u>	<u>872,582</u>

16 DEBTORS

	2016 £	2015 £
Trade debtors	4,877	5,726
Vat Recoverable	6,144	10,043
Prepayments and accrued income	6,878	40,662
	<u>17,899</u>	<u>56,431</u>

17 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Trade creditors	5,194	16,560
Other creditors	30,496	30,392
Accruals	32,804	35,420
Deferred income	29,972	150,372
	<u>98,466</u>	<u>232,744</u>

MAHARISHI SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2016

17 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR (continued)

Deferred income	2015
	£
Deferred Income at 1 September 2015	150,372
Resources deferred in the year	29,972
Amounts released from previous year	(150,372)
	<hr/>
Deferred Income at 31 August 2016	29,972

At the balance sheet date the academy trust was holding funds received in advance for Academy Infant Free School Meals and Pupil Premium booked for the autumn term 2016.

18 FUNDS

	Balance 1 September 2015	Incoming resources	Resources Expended	Gains losses and Transfers	Balance at 31 August 2016
	£	£	£	£	£
Restricted general funds					
General Annual Grant (GAG)	129,788	1,078,960	(1,102,450)	13,431	119,729
Other Government Grant	20,129	5,659	(25,788)	-	-
Multi Academy Fund - London	9,024	-	-	-	9,024
Edna Linell – TM Teaching	5,361	10,956	(7,648)	-	8,669
Vastu Fund	4,499	-	-	-	4,499
Duke of Edinburgh	-	400	(400)	-	-
Pension reserve	(26,000)	-	(18,000)	(103,000)	(147,000)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	142,801	1,095,975	(1,159,286)	(89,569)	(5,079)
Restricted fixed asset funds					
DfES capital grants	644,881	144,975	-	(13,431)	776,425
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Restricted Funds	787,682	1,240,950	(1,159,286)	-	771,346
Unrestricted funds					
Unrestricted funds	78,086	58,765	(45,179)	-	91,672
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	865,768	1,299,715	(1,199,465)	(103,000)	863,018
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

MAHARISHI SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2016

18 FUNDS (continued)

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

- (i) General Annual Grant must be used for the normal running costs of the Academy. Under the funding agreement with the Secretary of State, the Academy Trust is subject to a limit on the amount of GAG that it could carry forward at 31 August 2016. Note 2 discloses whether the limit was exceeded.
- (ii) Other Government Grant has been received from the Local Authority to provide individual pupil funding for SEN.
- (iii) Multi Academy funds were created from donations in two specific areas to support the applications to open new Maharishi School Trust's in these areas. Both applications have been unsuccessful.
- (iv) Edna Linell Fund has the specific purpose of providing the funding to pay for the costs of teaching TM and Consciousness Based Education.
- (v) Vastu Fund was a restricted fund set up prior to the school becoming an Academy for the purpose of expenditure on the school's premises.
- (vi) Restricted fixed assets were funded by government grants. The grant is amortised over the useful economic life of the related assets on a basis consistent with the Academy Trust's depreciation policy, the amount is transferred between funds each year.

The trust is carrying a net surplus of £136,921 on restricted funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2016.

19 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2016 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed asset Funds	Total
Tangible fixed assets	96,157	-	776,425	872,582
Current assets	93,981	141,921	-	235,902
Current Liabilities	(98,466)	-	-	(98,466)
Pension Scheme Liability	-	(147,000)	-	(147,000)
	<u>91,672</u>	<u>(5,079)</u>	<u>776,425</u>	<u>863,018</u>

MAHARISHI SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2016

20 CAPITAL COMMITMENTS

	2016	2015
	£	£
Contracted for, but not provided in the financial statements	-	133,698
	<hr/>	<hr/>

The construction of the new reception building was completed during the financial year. The academy trust has no large future capital commitments planned at present.

21 FINANCIAL COMMITMENTS

Operating Leases

At 31 August 2016 the academy trust had annual commitments under non-cancellable operating leases as follows:

	2016	2015
	£	£
Other		
Expiring within two to five years inclusive	576	576
Expiring in over five years	500	500
	<hr/>	<hr/>
	1,076	1,076
	<hr/>	<hr/>

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

	2016	2015
	£	£
Net income	100,250	19,389
Depreciation (note 15)	36,513	53,947
Interest receivable (note 5)	(293)	(284)
Defined benefit pension scheme cost less contributions payable	18,000	15,000
(Increase)/decrease in debtors	38,532	(22,763)
Increase/(decrease) in creditors	(134,278)	141,063
	<hr/>	<hr/>
Net Cash Inflow from Operating Activities	58,724	206,352
	<hr/>	<hr/>

MAHARISHI SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2016

23 RETURNS ON INVESTMENTS AND SERVICING FINANCE

	2016	2015
	£	£
Interest received	293	284
	<hr/>	<hr/>
Net cash inflow from returns on investment and servicing of Finance	293	284
	<hr/>	<hr/>

24 CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	2016	2015
	£	£
Purchase of tangible fixed assets	226,938	52,412
	<hr/>	<hr/>
Net cash outflow from capital expenditure and financial Investment	226,938	52,412
	<hr/>	<hr/>

25 ANALYSIS OF CHANGES IN NET FUNDS

	At 1 September 2015	Cash flows	At 31 August 2016
	£	£	£
Cash in hand and at bank	385,924	(167,921)	218,003
	<hr/>	<hr/>	<hr/>
	385,924	(167,921)	218,003
	<hr/>	<hr/>	<hr/>

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 cease to be a member.

MAHARISHI SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2016

27 PENSION AND SIMILAR OBLIGATIONS

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Lancashire County Pension Fund. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £4,393 (2015 - £4,288) were payable to the schemes at 31 August 2016 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 Teachers' Pension Scheme

Not less than every four years 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:

- Employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))

MAHARISHI SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2016

27 PENSION AND SIMILAR OBLIGATIONS (continued)

Valuation of Teachers' Pension Scheme (continued)

- Total scheme liabilities (pensions currently in payment and 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 16.7%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £ 66,536 (2015 - £51,028).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website

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.

MAHARISHI SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2016

27 PENSION AND SIMILAR OBLIGATIONS (continued)

LOCAL GOVERNMENT PENSION SCHEME

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £53,977 (2015 - £53,043), of which employer's contributions totalled £39,057 (2015 - £39,043) and the employees' contributions totalled £14,920 (2015 - £14,000). The agreed contribution rates for future years are 16.7 percent for employers and range from 5.5 per cent to 6.8 per cent for employees.

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

PRINCIPAL ACTUARIAL ASSUMPTIONS

	At 31 August 2016	At 31 August 2015
Rate of increase in salaries	3.40%	3.70%
Rate of increase for pensions in payment/inflation	2.00%	2.20%
Discount rate for scheme liabilities	2.20%	4.00%
Inflation assumption (CPI)	1.90%	2.20%
Commutation of pensions to lump sums		
-Maximum Cash	50.00%	50.00%
-3/80ths Cash	50.00%	50.00%

MAHARISHI SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2016

27 PENSION AND SIMILAR OBLIGATIONS (continued)

LOCAL GOVERNMENT PENSION SCHEME (continued)

PRINCIPAL ACTUARIAL ASSUMPTIONS (continued)

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

	At 31 August 2016	At 31 August 2015
<i>Retiring today</i>		
Males	23	22.9
Females	25.6	25.4
<i>Retiring in 20 years</i>		
Males	25.2	25.1
Females	27.9	27.8

The academy's share of the assets in the scheme were:

	Fair value at 31 August 2016	Fair value at 31 August 2015
Equities	96,000	53,000
Government Bonds	-	8,000
Other Bonds	6,000	4,000
Property	24,000	14,000
Cash/Liquidity	9,000	2,000
Other	<u>115,000</u>	<u>72,000</u>
Total market value of assets	<u>250,000</u>	<u>153,000</u>

The actual return on scheme assets was £45,000 (2015: £5,000)

MAHARISHI SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2016

27 PENSION AND SIMILAR OBLIGATIONS (continued)

LOCAL GOVERNMENT PENSION SCHEME (continued)

AMOUNTS RECOGNISED IN THE STATEMENT OF FINANCIAL ACTIVITIES

	2016	2015
Current service cost (net of employee contributions)	(56,000)	(55,000)
Total operating charge	<u>(56,000)</u>	<u>(55,000)</u>
Analysis of pension finance income/(costs)		
Expected return on pension scheme assets	7,000	6,000
Interest on pension liabilities	<u>(7,000)</u>	<u>(5,000)</u>
Pension finance income/(costs)	<u>-</u>	<u>1,000</u>

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £26,000 loss (2015: £26,000 - loss).

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

	2016	2015
	£	£
At 1 September 2015	179,000	105,000
Current service cost (net of employee contributions)	56,000	55,000
Interest cost	7,000	5,000
Employee contributions	14,000	14,000
Actuarial (gain)/loss	141,000	-
	<u> </u>	<u> </u>
At 31 August 2016	397,000	179,000
	<u> </u>	<u> </u>

MAHARISHI SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2016

27 PENSION AND SIMILAR OBLIGATIONS (continued)

LOCAL GOVERNMENT PENSION SCHEME (continued)

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

	2016	2015
	£	£
At 1 September	153,000	96,000
Interest Income	6,000	6,000
Actuarial gain/(loss)	38,000	(2,000)
Employer contributions	39,000	39,000
Employee contributions	14,000	14,000
	<hr/>	<hr/>
At 31 August 2016	<u>250,000</u>	<u>153,000</u>
Deficit in Scheme at 31 August 2016	(147,000)	(26,000)
	<hr/>	<hr/>

28 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 a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulation and normal procurement procedures.

No related party transactions took place in the period of account.