

**Company Registration No. 07650609 (England and Wales)**

**QUEENS' SCHOOL (BUSHEY)**

**(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNORS' REPORT AND AUDITED ACCOUNTS**

**FOR THE YEAR ENDED 31 AUGUST 2016**

# QUEENS' SCHOOL (BUSHEY)

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# QUEENS' SCHOOL (BUSHEY)

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Governors

G Butler  
M Charles (Resigned 18 May 2016)  
K Evans (Re-appointed 16 May 2016)  
D Hall  
T James (Headteacher and Accounting Officer) (Resigned 31 August 2016)  
D Lock  
M Purdasy  
S Reynolds (Responsible Officer)  
J Sowerbutts (Chair of Governors)  
K Cook  
V Foweraker  
R Townley  
N Richland  
A Fretwell  
J Raybould  
R Ash  
S Gorton  
D Raghvani  
E Burnett (née Jackson)  
L Park (Appointed 18 September 2015)  
L Hodson-Little (Appointed 16 May 2016)  
R Brandon (Appointed 24 September 2015)  
J Morrell (Headteacher and Accounting Officer) (Appointed 1 September 2016)

### Members

J Sowerbutts  
D Lock  
R Townley

### Senior management team

- Headteacher	T James (Resigned 31 August 2016)
- Headteacher	J Morrell (Appointed 1 September 2016)
- Deputy Headteacher	T Sutherland
- Deputy Headteacher	K Clarke
- Assistant Headteacher	P Vekaria
- Assistant Headteacher	M Taylor
- Assistant Headteacher (Head of Sixth Form)	K Antcliffe
- Assistant Headteacher (From 1 September 2016)	P Connolly
- Assistant Headteacher	I Sudbery
- Estates Manager	J Muskett
- Business Manager	C Pearce

### Company secretary

J A James

### Company registration number

07650609 (England and Wales)

# QUEENS' SCHOOL (BUSHEY)

## REFERENCE AND ADMINISTRATIVE DETAILS

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<b>Registered office</b>	Aldenham Road Bushey Herts WD23 2LX
<b>Independent auditor</b>	UHY Hacker Young (East) Limited PO Box 501 The Nexus Building Broadway Letchworth Garden City Herts SG6 9BL
<b>Bankers</b>	Allied Irish Bank (GB) 51 Belmont Road Uxbridge UB8 1RZ
<b>Solicitors</b>	Penman Johnson LLP 5 George Street Watford Herts WD18 0SQ

# QUEENS' SCHOOL (BUSHEY)

## GOVERNORS' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2016

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The governors present their annual report together with the accounts and independent auditor's report of the charitable company for the period 1 September 2015 to 31 August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 11 to 19 serving a catchment area in Bushey and Watford, Hertfordshire. It has a pupil capacity of 1,766 and had a roll of 1,662 in the school census on 6th October 2016.

#### **Structure, governance and management**

##### Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The trustees of Queens' School (Bushey) are also the directors of the charitable company for the purposes of company law. The charitable company is known as Queens' School (Bushey).

The Governors, who are also the directors for the purpose of the Companies Act 2006 and trustees for the purpose of charity legislation, and who served during the period are set out on page 1.

##### 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.

##### Governors' indemnities

The Academy Trust maintains Governors' and officers' liability insurance which gives appropriate cover for any legal action brought against its Governors. The Academy Trust has also granted indemnities to each of its Governors and other officers to the extent permitted by law. Qualifying third party indemnity provisions (as defined by section 234 of the Companies Act 2006) were in force during the period and remain in force, in relation to certain losses and liabilities which the Governors or other officers may incur to third parties in the course of acting as Governors or officers of the Academy Trust.

Details of the insurance cover are provided in note 10 to the financial statements.

##### Method of recruitment and appointment or election of governors

Under the terms of its Articles, the Academy Trust shall have the following Governors:

- Up to 7 Community Governors, appointed by the Members
- Three Staff Governors, elected by the Staff of the school, who shall be made up of two members of the teaching staff and one member of the non-teaching staff. Staff Governors shall serve for a period of four years and may stand for re-election.
- Seven Parent Governors, elected by parents of registered pupils of the Academy. A Parent Governor must be a parent of a pupil at the Academy at the time when s/he is elected. Parent Governors shall serve for a period of four years and may stand for re-election
- The Head Teacher (ex officio)
- The Governors may appoint up to three Co-opted Governors

##### Policies and procedures adopted for the induction and training of governors

The training and induction for new Governors is usually informal and tailored specifically to the individual, depending on their existing experience. Where necessary an induction will provide training on charity and educational, legal and financial matters. All new governors are given a tour of the academy and the chance to meet with staff and students. All governors are provided with an induction pack including copies of policies, procedures, minutes, accounts, budgets, plans and other documents deemed necessary for them to undertake their role as trustees and directors of the Charitable Company.

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# QUEENS' SCHOOL (BUSHEY)

## GOVERNORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2016**

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### Organisational structure

The organisational structure consists of three levels: the Governors, the Senior Leadership Team and the Middle Management Team, consisting of Heads of Department and Heads of House. 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 Academy by the use of budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments.

The Senior Leadership Team comprises the Headteacher, Deputy Headteachers, Assistant Headteachers and the Estates and School Business Manager. These managers control the Academy at an executive level implementing the policies laid down by the Governors and reporting back to them. As a group the Senior Leadership Team are responsible for the authorisation of spending up to a level delegated to them within agreed budgets and the appointment of staff, although appointment boards for posts in the Senior Leadership Team always contain a Governor. Some spending control is devolved to members of the Middle Management Team, with limits above which a member of the Senior Leadership Team must countersign.

The Middle Management Team includes Curriculum Area Leaders and Heads of Year. Along with the Senior Leadership Team these managers are responsible for the day to day operation of the Academy, in particular organising the teaching staff, facilities and students.

### Arrangements for setting pay and remuneration of key management personnel

All staff are employed in accordance with the provisions of the School Teachers' Pay and Conditions Document or the (NJC) for Local Government Services Terms and Conditions. The Governors recognise the requirement that all pay progression decisions for staff must be linked to annual appraisal of performance. The procedures set out to seek to ensure that this is achieved in a fair, equitable and transparent way. A report confirming that a review of staff salaries has taken place is presented to the Pay Committee.

Key management personnel, subject to remuneration, are the Headteacher, Deputy and Assistant Headteachers, the School Business Manager, the Estates Manager and Governors who are also staff.

The Trustees assign a pay range for the Headteacher based on the school group size, ensuring that the process for determining this is fair and transparent and the reasons are recorded. A range is determined for all staff in a Leadership role from within the leadership scale contained in the School Teachers' Pay and Conditions Document. For Support Staff in a Leadership Role the pay scales are structured around locally agreed grades using nationally agreed salary points.

Progression within the range will be subject to a review of the staff performance set against the annual appraisal review and in line with the appraisal policies.

### Related parties and other connected charities and organisations

The Academy is not part of any federation. There is a parents' association, "The Queens' Parents Association", (QPA), who make small donations to individual curriculum areas. Salary payments for related parties who have been employed by the Academy have been disclosed in the Academy accounts.

# QUEENS' SCHOOL (BUSHEY)

## GOVERNORS' REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2016*

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### **Objectives and activities**

#### Objects and aims

The Academy's objectives for this year are:

- Outstanding achievement and progress for all students
- The highest quality teaching, never less than good, frequently outstanding
- The highest standards of personal behaviour and individual responsibility
- Culture of high expectations, aspiration and scholastic excellence

The Academy's aims and objectives, and the action taken to achieve these are detailed in the School Development Plan 2016-17.

The Governors have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

The Governors recognise that equal opportunities should be an integral part of good practice within the workplace. The Academy aims to establish equal opportunities in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued. Lifts, ramps and disabled toilets are installed and door widths are adequate to enable wheelchair access to all the main areas of the Academy. The policy of the Academy is to support recruitment and retention of students and employees with disabilities. The Academy does this by adapting the physical environment, by making support resources available and through training and career development.

#### Objectives, strategies and activities

The principal object and activity of the Charitable Company is to provide education for pupils of different abilities between the ages of 11 and 19. In accordance with the Articles of Association the Charitable Company has adopted a Transfer Agreement approved by the Secretary of State for Education, which specifies, amongst other things, the basis for admitting students and that the curriculum should comply with the substance of the national curriculum.

We aspire to provide each student with the best educational opportunities that transform potential into the highest academic and social achievement. Students at Queens' consistently achieve examination results that are well-above the national average. We are one of the highest performing schools in the country, a fact recognised by Nick Gibb, Minister of State for Schools.

At Queens' we care passionately about our student's character, personality and social skills, the way they treat others and the contribution they will make to society. We actively promote a culture where students feel safe particularly through our House system.

The policy of the Academy Trust is to support recruitment and retention of students and employees with disabilities by adapting the physical environment and making support available.

The Governors recognise that equal opportunities should be an integral part of good practice within the workplace and aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

# QUEENS' SCHOOL (BUSHEY)

## GOVERNORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2016**

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### Public benefit

Queens' School is an Academy converter catering for children aged 11 to 19 and strives to promote and support the advancement of education within the Watford and Bushey area. The school provides an extensive programme of educational and recreational activity - all designed to contribute to the overall education of our students in areas such as academic distinction, music, the arts and sport.

Wherever possible the school also aims to contribute to the benefit of the wider public, by making available the premises to third parties for the provision of educational and other opportunities. For example the schools offers "school to school" support to a number of other schools.

In setting our objectives and planning our activities the Governors have given careful consideration to the Charity Commission's general guidance on public benefit. The Governors believe that the Academy Trust's aims, together with the activities outlined above, are demonstrably to the public benefit.

### **Strategic report**

#### **Achievements and performance**

During the past year 76% of students achieved 5 A\*- C GCSE's with 70% achieving 5 A\*- C GCSE's including English and Maths. The Progress 8 score average was 0.10 and the Attainment 8 score average was 55.75.

95% of students at key stage 5 achieved A\* to E at AS level and 99% achieved A\* to E at A2.

The ALPS score at AS level was 3 and at A2 level was 2, with a score of 2 being in the top 10% of schools nationally, and a score of 3 being in the top 25%.

#### Key performance indicators

The Governors have been pleased that expectations for all key performance indicators listed have been successfully met during the period and have continued to be met from previous years.

- Pupil Numbers – ensuring sufficient applications for each new year of entry and that all school years 7 to 11 have maximum numbers, taking students from the waiting list as appropriate
- General Financial Stability – aiming for income to match expenditure or, where expenditure exceeds income, that it is planned and supported by levels of reserves.
- Staff Costs – that staff costs are approximately 80% to 85% of EFA income and where in excess of this, that short to medium term plans are in place to reduce staff costs.
- Good parental feedback – that the feedback form parents, established in an independent parental survey, is good, and that action taken from previous surveys have resulted in an improvement.
- Ofsted inspection results – that any Ofsted inspections result in a good or outstanding outcome.
- The premises are sufficient to meet the accommodation needs of the school and in good condition, with plans in place for known risks and for redecoration and refurbishment programmes.

The Governors have been pleased that expectations for all key performance indicators listed have been successfully met during the period.

#### 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.



# QUEENS' SCHOOL (BUSHEY)

## GOVERNORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2016**

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### **Financial review**

Most of the Academy's recurrent income is obtained from the EFA in the form of grants, the use of which is restricted to particular purposes. The grants received from the EFA during the period ended 31 August 2016 and the associated expenditure are shown as restricted funds in the statement of financial activities. The board of trustees is aware of the need to raise additional income to supplement the EFA grants and is proactive in generating further funds, without detriment to the achievement and performance of the school.

During the period ended 31 August 2016, total expenditure of £10,095,925 was covered by recurrent grant funding from the EFA together with other incoming resources. The excess of income over expenditure for the year (excluding restricted fixed asset funds) was £12,191.

At 31 August 2016, the net book value of fixed assets was £38,054,466 and movements in tangible fixed assets are shown in note 11 to the financial statements. During the period the assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

### **Reserves policy**

The Governing Body of Queens' School wishes to maintain a level of cash reserves which will ensure the stability of the Academy's day to day operational needs in the short to medium term, plan for capital investment in the medium to longer term, and still be able to respond quickly to unbudgeted financial needs. Governors regularly review the level of reserves and aims to maintain it between an adequate minimum and maximum level.

The deficit in the Local Government Pension Scheme has resulted in an increase in the employer's contribution rate to recover the deficit over the next 20 years, however this does not present the Academy with any liquidity problems. The level of reserves held takes into account the nature of income and expenditure streams, the need to match them with commitments including future capital projects, and the nature of the reserves and identified risks. Governors regularly review the level of reserves.

### **Investment policy and powers**

The Governing Body aim to maximise investment income from long term investments, but with consideration to the potential need to access these funds at short notice. They have a rolling programme of short and longer term investments which provides access to invested funds every two months.

Governors are disappointed that the return on medium to long term investments fell during the year, and continues to fall in the current economic climate. Future budgets will reflect this downward trend.

### **Disabled employees**

The policy of the Academy Trust is to support recruitment and retention of students and employees with disabilities. The Academy Trust does this by adapting the physical environment, by making support resources available. Lifts, ramps and disabled toilets have been installed and door widths are adequate to enable wheelchair access to all the main areas of the Academy.

### **Equal opportunities**

The Trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The Academy Trust aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

# QUEENS' SCHOOL (BUSHEY)

## GOVERNORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2016**

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### Principal risks and uncertainties

The main risks that the Academy is exposed to are summarised below. For each of these risks the probability, impact and seriousness have been considered together with appropriate action and management plans:

#### External risks include:

A change in Government funding policies and the impact on future funding levels. The Academy is amending its medium term financial plans to accommodate future reductions in funding and maintain a sufficient level of reserves. This is done with due regard to the impact on the teaching and learning of the Academy. Trustees are also aware of the increasing pension liability from the defined benefit pension scheme and have chosen to remain in the pooled arrangements to lessen the potential risk created by this liability.

#### Financial Risks include:

Insufficient funding. The Academy is amending its annual budget to reduce costs and maintain a sufficient level of reserves. This is done with due regard to the impact on the teaching and learning of the Academy. It is also maximising alternative sources of income. The Academy is reviewing cash management and carefully considers the impact on cash flow of both the long term investment programme but also future levels of reserves.

Level of reserves. The Academy has considered in depth the level of reserves it should try to maintain and what levels would be too high or too low. It wishes to balance the current needs of the school and students and the ability to provide the resources that the Academy needs, with the need to have sufficient reserved funds for the future.

#### Human Resource risks include:

The change in Headteacher. The Academy wanted to ensure that the impact of any new Headteacher would be a positive one. A recruitment consultant was appointed to assist the Governors with this process and, having made an appointment, they continue to monitor the role and impact of the Headteacher.

#### Other risks:

The Academy continues to review the risk posed by the changes in funding on other aspects of the school, especially Operational, Infrastructure and Technological. It wishes to minimise the impact of this on the Academy's capacity, both in terms of staff and buildings, to deliver the curriculum.

The main risks that the Academy is exposed to are summarised below. For each of these risks the probability, impact and seriousness have been considered together with appropriate action and management plans:

Operational and reputational - this covers risks to the running of the Academy (including the capacity of staff and buildings to meet the needs of pupils) and its performance in delivering the curriculum.

Financial - covering risks to the Academy Trust's financial position, including revenue streams, cost control and cash management.

The risks to which the Academy Trust is exposed arise both internally and externally. External risks include those in respect of future funding levels, competition, changes to rules and regulations, and the financial position of the staff pension schemes.

# QUEENS' SCHOOL (BUSHEY)

## GOVERNORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2016**

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### Financial and risk management objectives and policies

The Academy Trust does not use complex financial instruments. It manages its activities using cash and various items such as trade debtors and trade creditors that arise directly from its operations.

The existence of these financial instruments exposes the Academy Trust to a number of financial risks which are described in more detail below. The main risks arising from the Trust's financial instruments are liquidity risk and cash flow interest rate risk.

Liquidity risk - The Trust manages its cash resources, including sufficient working capital, so that all its operating needs are met without the need for short-term borrowing.

Interest rate risk - the Trust earns interest on cash deposits. With interest rates currently low, the trustees will consider action to increase the income from these deposits, provided it does not jeopardise the liquidity or security of the Trust's assets.

Credit risk arises from the possibility that amounts owed to the Trust will not be repaid. The Trust does not undertake credit activities so it is only exposed to credit risk as it arises from normal business. Credit risk is managed through the use of approved banks and the prompt collection of amounts due.

### **Plans for future periods**

Plans for future periods are focussed around meeting the school's objectives, but whilst still maintaining the key performance indicators. Plans are also made with due regards for the financial limitations the Academy faces and bearing in mind the need for a balanced budget in future years.

Plans include :

- Reviewing the curriculum, to include the feasibility of running non-financial viable courses and establishing Literacy and Numeracy co-ordinators to encourage a whole school approach to literacy. Signpost catch-up funding and evaluate its impact and make more effective use of Connexions. Sufficient funding to enable the Academy to raise the number of students entered for and achieving Ebacc.
- Review of the Out of School Hours provision with regard to the costs and the benefits, to include the attendance in extra-curricular activities. To extend DoE beyond Bronze and to plan trips and extra-curricular activities that minimise the loss of lesson learning time and minimise the staffing costs.
- Undertake a Staffing review (Teaching and Support) so there is a balance of staff to school needs, within the budget restraints being faced.
- Have a planned and costed Intervention Programme to include Sixth Form tutoring model being extended to all 3 Core Subjects, Super Learning Saturdays and Booster learning classes, Holiday Academies and Breakfast clubs. Study skills workshops and Wellbeing PSHE, and an Independent Learning Support Programme. A best value review to consider the effectiveness of these programmes.
- Sufficient funding so the building infrastructure of the school site and facilities reflects our values, and to create the Queens' branding. Specifically to refurbish and re-roof the technology block.

### **Funds held as custodian trustee on behalf of others**

Queens' School does not hold at funds as a custodian trustee on behalf of others.

# QUEENS' SCHOOL (BUSHEY)

## GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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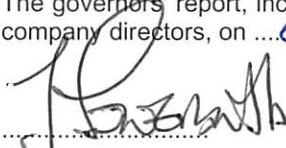
### Auditor

In so far as the trustees are aware:

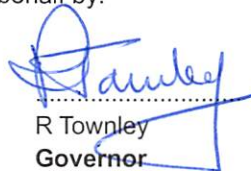
- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

A resolution proposing that UHY Hacker Young (East) Limited be reappointed as auditor of the charitable company will be put to the members.

The governors' report, incorporating a strategic report, was approved by order of the board of governors, as the company directors, on ...6.12.16... and signed on its behalf by:



J Sowerbutts  
Chair of Governors



R Townley  
Governor

# QUEENS' SCHOOL (BUSHEY)

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2016**

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### Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Headteacher, 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 Queens' School and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The board of governors has formally met 7 times during the year. Attendance during the year at meetings of the board of governors was as follows:

<b>Governors</b>	<b>Meetings attended</b>	<b>Out of possible</b>
G Butler	5	7
M Charles (Resigned 18 May 2016)	0	4
K Evans (Re-appointed 16 May 2016)	3	7
D Hall	6	7
T James (Headteacher and Accounting Officer) (Resigned 31 August 2016)	7	7
D Lock	5	7
M Purdasy	4	7
S Reynolds (Responsible Officer)	5	7
J Sowerbutts (Chair of Governors)	7	7
K Cook	6	7
V Foweraker	6	6
R Townley	6	7
N Richland	3	7
A Fretwell	6	7
J Raybould	5	7
R Ash	6	7
S Gorton	7	7
D Raghwani	0	7
E Burnett (née Jackson)	6	7
L Park (Appointed 18 September 2015)	2	7
L Hodson-Little (Appointed 16 May 2016)	1	1
R Brandon (Appointed 24 September 2015)	5	5
J Morrell (Headteacher and Accounting Officer) (Appointed 1 September 2016)	0	0

# QUEENS' SCHOOL (BUSHEY)

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2016**

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The Finance and General Purposes Committee is a sub-committee of the main board of trustees. Its purpose is to be responsible, on behalf of the Governing Body, for establishing, maintaining and operating a system of control, monitoring and reviewing procedures which meet the EVA's requirements on Financial and HS&E issues and to provide a safe and satisfactory environment for learning. One of the Committee's responsibilities is routine budget setting and monitoring.

Attendance at meetings in the year was as follows:

<b>Governors</b>	<b>Meetings attended</b>	<b>Out of possible</b>
K Evans (Re-appointed 16 May 2016)	1	4
T James (Headteacher and Accounting Officer) (Resigned 31 August 2016)	6	6
D Lock	5	6
S Reynolds (Responsible Officer)	3	6
J Sowerbutts (Chair of Governors)	3	6
R Townley	5	6
D Raghwani	0	6
E Burnett (née Jackson)	5	6
L Park (Appointed 18 September 2015)	6	6
L Hodson-Little (Appointed 16 May 2016)	1	1
R Brandon (Appointed 24 September 2015)	2	4

The audit committee is made up of the Finance Liaison Governor and the School Business Manager who meet termly to review the work of the Auditors both in terms of year-end audit and of the termly reviews. Its purpose is also to investigate any matters raised by Governors and to check on the internal controls and the day to day running of the school finances.

### **Review of value for money**

As accounting officer the Headteacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by, for example, :

Robustly reviewing the staffing levels in all areas of both curriculum delivery and school support. Like for like replacements are not necessarily being made and the quantity of classes and lessons in each subject has been reviewed to ensure maximum delivery with minimal costs.

Revision and booster classes have been provided across of a levels of year 11 students with the aim of maximising student achievement at GCSE and A'Level. An outside agency was used to deliver English and Maths Easter revision classes with a comprehensive analysis of the subsequent results and therefore value for money of this provision.

The introduction of new courses has required financial investment in certain departments and the Head's of Department were asked to consider fully their needs and options available to them, and then to submit a bid for funding. These bids were reviewed to ensure maximum value for money for the funds that were then distributed.

# QUEENS' SCHOOL (BUSHEY)

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2016**

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### **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 Queens' School (Bushey) for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and accounts.

### **Capacity to handle risk**

The board of governors has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of governors.

### **The risk and control framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of governors;
- 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 or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of 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 Simon Reynolds, a trustee, as responsible officer (RO); and
- the trustees have appointed UHY Hacker Young (East) Limited, the external auditor, to perform additional checks

The auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a termly basis, the RO reviews the auditor's findings and 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. No material control issues have been identified.

### **Review of effectiveness**

As accounting officer, the Headteacher 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
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

# QUEENS' SCHOOL (BUSHEY)

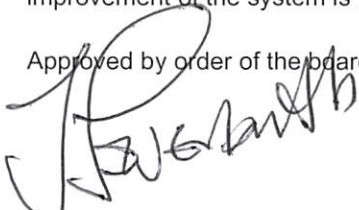
## GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Audit committee and Finance and General Purposes Committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the board of governors on .....6.12.16..... and signed on its behalf by:



J Sowerbutts  
Chair of Governors



J Morrell  
Headteacher and Accounting Officer



## **QUEENS' SCHOOL (BUSHEY)**

### **STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE**

***FOR THE YEAR ENDED 31 AUGUST 2016***

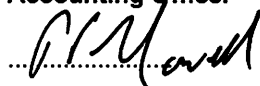
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As accounting officer of Queens' School (Bushey) I have considered my responsibility to notify the academy trust board of governors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

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

J Morrell  
Accounting Officer



# QUEENS' SCHOOL (BUSHEY)

## STATEMENT OF GOVERNORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2016

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The governors (who act as trustees for Queens' School (Bushey) and are also the directors of Queens' School (Bushey) for the purposes of company law) are responsible for preparing the Governors' Report and the accounts 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 governors to prepare accounts for each financial year. Under company law the governors must not approve the accounts 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 accounts, the governors are required to:

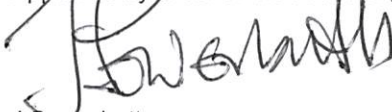
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The governors 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 accounts 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 governors are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring that grants received from EFA/DfE have been applied for the purposes intended.

The governors 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the board of governors on .....6.12.16..... and signed on its behalf by:



J Sowerbutts  
Chair of Governors



R Townley  
Governor

# QUEENS' SCHOOL (BUSHEY)

## INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF QUEENS' SCHOOL (BUSHEY)

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We have audited the accounts of Queens' School (Bushey) for the year ended 31 August 2016 set out on pages 21 to 40. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

### **Respective responsibilities of governors and auditors**

As explained more fully in the Governors' Responsibilities Statement set out on page 16, the governors, who are also the directors of Queens' School (Bushey) for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the accounts**

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the governors; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Governors' Report including the incorporated strategic report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on accounts**

In our opinion the accounts:

- 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;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016.

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

In our opinion the information given in the Governors' Report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts.

# QUEENS' SCHOOL (BUSHEY)

## INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF QUEENS' SCHOOL (BUSHEY) (CONTINUED)

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### **Matters on which we are required to report by exception**

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

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

**James Price FCA (Senior Statutory Auditor)**  
for and on behalf of UHY Hacker Young (East) Limited

**Chartered Accountants**  
**Statutory Auditor**  
PO Box 501  
The Nexus Building  
Broadway  
Letchworth Garden City  
Herts  
SG6 9BL

Dated: .....

# **QUEENS' SCHOOL (BUSHEY)**

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO QUEENS' SCHOOL (BUSHEY) AND THE EDUCATION FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 10 June 2014 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 Queens' School (Bushey) 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 Queens' School (Bushey) and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Queens' School (Bushey) and 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 Queens' School (Bushey) and EFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Queens' School (Bushey)'s accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Queens' School (Bushey)'s funding agreement with the Secretary of State for Education dated 28 June 2011 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 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.

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.

## QUEENS' SCHOOL (BUSHEY)

### INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO QUEENS' SCHOOL (BUSHEY) AND THE EDUCATION FUNDING AGENCY (CONTINUED)

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#### **Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the 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.

James Price FCA  
**Reporting Accountant**  
UHY Hacker Young (East) Limited

Dated: .....

# QUEENS' SCHOOL (BUSHEY)

## STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2016

		Unrestricted Funds	Restricted funds: General Fixed asset		Total 2016	Total 2015
	Notes	£	£	£	£	£
<b>Income and endowments from:</b>						
Donations and capital grants	2	33,837	-	423,125	456,962	862,360
Charitable activities:						
- Funding for educational operations	3	-	8,562,460	-	8,562,460	8,554,771
Other trading activities	4	250,881	550,655	-	801,536	761,940
Investments	5	2,078	-	-	2,078	4,641
<b>Total income and endowments</b>		<u>286,796</u>	<u>9,113,115</u>	<u>423,125</u>	<u>9,823,036</u>	<u>10,183,712</u>
<b>Expenditure on:</b>						
Raising funds	6	29,425	444,894	-	474,319	425,286
Charitable activities:						
- Educational operations	7	-	8,913,401	708,205	9,621,606	9,519,184
<b>Total expenditure</b>	<b>6</b>	<u>29,425</u>	<u>9,358,295</u>	<u>708,205</u>	<u>10,095,925</u>	<u>9,944,470</u>
<b>Net income/(expenditure)</b>		257,371	(245,180)	(285,080)	(272,889)	239,242
Transfers between funds		-	(59,962)	59,962	-	-
<b>Other recognised gains and losses</b>						
Actuarial gains/(losses) on defined benefit pension schemes	18	-	(895,000)	-	(895,000)	(7,000)
Revaluation of fixed assets	11	-	-	-	-	9,723,306
<b>Net movement in funds</b>		<u>257,371</u>	<u>(1,200,142)</u>	<u>(225,118)</u>	<u>(1,167,889)</u>	<u>9,955,548</u>
<b>Reconciliation of funds</b>						
Total funds brought forward		956,723	(464,080)	38,253,313	38,745,956	28,790,408
Total funds carried forward		<u>1,214,094</u>	<u>(1,664,222)</u>	<u>38,028,195</u>	<u>37,578,067</u>	<u>38,745,956</u>

# QUEENS' SCHOOL (BUSHEY)

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Comparative year information Year ended 31 August 2015		Unrestricted Funds	Restricted funds:		Total 2015
	Notes	£	General	Fixed asset	£
<b>Income and endowments from:</b>					
Donations and capital grants	2	25,638	-	836,722	862,360
Charitable activities:					
- Funding for educational operations	3	-	8,554,771	-	8,554,771
Other trading activities	4	243,730	518,210	-	761,940
Investments	5	4,641	-	-	4,641
<b>Total income and endowments</b>		<u>274,009</u>	<u>9,072,981</u>	<u>836,722</u>	<u>10,183,712</u>
<b>Expenditure on:</b>					
Raising funds	6	26,249	399,037	-	425,286
Charitable activities:					
- Educational operations	7	-	8,821,556	697,628	9,519,184
<b>Total expenditure</b>	6	<u>26,249</u>	<u>9,220,593</u>	<u>697,628</u>	<u>9,944,470</u>
<b>Net income/(expenditure)</b>		247,760	(147,612)	139,094	239,242
Transfers between funds		-	(72,702)	72,702	-
<b>Other recognised gains and losses</b>					
Actuarial gains/(losses) on defined benefit pension schemes	18	-	(7,000)	-	(7,000)
Revaluation of fixed assets	11	-	-	9,723,306	9,723,306
<b>Net movement in funds</b>		247,760	(227,314)	9,935,102	9,955,548
<b>Reconciliation of funds</b>					
Total funds brought forward		708,963	(236,766)	28,318,211	28,790,408
Total funds carried forward		<u>956,723</u>	<u>(464,080)</u>	<u>38,253,313</u>	<u>38,745,956</u>



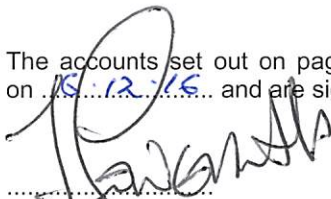
# QUEENS' SCHOOL (BUSHEY)

## BALANCE SHEET

AS AT 31 AUGUST 2016

	Notes	2016		2015	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	11		38,054,466		38,253,313
<b>Current assets</b>					
Debtors	12	410,573		302,604	
Cash at bank and in hand		2,115,324		2,352,057	
		<u>2,525,897</u>		<u>2,654,661</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	13	(887,152)		(1,027,666)	
<b>Net current assets</b>			<u>1,638,745</u>		<u>1,626,995</u>
<b>Total assets less current liabilities</b>			<u>39,693,211</u>		<u>39,880,308</u>
Creditors: amounts falling due after more than one year	14		(23,144)		(27,352)
<b>Net assets excluding pension liability</b>			<u>39,670,067</u>		<u>39,852,956</u>
Defined benefit pension liability	18		(2,092,000)		(1,107,000)
<b>Net assets</b>			<u><u>37,578,067</u></u>		<u><u>38,745,956</u></u>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>	16				
- Fixed asset funds			38,028,195		38,253,313
- Restricted income funds			427,778		642,920
- Pension reserve			(2,092,000)		(1,107,000)
<b>Total restricted funds</b>			<u>36,363,973</u>		<u>37,789,233</u>
<b>Unrestricted income funds</b>	16		<u>1,214,094</u>		<u>956,723</u>
<b>Total funds</b>			<u><u>37,578,067</u></u>		<u><u>38,745,956</u></u>

The accounts set out on pages 21 to 40 were approved by the board of governors and authorised for issue on 15.12.16 and are signed on its behalf by:



J Sowerbutts  
Chair of Governors

Company Number 07650609

# QUEENS' SCHOOL (BUSHEY)

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2016

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		2016		2015	
	Notes	£	£	£	£
<b>Cash flows from operating activities</b>					
Net cash provided by (used in) operating activities	19		(148,370)		208,923
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		2,078		4,641	
Capital grants from DfE and EFA		183,885		296,864	
Capital funding from sponsors and others		239,240		539,858	
Payments to acquire tangible fixed assets		(509,358)		(909,423)	
Payments to long term deposit accounts		(505,171)		-	
			(589,326)		(68,060)
<b>Cash flows from financing activities</b>					
Repayment of other loan		(4,208)		(2,104)	
			(4,208)		(2,104)
<b>Change in cash and cash equivalents in the reporting period</b>					
			(741,904)		138,759
Cash and cash equivalents at 1 September 2015			2,352,057		2,213,298
<b>Cash and cash equivalents at 31 August 2016</b>	<b>20</b>		<u>1,610,153</u>		<u>2,352,057</u>

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# QUEENS' SCHOOL (BUSHEY)

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2016

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#### 1 Accounting policies

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

##### 1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Queens' School (Bushey) meets the definition of a public benefit entity under FRS 102.

##### 1.2 Going concern

The governors assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts 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 accounts.

##### 1.3 Income

All incoming resources are recognised when the academy trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

###### 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 entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it 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 trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

###### Donations

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

###### 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.

# QUEENS' SCHOOL (BUSHEY)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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### 1 Accounting policies

(Continued)

#### Donated goods, facilities and services

The value of donated services and gifts in kind provided to the Academy are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy 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's policies. A more robust system regarding the recording of donated services and gifts in kind is currently being developed.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

#### 1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

#### Expenditure on raising funds

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

#### Charitable activities

These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

#### Governance costs

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

#### 1.5 Tangible fixed assets and depreciation

Assets costing £1,000 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.

# QUEENS' SCHOOL (BUSHEY)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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### 1 Accounting policies

(Continued)

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:

Land and buildings	straight line over 30 years
Computer equipment	10% - 50% straight line
Fixtures, fittings & equipment	10% - 50% straight line

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

### 1.6 Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

### 1.7 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.

### 1.8 Pensions 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 and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 18, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are 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 on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

# QUEENS' SCHOOL (BUSHEY)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 1 Accounting policies (Continued)

#### 1.9 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency and Department for Education.

#### 1.10 Concessionary Loans

Concessionary loans are initially recognised as a liability at the amount received, with the carrying amount being adjusted in subsequent years to reflect repayments made and any accrued interest payable.

#### 1.11 Critical accounting estimates and areas of judgement

Accounting 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, 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.

### 2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Capital grants	-	423,125	423,125	836,722
Other donations	33,837	-	33,837	25,638
	<u>33,837</u>	<u>423,125</u>	<u>456,962</u>	<u>862,360</u>

# QUEENS' SCHOOL (BUSHEY)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 3 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
<b>DfE / EFA grants</b>				
General annual grant (GAG)	-	8,310,281	8,310,281	8,254,587
Other DfE / EFA grants	-	171,012	171,012	300,184
	-	8,481,293	8,481,293	8,554,771
<b>Other government grants</b>				
Local authority grants	-	19,920	19,920	-
<b>Other funds</b>				
Other incoming resources	-	61,247	61,247	-
<b>Total funding</b>	-	8,562,460	8,562,460	8,554,771

All resources expended are inclusive of irrecoverable VAT.

### 4 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Hire of facilities	186,413	-	186,413	174,460
Music tuition	-	65,236	65,236	65,131
Other income	64,468	485,419	549,887	522,349
	250,881	550,655	801,536	761,940

### 5 Investment income

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Short term deposits	2,078	-	2,078	4,641

# QUEENS' SCHOOL (BUSHEY)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 6 Expenditure

	Staff costs £	Premises & equipment £	Other costs £	Total 2016 £	Total 2015 £
<b>Academy's educational operations</b>					
- Direct costs	6,602,716	601,974	583,868	7,788,558	7,623,656
- Allocated support costs	857,561	484,743	490,744	1,833,048	1,895,528
	<u>7,460,277</u>	<u>1,086,717</u>	<u>1,074,612</u>	<u>9,621,606</u>	<u>9,519,184</u>
<b>Other expenditure</b>					
Raising funds	29,307	-	445,012	474,319	425,286
	<u>29,307</u>	<u>-</u>	<u>445,012</u>	<u>474,319</u>	<u>425,286</u>
<b>Total expenditure</b>	<u>7,489,584</u>	<u>1,086,717</u>	<u>1,519,624</u>	<u>10,095,925</u>	<u>9,944,470</u>

#### Net income/(expenditure) for the year includes:

	2016 £	2015 £
Fees payable to auditor for:		
- Audit	9,550	9,550
- Other services	1,889	2,091
Depreciation of tangible fixed assets	708,205	697,628
	<u>719,644</u>	<u>709,269</u>

### 7 Charitable activities

	2016 £	2015 £
<b>All from restricted funds:</b>		
Direct costs - educational operations	7,788,558	7,623,656
Support costs - educational operations	1,833,048	1,895,528
	<u>9,621,606</u>	<u>9,519,184</u>

	2016 £	2015 £
<b>Analysis of support costs</b>		
Support staff costs	736,127	766,832
Depreciation and amortisation	106,231	104,644
Technology costs	156,203	173,641
Premises costs	378,512	433,886
Other support costs	287,418	272,110
Governance costs	168,557	144,415
	<u>1,833,048</u>	<u>1,895,528</u>



# QUEENS' SCHOOL (BUSHEY)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 8 Staff costs

	2016 £	2015 £
Wages and salaries	5,600,804	5,651,452
Social security costs	494,701	438,682
Operating costs of defined benefit pension schemes	1,047,987	941,821
	<hr/>	<hr/>
Staff costs	7,143,492	7,031,955
Supply staff costs	185,626	117,448
Staff development and other staff costs	160,466	173,137
	<hr/>	<hr/>
Total staff expenditure	7,489,584	7,322,540
	<hr/> <hr/>	<hr/> <hr/>

### Staff numbers

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

	2016 Number	2015 Number
Teachers	114	119
Administration and support	84	91
Management	9	9
	<hr/>	<hr/>
	207	219
	<hr/> <hr/>	<hr/> <hr/>

### Higher paid staff

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

	2016 Number	2015 Number
£60,000 - £70,000	5	3
£110,000 - £120,000	1	1
	<hr/> <hr/>	<hr/> <hr/>

### Key management personnel

The key management personnel of the academy trust comprise the governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £854,545 (2015: £793,859).

# QUEENS' SCHOOL (BUSHEY)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

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#### 9 Governors' remuneration and expenses

The head teacher and other staff governors only receive remuneration in respect of services they provide undertaking the roles of head teacher and staff, and not in respect of their services as governors. Other governors did not receive any payments during the year.

The value of governors' remuneration and other benefits was as follows:

T James (resigned 31 August 2016):

Remuneration £110,001- £115,000 (2015: £110,001- £115,000)

Employer's pension contributions £15,001 - £20,000 (2015: £10,001 - £15,000)

B Austin (resigned 31 August 2015 - comparative only):

Remuneration (2015: £35,001 - £40,000)

Employer's pension contributions (2015: £1 - £5,000)

A Fretwell:

Remuneration £35,001 - £40,000 (2015: £15,001 - £20,000)

Employer's pension contributions £5,001 - £10,000 (2015: £1 - £5,000)

S Gorton:

Remuneration £25,001 - £30,00 (2015: £25,001 - £30,000)

Employer's pension contributions £5,001 - £10,000 (2015: £1 - £5,000)

V Fowerake:

Remuneration £20,001 - £25,000 (2015: £20,001 - £25,000)

Employer's pension contributions £5,001 - £10,000 (2015: £1 - £5,000)

L Park (appointed 18 September 2016 - current year only):

Remuneration £35,001 - £40,000

Employer's pension contributions £5,001 - £10,000

During the year, no expenses were reimbursed to the trustees.

Other related party transactions involving the governors are set out within the related parties note.

#### 10 Governors and officers insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £5m on any one claim. The insurance is included within the academy trusts main insurance policy, and therefore the cost is not separately identifiable.

# QUEENS' SCHOOL (BUSHEY)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 11 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£
<b>Cost</b>				
At 1 September 2015	38,274,930	262,053	837,893	39,374,876
Additions	496,369	-	12,989	509,358
Disposals	-	-	(2,000)	(2,000)
At 31 August 2016	38,771,299	262,053	848,882	39,882,234
<b>Depreciation</b>				
At 1 September 2015	546,778	180,045	394,740	1,121,563
On disposals	-	-	(2,000)	(2,000)
Charge for the year	566,310	38,072	103,823	708,205
At 31 August 2016	1,113,088	218,117	496,563	1,827,768
<b>Net book value</b>				
At 31 August 2016	37,658,211	43,936	352,319	38,054,466
At 31 August 2015	37,728,152	82,008	443,153	38,253,313

### 12 Debtors

	2016 £	2015 £
Trade debtors	45,002	48,168
VAT recoverable	62,014	101,206
Other debtors	18,192	-
Prepayments and accrued income	285,365	153,230
	410,573	302,604

### 13 Creditors: amounts falling due within one year

	2016 £	2015 £
Other loans	4,208	4,208
Trade creditors	333,206	432,052
Other creditors	306,659	286,245
Accruals and deferred income	243,079	305,161
	887,152	1,027,666

At the balance sheet date the academy trust was holding funds received in advance for music fees, lettings income, school trips and house funds.

# QUEENS' SCHOOL (BUSHEY)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

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14 Creditors: amounts falling due after more than one year	2016 £	2015 £
Other loans	23,144	27,352
	<u>23,144</u>	<u>27,352</u>
<b>Analysis of loans</b>		
Wholly repayable within five years	27,352	31,560
Less: included in current liabilities	(4,208)	(4,208)
	<u>23,144</u>	<u>27,352</u>
Amounts included above	<u>23,144</u>	<u>27,352</u>
<b>Loan maturity</b>		
Debt due in one year or less	4,208	4,208
Due in more than two years but not more than five years	16,832	16,832
Due in more than five years	6,312	10,520
	<u>27,352</u>	<u>31,560</u>

Included within other loans are loans totalling £27,352 from Salix Finance Ltd which is provided on the following terms:

- interest rate of 0%,
- repayable over 8 years at £4,208 annually.

15 Deferred income	2016 £	2015 £
Deferred income is included within:		
Creditors due within one year	159,327	190,506
	<u>159,327</u>	<u>190,506</u>
Deferred income at 1 September 2015	190,506	264,131
Released from previous years	(190,506)	(264,131)
Amounts deferred in the year	159,327	190,506
	<u>159,327</u>	<u>190,506</u>
<b>Deferred income at 31 August 2016</b>	<u>159,327</u>	<u>190,506</u>

Deferred income includes funds received in advance for music fees, lettings income, school trips and house funds.

# QUEENS' SCHOOL (BUSHEY)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 16 Funds

	Balance at 1 September 2015	Incoming resources	Resources expended	Gains, losses & transfers	Balance at 31 August 2016
	£	£	£	£	£
<b>Restricted general funds</b>					
General Annual Grant	-	8,310,281	(8,935,260)	-	(624,979)
Other DfE / EFA grants	-	171,012	(171,012)	-	-
Other government grants	-	19,920	(19,920)	-	-
Other restricted funds	642,920	611,902	(142,103)	(59,962)	1,052,757
	<u>642,920</u>	<u>9,113,115</u>	<u>(9,268,295)</u>	<u>(59,962)</u>	<u>427,778</u>
Funds excluding pensions	642,920	9,113,115	(9,268,295)	(59,962)	427,778
Pension reserve	(1,107,000)	-	(90,000)	(895,000)	(2,092,000)
	<u>(464,080)</u>	<u>9,113,115</u>	<u>(9,358,295)</u>	<u>(954,962)</u>	<u>(1,664,222)</u>
<b>Restricted fixed asset funds</b>					
DfE / EFA capital grants	38,253,313	423,125	(708,205)	59,962	38,028,195
	<u>38,253,313</u>	<u>423,125</u>	<u>(708,205)</u>	<u>59,962</u>	<u>38,028,195</u>
<b>Total restricted funds</b>	<u>37,789,233</u>	<u>9,536,240</u>	<u>(10,066,500)</u>	<u>(895,000)</u>	<u>36,363,973</u>
<b>Unrestricted funds</b>					
General funds	956,723	286,796	(29,425)	-	1,214,094
	<u>956,723</u>	<u>286,796</u>	<u>(29,425)</u>	<u>-</u>	<u>1,214,094</u>
<b>Total funds</b>	<u>38,745,956</u>	<u>9,823,036</u>	<u>(10,095,925)</u>	<u>(895,000)</u>	<u>37,578,067</u>

# QUEENS' SCHOOL (BUSHEY)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

#### 16 Funds

(Continued)

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

##### General Annual Grant

The General Annual Grant (GAG) must be used for the normal running costs of the academy. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

##### Other DfE / EFA grants

This represents other funding for various purposes including pupil premium, sports funding, training and other pupil related activities.

##### Other restricted funds

The other restricted funds relate to various school and educational activities which are not funded by the General Annual Grant.

##### Pensions Reserve

The defined benefit pension scheme relates to the pension deficit arising on the LGPS pension scheme.

##### Restricted fixed asset fund

The restricted fund asset fund was funded predominantly by the funds inherited on conversion to an academy from the local authority following the transfer of the land and buildings.

##### Devolved Formula Grant (DFG)

The academy is to use the Devolved Formula Grant allocation to maintain and improve its buildings and facilities.

##### Academies Capital Maintenance Fund (ACMF)

The academy is required to use the funding for the specific project as defined within the funding agreement.

#### 17 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2016 £
<b>Fund balances at 31 August 2016 are represented by:</b>				
Tangible fixed assets	-	-	38,054,466	38,054,466
Current assets	1,214,094	1,127,918	183,885	2,525,897
Creditors falling due within one year	-	(700,140)	(187,012)	(887,152)
Creditors falling due after one year	-	-	(23,144)	(23,144)
Defined benefit pension liability	-	(2,092,000)	-	(2,092,000)
	<u>1,214,094</u>	<u>(1,664,222)</u>	<u>38,028,195</u>	<u>37,578,067</u>

# QUEENS' SCHOOL (BUSHEY)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

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#### 18 Pensions 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 Hymans Robertson LLP. 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 that of the LGPS related to the period ended 31 March 2013.

Contributions amounting to £127,325 (2015: £116,496) 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 the 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%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS 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 employer's pension costs paid to the TPS in the period amounted to £735,897 (2015: £621,420).

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# QUEENS' SCHOOL (BUSHEY)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 18 Pensions and similar obligations

(Continued)

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.

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 25.3% for employers and 5.5% to 12.5% for employees. The estimated value of employer contributions for the forthcoming year is £275,0000 (2015: £271,000).

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

Total contributions made	2016 £	2015 £
Employer's contributions	275,000	282,000
Employees' contributions	67,000	69,000
Total contributions	<u>342,000</u>	<u>351,000</u>

Principal actuarial assumptions	2016 %	2015 %
Rate of increases in salaries	3.6	4.0
Rate of increase for pensions in payment	2.1	2.6
Discount rate	2.0	3.7
Inflation assumption (CPI)	2.1	3.7
Commutation of pensions to lump sums	50.0	50.0

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

	2016 Years	2015 Years
Retiring today		
- Males	22.3	22.3
- Females	24.5	24.5
Retiring in 20 years		
- Males	24.3	24.3
- Females	26.7	26.7



# QUEENS' SCHOOL (BUSHEY)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 18 Pensions and similar obligations

(Continued)

#### The academy trust's share of the assets in the scheme

	2016 Fair value £	2015 Fair value £
Equities	1,932,000	1,478,000
Bonds	859,000	643,000
Property	215,000	167,000
Other assets	61,000	95,000
	<u>3,067,000</u>	<u>2,383,000</u>

Total market value of assets

Actual return on scheme assets - gain/(loss)

#### Amounts recognised in the statement of financial activities

	2016 £	2015 £
Current service cost (net of employee contributions)	(323,000)	(332,000)
Net interest cost	(42,000)	(38,000)
	<u>(365,000)</u>	<u>(370,000)</u>

Total operating charge

#### Changes in the present value of defined benefit obligations

	2016 £
Obligations at 1 September 2015	3,490,000
Current service cost	323,000
Interest cost	135,000
Employee contributions	67,000
Actuarial loss	1,201,000
Benefits paid	(57,000)
	<u>5,159,000</u>

At 31 August 2016

#### Changes in the fair value of the academy trust's share of scheme assets

	2016 £
Assets at 1 September 2015	2,383,000
Interest income	93,000
Return on plan assets (excluding amounts included in net interest):	
Actuarial gain	306,000
Employer contributions	275,000
Employee contributions	67,000
Benefits paid	(57,000)
	<u>3,067,000</u>

At 31 August 2016

# QUEENS' SCHOOL (BUSHEY)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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**18 Pensions and similar obligations** (Continued)

**19 Reconciliation of net income/(expenditure) to net cash flows from operating activities**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Net income/(expenditure) for the reporting period	(272,889)	239,242
Adjusted for:		
Capital grants from DfE/EFA and other capital income	(423,125)	(836,722)
Investment income	(2,078)	(4,641)
Defined benefit pension costs less contributions payable	48,000	50,000
Defined benefit pension net finance cost	42,000	38,000
Depreciation of tangible fixed assets	708,205	697,627
(Increase)/decrease in debtors	(107,969)	94,082
Decrease in creditors	(140,514)	(68,665)
<b>Net cash used in operating activities</b>	<b>(148,370)</b>	<b>208,923</b>

**20 Analysis of cash and cash equivalents**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Cash and deposits expiring in less than 3 months	1,610,153	2,352,057
Deposits expiring in more than 3 months	505,171	-
<b>Cash at bank and in hand</b>	<b>2,115,324</b>	<b>2,352,057</b>

**21 Related party transactions**

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

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

**22 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.



**Headteacher: Jonathan Morrell BA, MA, PGCE, NPQH**

6<sup>th</sup> December 2016

Dear Sirs

The following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience such as we consider necessary in connection with your audit of the academy's financial statements and as, relevant, your assurance engagement on regularity for the year ended 31 August 2016. These enquiries have included inspection of supporting documentation where appropriate. All representations are made to the best of our knowledge and belief.

#### **General**

- 1 We have fulfilled our responsibilities as trustees as set out in the terms of your engagement letter dated 10 June 2014, under the Companies Act 2006 for preparing financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), for being satisfied that they give a true and fair view and for making accurate representations to you.
- 2 All the transactions undertaken by the academy have been properly reflected and recorded in the accounting records.
- 3 All the accounting records have been made available to you for the purpose of your audit and regularity assurance engagement. We have provided you with unrestricted access to all appropriate persons within the academy, and with all other records and related information, including minutes of management meetings and correspondence with the Education Funding Agency, Department for Education and the Charity Commission.
- 4 The financial statements are free of material misstatements, including omissions.
- 5 The effects of uncorrected misstatements (as set out in the appendix to this letter) are immaterial both individually and in total.

#### **Internal control and fraud**

- 6 We acknowledge our responsibility for the design, implementation and maintenance of internal control systems to prevent and detect fraud and error and which conform to the requirements both of propriety and good financial management. We have disclosed to you the results of our risk assessment that the financial statements may be misstated as a result of fraud.
- 7 We have disclosed to you all instances of known or suspected fraud affecting the entity involving management, employees who have a significant role in internal control or others that could have a material effect on the financial statements.
- 8 We have also disclosed to you all information in relation to allegations of fraud or suspected fraud affecting the entity's financial statements communicated by current or former employees, analysts, regulators or others.



Queens' School (Bushey) Ltd. is a Charitable Company limited by guarantee  
Registered Office: Aldenham Road, Bushey, Hertfordshire, WD23 2TY  
Telephone: 01923 224465 Facsimile: 01923 223975  
email: [office@queens.herts.sch.uk](mailto:office@queens.herts.sch.uk) [www.queens.herts.sch.uk](http://www.queens.herts.sch.uk)

Registered in England; Registered Number 07650609

**Assets and liabilities**

- 9 The academy has satisfactory title to all assets and there are no liens or encumbrances on the academy's assets, except for those that are disclosed in the notes to the financial statements.
- 10 All actual liabilities, contingent liabilities and guarantees given to third parties have been recorded or disclosed as appropriate.
- 11 We have no plans or intentions that may materially alter the carrying value and where relevant the fair value measurements or classification of assets and liabilities reflected in the financial statements.

**Accounting estimates**

- 12 Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

**Loans and arrangements**

- 13 The academy has not granted any advances or credits to, or made guarantees on behalf of trustees other than those disclosed in the financial statements.

**Legal claims**

- 14 We have disclosed to you all claims in connection with litigation that have been, or are expected to be, received and such matters, as appropriate, have been properly accounted for, and disclosed in, the financial statements.

**Law and regulations**

- 15 We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.

**Related parties**

- 16 Related party relationships and transactions have been appropriately accounted for and disclosed in the financial statements. We have disclosed to you all relevant information concerning such relationships and transactions and are not aware of any other matters which require disclosure in order to comply with the requirements and guidance set out in the Companies Act 2006, the Charities SORP and the Annual Accounts Direction issued by the Education Funding Agency.
- 17 The following represents a complete list of transactions with all Governors during the year.

<b>Name of related party</b>	<b>Relationship</b>	<b>Transactions</b>	<b>Directorships/ RPTs</b>
T James	Head Teacher, Governor (res 31.08.16)	Salary - £113,618	None. T&KJ Education Limited (no transactions)
K Clarke	Deputy Head	Salary - £68,904	None
T Sutherland	Deputy Head	Salary- £63,073	None
I Sudbery	Assistant Head	Salary - £62,056	None
P Vekaria	Assistant Head	Salary - £61,295	None
M Taylor	Assistant Head	Salary - £61,278	None
K Antcliffe	Assistant Head	Salary - £57,020	None
G Butler	Governor	None	None
M Charles	Governor (app 18.05.16)	None	None
K Cook	Governor	None	None
K Evans	Governor (app 16.05.16)	None	None
V Foweraker	Governor	Salary - £22,149	None
D Hall	Governor	None	None Sandy Lodge Golf Club Limited (no transactions)
D Lock	Governor	None	None

M Purdasy	Governor	None	None
S Reynolds	Governor	None	None Bushey Software Limited (no transactions)
N Richland	Governor	None	None
J Sowerbutts	Governor	None	None
R Townley	Governor	None	None Cassiobury Developments Limited (Dormant) (No transactions)
J James	Governor & company secretary	None	None
J Raybold	Governor	None	None
A Fretwell	Governor	Salary £39,134	None
R Ash	Governor	None	None
S Gorton	Governor	Salary £27,988	None
E Burnett Nee Jackson	Governor (app. 18.06.15)	None	None
L Park	Governor (app.18.09.15)	Salary £38,134	None
D Raghwani	Governor	None	None
R Brandon	Governor (app. 24.09.15)	None	None
L Hodson-Little	Governor (app 16.05.16)	None	None
J Morrell	Governor & Head Teacher (app 01.09.16)	None in year, salary post year end	None

#### Subsequent events

- 18 All events subsequent to the date of the financial statements which require adjustment or disclosure have been properly accounted for and disclosed.

#### Going concern

- 19 We believe that the academy's financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the academy's needs. We have considered a period of twelve months from the date of approval of the financial statements. We believe that no further disclosures relating to the academy's ability to continue as a going concern need to be made in the financial statements.

#### Grants and donations

- 20 Grants made by the Department of Education and Education Funding Agency have been applied for the purposes intended and the Accounting Officer has ensured regular and proper use and value for money of monies received from government.
- 21 All other grants, donations and other income, the receipt of which is subject to specific terms or conditions, have been notified to you. There have been no breaches of terms or conditions in the application of such income.

#### Other

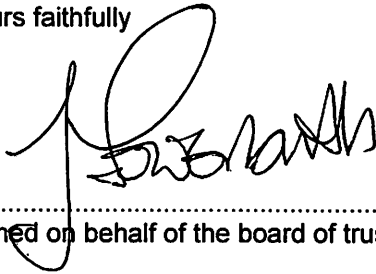
- 22 We confirm 15% of "Other staff costs" is considered to be a reasonable estimate of the cost to be classified as governance costs.
- 23 We confirm we are awaiting an invoice from Herts County Council relating to gas costs from 2008-09 and August 2013, and a suitable estimate of the value is £33,500

We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that so far as we are aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware.

We confirm that so far as we are aware, there is no relevant other information needed by you in connection with preparing your reporting accountant's assurance report on regularity of which you are unaware.

Each trustee has taken all the steps that he/she ought to have taken as a trustee in order to make themselves aware of any relevant audit/other information and to establish that you are aware of that information.

Yours faithfully



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Signed on behalf of the board of trustees

Date..... 6.12.16.....