

Company Registration No. 07650609 (England and Wales)

QUEENS' SCHOOL (BUSHEY)
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2018

QUEENS' SCHOOL (BUSHEY)

CONTENTS

	Page
Reference and administrative details	1 - 2
Governors' report	3 - 10
Governance statement	11 - 14
Statement on regularity, propriety and compliance	15
Statement of Governors' responsibilities	16
Independent auditor's report on the accounts	17 - 19
Independent reporting accountant's report on regularity	20 - 21
Statement of financial activities including income and expenditure account	22 - 23
Balance sheet	24
Statement of cash flows	25
Notes to the accounts including accounting policies	26 - 44

QUEENS' SCHOOL (BUSHEY)

REFERENCE AND ADMINISTRATIVE DETAILS

Members

J Raybould
K Cook
S Jakeman

Governors

D Hall
J Sowerbutts (Chair of Governors) (Resigned 13 September 2017)
K Cook
V Foweraker (Resigned 11 September 2018)
R Townley (Resigned 1 December 2017)
A Fretwell (Resigned 24 September 2017)
J Raybould (Chair of Governors)
S Gorton (Resigned 10 July 2018)
L Park
L Hodson-Little
R Brandon (Resigned 1 September 2017)
J Morrell (Headteacher and Accounting Officer)
S Jakeman
E Burnett (Resigned 11 September 2017)
P Kunwardia (Appointed 12 October 2017 and resigned 13 June 2018)
C Rose (Appointed 1 November 2017)
C Watson (Appointed 12 October 2017)
C Agnihotri (Appointed 29 September 2017)
L Billinge (Appointed 1 September 2017)
R Patel (Appointed 10 October 2017)
J Patel (Appointed 10 October 2017)
G Gray (Appointed 11 July 2018)
S Henry (Appointed 1 November 2017)
K Edens (Resigned 20 September 2018)

Senior management team

- Headteacher	J Morrell
- Deputy Headteacher	M Taylor
- Deputy Headteacher	E Macleod
- Assistant Headteacher	P Connolly
- Assistant Headteacher	A Millard
- Assistant Headteacher	S Moore
- Assistant Headteacher (Head of Sixth Form)	B Murphy
- Assistant Headteacher	M Padgham
- Estates Manager	S Pearson
- Business Manager	C Pearce

Company secretary

T Jenner

Company registration number

07650609 (England and Wales)

QUEENS' SCHOOL (BUSHEY)

REFERENCE AND ADMINISTRATIVE DETAILS

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

QUEENS' SCHOOL (BUSHEY)

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees present their annual report together with the financial statements and Auditor's report of the charitable company for the period 1st September 2017 to 31 August 2018. 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 1,750 and had a roll of 1,668 in the school census on 5th October 2018.

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).

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and Administrative Details on page 1.

Members' liability

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

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 11 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 Headteacher (ex officio)
- The Governors may appoint up to three Co-opted Governors who shall serve for a period of four years

QUEENS' SCHOOL (BUSHEY)

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Policies and procedures adopted for the induction and training of Governors

Queens' induction process for new Governors is designed to fully equip newcomers to carry out the role of trustee and director of the Charitable Trust effectively. We provide a comprehensive folder of documents and guidance designed to offer a thorough understanding of the school. A skills audit is undertaken and opportunities for training offered via the NGA's bespoke online training portal, supplemented by the HFL Governance Training Programme. We offer a buddy system for new Governors and encourage school visits at the earliest opportunity. We ensure our Governors are fully briefed regarding their role and responsibilities and offer support with the unfamiliar educational jargon and acronyms. We ensure all new Governors are prepared for their first meeting and provide a welcoming environment where questioning and input are actively encouraged from the outset. All Governors are annually invited to hold a 1-2-1 with the Chair to reflect on contribution, training and skills gaps. A full 360 degree review of the Chair's performance was undertaken in July 2017 and a full external review of the effectiveness of the Governing Board, commissioned by the Board itself, was conducted in 2017 and completed in July.

Organisational structure

The organisational structure consists of three levels: the Governors, the Senior Leadership Team and the Middle Management Team, consisting of Heads of Faculty, 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 provide clarity of vision, ethos, strategic management and direction. They hold the Headteacher to account for the educational performance of the school and its pupils, and the performance management of the staff. They oversee the financial performance of the school and make sure its money is well spent.

The Senior Leadership Team comprises the Headteacher, Deputy Headteachers, Assistant Headteachers and the 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 House. Along with the Senior Management 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 Trustees 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 operational management personnel, subject to remuneration, are the Headteacher, Deputy and Assistant Headteachers and the School Business Manager.

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.

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.

QUEENS' SCHOOL (BUSHEY)

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Trade union facility time

Relevant union officials	
Number of employees who were relevant union officials during the relevant period	1
Percentage of time spent on facility time	
0%	1
1%-50%	0
51%-99%	0
100%	0
Percentage of pay bill spent on facility time	
Total cost of facility time	£0
Total pay bill	£0
Percentage of the total pay bill spent on facility time	0%
Paid trade union activities	
Time spent on paid trade union activities as a percentage of total paid facility time hours	0%

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.

A register of interests of Trustees is held by the Academy and parties related to the Academy identified. There have been no transactions with related parties during the financial year.

Salary payments for related parties who have been employed by the Academy have been disclosed in the Academy accounts.

Objectives and activities

Objects and aims

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. 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. 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.

QUEENS' SCHOOL (BUSHEY)

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Objectives, strategies and activities

The Academy's Development priorities are:

1. Outstanding achievement and progress for all students
2. The highest standards of personal behaviour and individual responsibility consistently managed at all times.
3. The highest quality teaching, never less than good, frequently outstanding
4. A 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 2018-19

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

Public benefit

Queens' School is an Academy converter catering for children aged 11 to 18 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 Trustees have given careful consideration to the Charity Commission's general guidance on public benefit. The Trustees believe that the Academy Trust's aims, together with the activities outlined above, are demonstrably to the public benefit.

Strategic report

Achievements and performance

Queens' is an oversubscribed and thriving secondary school with a well-established reputation for academic success. Last year we had a 1538 applications for the 265 places available in Year 7. We continue to maintain long waiting lists in many of our year groups.

Students at Queens' consistently achieve examination results that are well-above the national average. At GCSE, with the new grading of 9-1 in most subjects, the Average Attainment 8 Grade was 5.7. This is significantly above the national average figure of 4.5. 88% of students obtained a Grade 4 in English and Maths. The national average was 63%. Progress 8 remains significantly above the national average at +0.24.

At A Level, the average point score per A level entry was 30.79 or, when expressed as a grade, was grade C. 15% of students achieved A*/A grades, 43% achieved A*-B grades and 71% achieved A*-C grades. We once again achieved Oxbridge success.

QUEENS' SCHOOL (BUSHEY)

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Key performance indicators

The Governors consider that the following are key financial performance indicators for the Academy Trust:

- 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 revenue expenditure to match revenue income and for capital expenditure to either be funded from capital income or by a planned use of school reserves
- Staff Costs – that staff costs are approximately 80% to 85% of ESFA 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 from parents 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
- Audit Management issues – that any recommendations from the Audit Management Letter or any Responsible Officer Audits have been acted upon and resulted in an improvement.
- 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 and have continued to be met from previous years.

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 near 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.

Financial review

Most of the Academy's recurrent income is obtained from the ESFA in the form of grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2018 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 ESFA grants and is proactive in generating further funds, without detriment to the achievement and performance of the school.

During the period ended 31 August 2018, total expenditure of £9,628,698 exceeded recurrent grant funding from the ESFA together with other incoming resources by £57,186. The excess of income over expenditure for the year (excluding restricted fixed asset funds) was £271,948.

At 31 August 2018, the net book value of fixed assets was £38,536,467 and movements in tangible fixed assets are shown in note 12 to the financial statements. During the period the assets were used mainly for providing education and the associated support services to the pupils of the Academy. Additional use is made of the premises when students are not in school, to generate income and promote our community involvement.

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 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.

Investment policy

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 pleased that the return on medium to long term investments rose slightly during the year, but will continue to review this in the current economic climate.

QUEENS' SCHOOL (BUSHEY)

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Principal risks and uncertainties

The major 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:

Economic risks include :

Changes in funding policies which reduces income and leads to a reduction in the breadth of the curriculum we are able to offer thus reducing teaching and support staff. The Academy is conducting a review of its current curriculum offer as well as evaluating all staff posts, with a view to cutting both whilst still trying to maintain the best possible offer to its students. It is also reviewing alternative sources of income and how this can be maximised. A key priority for the Governing Body is to be able to maintain a balanced budget, at least in revenue terms. Currently the level of reserves means that cashflow is not considered a major risk, however if these funds are depleted then cashflow will need much closer monitoring and the risk of insufficient cash available will need to be considered.

Technological risks include :

Out of date ICT equipment which is unable to operate new software or the systems controlling safety and security, or a failure of the existing ICT system leading to the school being unable to operate. The Academy has an inbuilt disaster recovery plan which would enable synchronous replication of data and virtualised server environment fault tolerant to one side of the road. There is also a four year rolling refresh programme however as funding reduces, the investment in ICT is an area under review and sufficient funding cannot be guaranteed.

Infrastructure :

Last year the security of, and access to, the Academy site was under review and as a result investment was made in access controlled perimeter fencing, thereby reducing any risk. However reduced funding is likely to have a negative impact on the school's buildings and increase the risk of a partial or full school closure. Identified risks are currently the water systems, electrical wiring and internal doors. Whilst remedial work continues in all these areas, significant investment would be required to reduce the risks to an acceptable level.

Human Resources and Governance :

The national difficulty to recruit sufficient teachers, together with the lack of funding to pay for staffing increases the pressure on existing staff, both in terms of large class sizes, and more work delegated to fewer staff, particularly at senior leadership level. The Academy is also aware that the lack of on-site HR support, given the size of the staff body, negatively impacts on recruitment, retention, well-being and the role of the Headteacher.

GDPR :

Whilst the provisions of the Data Protection Act have always impacted on the Academy, the new GDPR regulations have come with a huge financial risk and therefore, to mitigate this, a greater administrative function on the Academy. The Trustees are considering how best to manage this in order to meet our legal requirements, whilst not having too great an impact on the staff workload. So far the School has :

- Appointed a Data Protection Officer (DPO) and two assistant Data Protection Officers (ADPO)
- The Trustees appointed a GDPR link governor and a link visit was completed March 2018
- Trustees received a GDPR progress report in March 2018
- Provided training for the SBM in their role as ADPO
- The Trustees have subscribed to HFL to receive regular GDPR updates
- Undertaken an audit of all Personal Data held in school completed a risk assessment on this.
- Put in place risk reduction measures to minimise the risks of a data breach
- Written a new Privacy Notice with Retention Periods as an appendix and made this available to all, as well as updating relevant other policies, procedures and publications with our approach to data protection
- Undertaken a programme of training for all staff in compliance with Data Protection
- Completed a review of all archiving to ensure this is fully GDPR compliant
- Created procedures for reporting and logging of any Data Breach and for processing Subject Access Requests

The next step is to introduce Impact Assessments around school and to continue the programme of training for all staff.

QUEENS' SCHOOL (BUSHEY)

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Fundraising

The Governing Body of Queens' School undertakes minimal fund-raising both to provide resources for the benefit of its students, but also as a way for students to support the community and charities. The Governors do not see charitable fundraising as a purpose of the Trust or as a main source of income. It does not work with any commercial participators or professional fundraisers. The fund-raising it does do is through a voluntary parental donation scheme for existing or past parents and this scheme is overseen by the Queens' Parents Association (QPA). The Governing Body does not have any other schemes for raising funds from the public.

The Governing Body plans with the QPA what fundraising will take place, taking into account the relationship it has with its parents and the needs of the school, and there is a Link Governor who is also part of the parents association to provide assurances to the Governors that their responsibilities as Trustees are still being met. The Governors consider carefully the impact of any fundraising undertaken, on the parents and students. The scheme identifies clearly, what the funds are being raised for and how they are used, and the Governors maximise the opportunity for gift-aid on donations made.

The funds are donated voluntarily however the Governors still consider the potential for loss or fraud and have appropriate internal controls to minimise this risk. The Governors also ensure minimal assets and resources are used to raise funds and the funds raised are kept secure by quick and effective banking. Any donations made to the school are voluntary and the Governors approach is deliberately non-intrusive, without any pressure on families to donate and in a way as to avoid persistently targeting donors. In the event of a complaint about fundraising the school's normal complaints procedure will apply.

Other fundraising carried out is by the QPA for the benefit of the trust, or by students as part of their community awareness with this fundraising being carried out for other charities and all the income being forwarded on accordingly.

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-financially 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 extracurricular 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 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.
- Increasing revenue via premises and land lettings, PAN and sixth form expansion
- Governor requirement for the justification of both new posts and like-for-like recruitment by business case, identifying the benefits of the role and the impact of not having or removing the role

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 2018

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.

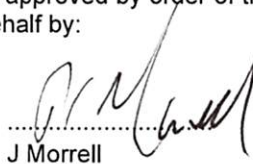
A resolution proposing that UHY Hacker Young (East) Limited be reappointed as auditor of the charitable company will be put to the members.

The Governors' report, incorporating a strategic report, was approved by order of the board of Governors, as the company Directors, on ~~06.12.2018~~ and signed on its behalf by:



J Raybould

Chair of Governors



J Morrell

Headteacher and Accounting Officer

QUEENS' SCHOOL (BUSHEY)

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2018

Scope of responsibility

As Trustees we acknowledge we have overall responsibility for ensuring that Queens' School 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 Trustees' Report and in the Statement of Trustees' Responsibilities. The board of Trustees has formally met 6 times during the year. Attendance during the period at meetings of the board of Trustees was as follows:

Governors	Meetings attended	Out of possible
D Hall	6	6
J Sowerbutts (Chair of Governors) (Resigned 13 September 2017)	0	0
K Cook	6	6
V Foweraker (Resigned 11 September 2018)	1	6
R Townley (Resigned 1 December 2017)	1	1
A Fretwell (Resigned 24 September 2017)	0	0
J Raybould (Chair of Governors)	6	6
S Gorton (Resigned 10 July 2018)	4	5
L Park	6	6
L Hodson-Little	6	6
R Brandon (Resigned 1 September 2017)	0	0
J Morrell (Headteacher and Accounting Officer)	6	6
S Jakeman	5	6
E Burnett (Resigned 11 September 2017)	0	0
P Kunwardia (Appointed 12 October 2017 and resigned 13 June 2018)	2	4
C Rose (Appointed 1 November 2017)	2	5
C Watson (Appointed 12 October 2017)	4	5
C Agnihotri (Appointed 29 September 2017)	5	6
L Billinge (Appointed 1 September 2017)	2	6
R Patel (Appointed 10 October 2017)	5	5
J Patel (Appointed 10 October 2017)	4	5
G Gray (Appointed 11 July 2018)	0	1
S Henry (Appointed 1 November 2017)	3	5
K Edens (Resigned 20 September 2018)	1	6

There have been no changes in the composition of the board of Trustees this year.

The Governing Body reviews the effectiveness of the board of Trustees and consider the appropriateness of the knowledge and expertise on each sub-committee. Where necessary, the Trustees undertake additional training or change sub-committees.

QUEENS' SCHOOL (BUSHEY)

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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:

Governors	Meetings attended	Out of possible
J Sowerbutts (Chair of Governors) (Resigned 13 September 2017)	0	0
R Townley (Resigned 1 December 2017)	1	2
J Raybould (Chair of Governors)	6	6
L Park	5	6
L Hodson-Little	4	6
R Brandon (Resigned 1 September 2017)	0	0
J Morrell (Headteacher and Accounting Officer)	6	6
S Jakeman	5	6
P Kunwardia (Appointed 12 October 2017 and resigned 13 June 2018)	3	5
C Watson (Appointed 12 October 2017)	4	5
R Patel (Appointed 10 October 2017)	5	5

The audit committee is made up of the Finance Liaison Governor and the School Business Manager who aim to 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.

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 2018

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 2017 to 31 August 2018 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 2017 to 31 August 2018 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 Steve Jakeman, a Trustee, as Finance Link Governor to carry out a responsible officer (RO) role;

The RO's role includes performing a range of checks on the academy trust's financial systems and internal control. 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 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 2018

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 06.12.2018 and signed on its behalf by:



J Raybould
Chair of Governors



J Morrell
Headteacher and Accounting Officer

QUEENS' SCHOOL (BUSHEY)

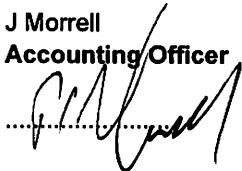
STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2018

As accounting officer of Queens' School (Bushey) I have considered my responsibility to notify the academy trust board of Governors and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, 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 2017.

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 2017.

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 ESFA.

J Morrell
Accounting Officer



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QUEENS' SCHOOL (BUSHEY)

STATEMENT OF GOVERNORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2018

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 & Skills 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 2017 to 2018;
- 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 ESFA/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 members of the board of Governors on 06.12.2018 and signed on its behalf by:



J Raybould
Chair of Governors



J Morrell
Headteacher and Accounting Officer

QUEENS' SCHOOL (BUSHEY)

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

FOR THE YEAR ENDED 31 AUGUST 2018

Opinion

We have audited the accounts of Queens' School (Bushey) for the year ended 31 August 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 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 2017 to 2018.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

QUEENS' SCHOOL (BUSHEY)

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

FOR THE YEAR ENDED 31 AUGUST 2018

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Governors' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Governors' report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' report, including the incorporated strategic report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Responsibilities of Governors

As explained more fully in the statement of Governors' responsibilities, the Governors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the Governors are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

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

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

QUEENS' SCHOOL (BUSHEY)

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

FOR THE YEAR ENDED 31 AUGUST 2018

Use of our report

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

Shona Munday FCA (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young (East) Limited

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Chartered Accountants
Statutory Auditor

PO Box 501
The Nexus Building
Broadway
Letchworth Garden City
Herts
SG6 9BL

QUEENS' SCHOOL (BUSHEY)

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

FOR THE YEAR ENDED 31 AUGUST 2018

In accordance with the terms of our engagement letter dated 10 June 2014 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, 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 2017 to 31 August 2018 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 ESFA 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 ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Queens' School (Bushey) and ESFA, 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 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- reviewing the minutes of the meetings of the Governing Body and other evidence available to us, relevant to our consideration of regularity
- a review of the objectives and activities of the Academy, with reference to the income streams and other information available to us auditors of the Academy
- testing of a sample of payments to suppliers and other third parties
- testing of a sample of grants received and other income streams
- evaluating the internal control procedures and reporting lines, testing as appropriate and making appropriate enquiries of the Accounting Officer.

QUEENS' SCHOOL (BUSHEY)

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

FOR THE YEAR ENDED 31 AUGUST 2018

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 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

UHY Hacker Young (East) Limited
PO Box 501
The Nexus Building
Broadway
Letchworth Garden City
Herts
SG6 9BL

Dated:

QUEENS' SCHOOL (BUSHEY)

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	Unrestricted Funds £	Restricted funds: General Fixed asset £	£	Total 2018 £	Total 2017 £
Income and endowments from:						
Donations and capital grants	3	29,091	-	442,540	471,631	1,257,019
Charitable activities:						
- Funding for educational operations	4	-	8,220,038	-	8,220,038	8,264,179
Other trading activities	5	302,631	569,033	-	871,664	800,689
Investments	6	8,179	-	-	8,179	9,009
Total		339,901	8,789,071	442,540	9,571,512	10,330,896
Expenditure on:						
Raising funds	7	29,454	464,157	-	493,611	446,002
Charitable activities:						
- Educational operations	8	-	8,363,413	771,674	9,135,087	9,450,860
Total	7	29,454	8,827,570	771,674	9,628,698	9,896,862
Net income/(expenditure)		310,447	(38,499)	(329,134)	(57,186)	434,034
Other recognised gains/(losses)						
Actuarial gains on defined benefit pension schemes	19	-	428,000	-	428,000	1,097,000
Net movement in funds		310,447	389,501	(329,134)	370,814	1,531,034
Reconciliation of funds						
Total funds brought forward		1,518,591	(942,543)	38,533,053	39,109,101	37,578,067
Total funds carried forward		1,829,038	(553,042)	38,203,919	39,479,915	39,109,101

QUEENS' SCHOOL (BUSHEY)

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2018

Comparative year information Year ended 31 August 2017		Unrestricted Funds	Restricted funds: General Fixed asset		Total 2017
	Notes	£	£	£	£
Income and endowments from:					
Donations and capital grants	3	29,288	-	1,227,731	1,257,019
Charitable activities:					
- Funding for educational operations	4	-	8,264,179	-	8,264,179
Other trading activities	5	266,448	534,241	-	800,689
Investments	6	9,009	-	-	9,009
Total		<u>304,745</u>	<u>8,798,420</u>	<u>1,227,731</u>	<u>10,330,896</u>
Expenditure on:					
Raising funds	7	31,630	414,372	-	446,002
Charitable activities:					
- Educational operations	8	-	8,727,987	722,873	9,450,860
Total	7	<u>31,630</u>	<u>9,142,359</u>	<u>722,873</u>	<u>9,896,862</u>
Net income/(expenditure)		273,115	(343,939)	504,858	434,034
Transfers between funds	17	31,382	(31,382)	-	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	19	-	1,097,000	-	1,097,000
Net movement in funds		304,497	721,679	504,858	1,531,034
Reconciliation of funds					
Total funds brought forward		1,214,094	(1,664,222)	38,028,195	37,578,067
Total funds carried forward		<u>1,518,591</u>	<u>(942,543)</u>	<u>38,533,053</u>	<u>39,109,101</u>

QUEENS' SCHOOL (BUSHEY)

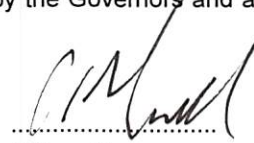
BALANCE SHEET

AS AT 31 AUGUST 2018

	Notes	2018		2017	
		£	£	£	£
Fixed assets					
Tangible assets	12		38,536,467		38,488,600
Current assets					
Debtors	13	357,372		438,673	
Cash at bank and in hand		2,693,942		2,399,391	
		<u>3,051,314</u>		<u>2,838,064</u>	
Current liabilities					
Creditors: amounts falling due within one year	14	<u>(1,110,138)</u>		<u>(988,627)</u>	
Net current assets			1,941,176		1,849,437
Total assets less current liabilities			<u>40,477,643</u>		<u>40,338,037</u>
Creditors: amounts falling due after more than one year	15		<u>(14,728)</u>		<u>(18,936)</u>
Net assets excluding pension liability			40,462,915		40,319,101
Defined benefit pension scheme liability	19		<u>(983,000)</u>		<u>(1,210,000)</u>
Net assets			<u>39,479,915</u>		<u>39,109,101</u>
Funds of the academy trust:					
Restricted funds	17				
- Fixed asset funds			38,203,919		38,533,053
- Restricted income funds			429,958		267,457
- Pension reserve			<u>(983,000)</u>		<u>(1,210,000)</u>
Total restricted funds			<u>37,650,877</u>		<u>37,590,510</u>
Unrestricted income funds	17		<u>1,829,038</u>		<u>1,518,591</u>
Total funds			<u>39,479,915</u>		<u>39,109,101</u>

The accounts on pages 22 to 44 were approved by the Governors and authorised for issue on 06.12.2018 and are signed on their behalf by:


 J Raybould
 Chair of Governors


 J Morrell
 Headteacher and Accounting Officer

Company Number 07650609

QUEENS' SCHOOL (BUSHEY)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2018

		2018		2017	
	Notes	£	£	£	£
Cash flows from operating activities					
Net cash provided by operating activities	20		526,457		219,297
Cash flows from investing activities					
Dividends, interest and rents from investments		8,179		9,009	
Capital grants from DfE Group		549,486		1,182,590	
Capital funding received from sponsors and others		34,178		34,386	
Purchase of tangible fixed assets		(819,541)		(1,157,007)	
Net cash (used in)/provided by investing activities			(227,698)		68,978
Cash flows from financing activities					
Repayment of other loan		(4,208)		(4,208)	
Net cash used in financing activities			(4,208)		(4,208)
Net increase in cash and cash equivalents in the reporting period			294,551		284,067
Cash and cash equivalents at beginning of the year			2,399,391		2,115,324
Cash and cash equivalents at end of the year			2,693,942		2,399,391
Relating to:					
Bank and cash balances			2,070,517		1,655,647
Short term deposits			623,425		743,744

QUEENS' SCHOOL (BUSHEY)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

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 2017 to 2018 issued by ESFA, 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, i.e. 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, the receipt is probable and the amount can be measured reliably.

Grants

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

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

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

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 are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

QUEENS' SCHOOL (BUSHEY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is 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.

Investment income

Where the academy holds unused funds on deposit the interest receivable is recognised on an accruals basis in the statement of financial activities in the period to which it accrued.

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.

QUEENS' SCHOOL (BUSHEY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

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. Where there are specific conditions attached to the funding that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

No depreciation is provided in respect of freehold land.

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 Financial instruments

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

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

QUEENS' SCHOOL (BUSHEY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.8 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.

1.9 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 projected unit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is 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 multi-employer 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.

1.10 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 and Skills 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 and Skills Funding Agency and Department for Education.

QUEENS' SCHOOL (BUSHEY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

1.11 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.

2 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 19, 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 2018. 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.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Capital grants	-	442,540	442,540	1,227,731
Other donations	29,091	-	29,091	29,288
	<u>29,091</u>	<u>442,540</u>	<u>471,631</u>	<u>1,257,019</u>

QUEENS' SCHOOL (BUSHEY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
DfE / ESFA grants				
General annual grant (GAG)	-	7,915,190	7,915,190	7,955,418
Other DfE group grants	-	220,423	220,423	208,988
	<u>-</u>	<u>8,135,613</u>	<u>8,135,613</u>	<u>8,164,406</u>
Other government grants				
Local authority grants	-	-	-	6,166
	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,166</u>
Other funding				
Other incoming resources	-	84,425	84,425	93,607
	<u>-</u>	<u>84,425</u>	<u>84,425</u>	<u>93,607</u>
Total funding	<u>-</u>	<u>8,220,038</u>	<u>8,220,038</u>	<u>8,264,179</u>

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Hire of facilities	238,852	-	238,852	214,347
Music tuition	-	60,187	60,187	68,899
Other income	63,779	508,846	572,625	517,443
	<u>302,631</u>	<u>569,033</u>	<u>871,664</u>	<u>800,689</u>

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Short term deposits	8,179	-	8,179	9,009
	<u>8,179</u>	<u>-</u>	<u>8,179</u>	<u>9,009</u>

QUEENS' SCHOOL (BUSHEY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

7 Expenditure

	Staff costs £	Non Pay Expenditure		Total 2018 £	Total 2017 £
		Premises £	Other £		
Expenditure on raising funds					
- Direct costs	29,234	-	464,377	493,611	446,002
Academy's educational operations					
- Direct costs	6,164,096	647,736	497,245	7,309,077	7,568,429
- Allocated support costs	1,050,899	468,376	306,735	1,826,010	1,882,431
	<u>7,244,229</u>	<u>1,116,112</u>	<u>1,268,357</u>	<u>9,628,698</u>	<u>9,896,862</u>

Net income/(expenditure) for the year includes:

	2018 £	2017 £
Fees payable to auditor for:		
- Audit	10,450	9,550
- Other services	1,725	1,842
Depreciation of tangible fixed assets	762,042	722,873
Loss on disposal of fixed assets	9,632	-
Net interest on defined benefit pension liability	32,000	43,000
	<u>9,135,087</u>	<u>9,450,860</u>

8 Charitable activities

	2018 £	2017 £
All from restricted funds:		
Direct costs		
Educational operations	7,309,077	7,568,429
Support costs		
Educational operations	1,826,010	1,882,431
	<u>9,135,087</u>	<u>9,450,860</u>

	2018 £	2017 £
Analysis of support costs		
Support staff costs	918,614	867,619
Depreciation	123,938	108,431
Technology costs	79,004	65,031
Premises costs	403,322	424,138
Other support costs	149,108	267,400
Governance costs	152,024	149,812
	<u>1,826,010</u>	<u>1,882,431</u>

QUEENS' SCHOOL (BUSHEY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

9 Staff

Staff costs

Staff costs during the year were:

	2018	2017
	£	£
Wages and salaries	6,327,760	6,639,110
Social security costs	533,080	559,836
Pension costs	169,000	172,000
	<hr/>	<hr/>
Staff costs	7,029,840	7,370,946
Agency staff costs	175,990	69,463
Staff development and other staff costs	38,399	35,540
	<hr/>	<hr/>
Total staff expenditure	<u>7,244,229</u>	<u>7,475,949</u>

Non statutory/non-contractual staff severance payments

Included in staff costs are non-statutory/non-contractual severance payments totalling £35,431 (2017: £nil). Individually, the payments were £17,431 made on 7 September 2018 and £18,000 on 2 February 2018.

Staff numbers

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

	2018	2017
	Number	Number
Teachers	107	113
Administration and support	60	82
Management	8	8
	<hr/>	<hr/>
	<u>175</u>	<u>203</u>

Higher paid staff

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

	2018	2017
	Number	Number
£60,000 - £70,000	2	4
£90,001 - £100,000	-	1
£100,001 - £110,000	1	-
	<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 £808,577 (2017: £801,289).

QUEENS' SCHOOL (BUSHEY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

10 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:

J Morrell (Head Teacher and Governor)

Remuneration £100,001 - £105,000 (2017: £95,001 - £100,000)

Employer's pension contributions £15,001 - £20,000 (2017: £15,000 - £20,000)

A Fretwell (Staff Governor):

Remuneration £15,001 - £20,000 (2017: £30,001 - £35,000)

Employer's pension contributions £1 - £5,000 (2017: £5,001 - £10,000)

S Gorton (Staff Governor, resigned 10 July 2018):

Remuneration £30,001-£35,000 (2017: £25,001 - £30,000)

Employer's pension contributions £5,001 - £10,000 (2017: £5,001 - £10,000)

V Foweraker (Employed Governor, resigned 31 May 2018):

Remuneration £20,001 - £25,000 (2017: £20,001 - £25,000)

Employer's pension contributions £1 - £5,000 (2017:£5,001 - £10,000)

L Park (Staff Governor):

Remuneration £30,001 - £35,000 (2017: £40,001 - £45,000)

Employer's pension contributions £5,001 - £10,000 (2017: £5,001 - £10,000)

G Gray (Staff Governor, appointed 11 July 2018):

Remuneration £15,001 - £20,000

Employer's pension contributions £1 - £5,000

L Billinge (Staff Governor):

Remuneration £20,001 - £25,000 (2017: £20,001 - £25,000)

Employer's pension contributions £1 - £5,000 (2017: £1 - £5,000)

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.

11 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 2018

12 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 September 2017	39,851,697	297,031	889,494	41,038,222
Additions	602,938	97,317	119,286	819,541
Disposals	(3,513)	-	(19,360)	(22,873)
At 31 August 2018	40,451,122	394,348	989,420	41,834,890
Depreciation				
At 1 September 2017	1,725,827	235,524	588,271	2,549,622
On disposals	-	-	(13,241)	(13,241)
Charge for the year	638,231	31,703	92,108	762,042
At 31 August 2018	2,364,058	267,227	667,138	3,298,423
Net book value				
At 31 August 2018	38,087,064	127,121	322,282	38,536,467
At 31 August 2017	38,125,870	61,507	301,223	38,488,600

Included within freehold land and buildings are assets under the course of construction. These assets have a cost of £565,618 (2017: £484,605) and are not depreciated until they are complete and in use.

13 Debtors

	2018	2017
	£	£
Trade debtors	60,965	80,404
VAT recoverable	143,995	26,809
Prepayments and accrued income	152,412	331,460
	357,372	438,673

14 Creditors: amounts falling due within one year

	2018	2017
	£	£
Other loans	4,208	4,208
Trade creditors	385,221	133,966
Other creditors	293,606	309,611
Accruals and deferred income	427,103	540,842
	1,110,138	988,627

QUEENS' SCHOOL (BUSHEY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

15 Creditors: amounts falling due after more than one year	2018	2017
	£	£
Other loans	14,728	18,936
	<u>14,728</u>	<u>18,936</u>
Analysis of loans		
Wholly repayable within five years	18,936	23,144
Less: included in current liabilities	(4,208)	(4,208)
	<u>14,728</u>	<u>18,936</u>
Amounts included above	<u>14,728</u>	<u>18,936</u>
Loan maturity		
Debt due in one year or less	4,208	4,208
Due in more than one year but not more than two years	4,208	4,208
Due in more than two years but not more than five years	10,520	12,624
Due in more than five years	-	2,104
	<u>18,936</u>	<u>23,144</u>

Included within other loans are loans totalling £18,936 (2017: £23,114) from Salix Finance Ltd, provided on the following terms:

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

16 Deferred income	2018	2017
	£	£
Deferred income is included within:		
Creditors due within one year	99,997	142,232
	<u>99,997</u>	<u>142,232</u>
Deferred income at 1 September 2017	142,232	159,327
Released from previous years	(142,232)	(159,327)
Resources deferred in the year	99,997	142,232
	<u>99,997</u>	<u>142,232</u>
Deferred income at 31 August 2018	<u>99,997</u>	<u>142,232</u>

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 2018

17 Funds

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	-	7,915,190	(7,915,190)	-	-
Other DfE / ESFA grants	-	220,423	(220,423)	-	-
Other restricted funds	267,457	653,458	(490,957)	-	429,958
Pension reserve	(1,210,000)	-	(201,000)	428,000	(983,000)
	<u>(942,543)</u>	<u>8,789,071</u>	<u>(8,827,570)</u>	<u>428,000</u>	<u>(553,042)</u>
Restricted fixed asset funds					
DfE group capital grants	38,533,053	442,540	(771,674)	-	38,203,919
	<u>38,533,053</u>	<u>442,540</u>	<u>(771,674)</u>	<u>-</u>	<u>38,203,919</u>
Total restricted funds	<u>37,590,510</u>	<u>9,231,611</u>	<u>(9,599,244)</u>	<u>428,000</u>	<u>37,650,877</u>
Unrestricted funds					
General funds	1,518,591	339,901	(29,454)	-	1,829,038
	<u>1,518,591</u>	<u>339,901</u>	<u>(29,454)</u>	<u>-</u>	<u>1,829,038</u>
Total funds	<u>39,109,101</u>	<u>9,571,512</u>	<u>(9,628,698)</u>	<u>428,000</u>	<u>39,479,915</u>

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 2018.

Other DfE / EFSA grants

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

Other government grants

This represents funding received from local government for various specific purposes including special educational needs children and education other than at school.

Other restricted funds

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

Pension 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.

QUEENS' SCHOOL (BUSHEY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

17 Funds

(Continued)

Comparative information in respect of the preceding period is as follows:

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted general funds					
General Annual Grant (GAG)	(624,979)	7,955,418	(7,330,439)	-	-
Other DfE / ESFA grants	-	208,988	(208,988)	-	-
Other government grants	-	6,166	(6,166)	-	-
Other restricted funds	1,052,757	627,848	(1,381,766)	(31,382)	267,457
Pension reserve	(2,092,000)	-	(215,000)	1,097,000	(1,210,000)
	<u>(1,664,222)</u>	<u>8,798,420</u>	<u>(9,142,359)</u>	<u>1,065,618</u>	<u>(942,543)</u>
Restricted fixed asset funds					
DfE group capital grants	<u>38,028,195</u>	<u>1,227,731</u>	<u>(722,873)</u>	<u>-</u>	<u>38,533,053</u>
Total restricted funds	<u>36,363,973</u>	<u>10,026,151</u>	<u>(9,865,232)</u>	<u>1,065,618</u>	<u>37,590,510</u>
Unrestricted funds					
General funds	<u>1,214,094</u>	<u>304,745</u>	<u>(31,630)</u>	<u>31,382</u>	<u>1,518,591</u>
Total funds	<u>37,578,067</u>	<u>10,330,896</u>	<u>(9,896,862)</u>	<u>1,097,000</u>	<u>39,109,101</u>

QUEENS' SCHOOL (BUSHEY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

17 Funds

(Continued)

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	(624,979)	15,870,608	(15,245,629)	-	-
Other DfE / ESFA grants	-	429,411	(429,411)	-	-
Other government grants	-	6,166	(6,166)	-	-
Other restricted funds	1,052,757	1,281,306	(1,872,723)	(31,382)	429,958
Pension reserve	(2,092,000)	-	(416,000)	1,525,000	(983,000)
	<u>(1,664,222)</u>	<u>17,587,491</u>	<u>(17,969,929)</u>	<u>1,493,618</u>	<u>(553,042)</u>
Restricted fixed asset funds					
DfE group capital grants	<u>38,028,195</u>	<u>1,670,271</u>	<u>(1,494,547)</u>	<u>-</u>	<u>38,203,919</u>
Total restricted funds	<u>36,363,973</u>	<u>19,257,762</u>	<u>(19,464,476)</u>	<u>1,493,618</u>	<u>37,650,877</u>
Unrestricted funds					
General funds	<u>1,214,094</u>	<u>644,646</u>	<u>(61,084)</u>	<u>31,382</u>	<u>1,829,038</u>
Total funds	<u>37,578,067</u>	<u>19,902,408</u>	<u>(19,525,560)</u>	<u>1,525,000</u>	<u>39,479,915</u>

18 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	38,536,467	38,536,467
Current assets	1,861,798	1,079,605	109,911	3,051,314
Creditors falling due within one year	(32,760)	(649,647)	(427,731)	(1,110,138)
Creditors falling due after one year	-	-	(14,728)	(14,728)
Defined benefit pension liability	-	(983,000)	-	(983,000)
Total net assets	<u>1,829,038</u>	<u>(553,042)</u>	<u>38,203,919</u>	<u>39,479,915</u>

QUEENS' SCHOOL (BUSHEY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

18 Analysis of net assets between funds (Continued)

	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total Funds £
Fund balances at 31 August 2017 are represented by:				
Tangible fixed assets	-	-	38,488,600	38,488,600
Current assets	1,564,851	882,573	390,640	2,838,064
Creditors falling due within one year	(46,260)	(615,116)	(327,251)	(988,627)
Creditors falling due after one year	-	-	(18,936)	(18,936)
Defined benefit pension liability	-	(1,210,000)	-	(1,210,000)
Total net assets	<u>1,518,591</u>	<u>(942,543)</u>	<u>38,533,053</u>	<u>39,109,101</u>

19 Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by 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 2016.

Contributions amounting to £114,825 (2017: £120,473) were payable to the schemes at 31 August 2018 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' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

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

QUEENS' SCHOOL (BUSHEY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

19 Pension and similar obligations

(Continued)

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)
- 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%

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

The employer's pension costs paid to the TPS in the period amounted to £658,465 (2017: £688,015).

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 an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy 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.

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	2018	2017
	£	£
Employer's contributions	261,000	279,000
Employees' contributions	66,000	69,000
Total contributions	<u>327,000</u>	<u>348,000</u>
Principal actuarial assumptions	2018	2017
	%	%
Rate of increase in salaries	2.5	2.5
Rate of increase for pensions in payment/inflation	2.4	2.4
Discount rate for scheme liabilities	2.8	2.5
Commutation of pensions to lump sums	<u>50.0</u>	<u>50.0</u>

QUEENS' SCHOOL (BUSHEY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

19 Pension and similar obligations

(Continued)

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

	2018 Years	2017 Years
Retiring today		
- Males	22.5	22.5
- Females	24.9	24.9
Retiring in 20 years		
- Males	24.1	24.1
- Females	26.7	26.7
	<u> </u>	<u> </u>

Scheme liabilities would have been increased/(decreased) by changes in assumptions as follows:

	2018 £	2017 £
0.5% decrease in real discount rate	548,000	515,000
0.5% increase in salary increase rate	73,000	77,000
0.5% increase in pension increase rate	470,000	431,000
	<u> </u>	<u> </u>

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

	2018 Fair value £	2017 Fair value £
Equities	2,087,000	2,285,000
Bonds	1,378,000	879,000
Property	315,000	246,000
Other assets	158,000	105,000
	<u> </u>	<u> </u>
Total market value of assets	<u>3,938,000</u>	<u>3,515,000</u>

The actual return on scheme assets was £196,000 (2017: £188,000).

Amount recognised in the Statement of Financial Activities

	2018 £	2017 £
Current service cost	430,000	451,000
Interest income	(91,000)	(64,000)
Interest cost	123,000	107,000
	<u> </u>	<u> </u>
Total operating charge	<u>462,000</u>	<u>494,000</u>

QUEENS' SCHOOL (BUSHEY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

19	Pension and similar obligations	(Continued)	
	Changes in the present value of defined benefit obligations	2018	
		£	
	At 1 September 2017	4,725,000	
	Current service cost	430,000	
	Interest cost	123,000	
	Employee contributions	66,000	
	Actuarial gain	(323,000)	
	Benefits paid	(100,000)	
	At 31 August 2018	<u>4,921,000</u>	
	Changes in the fair value of the academy trust's share of scheme assets	2018	
		£	
	At 1 September 2017	3,515,000	
	Interest income	91,000	
	Actuarial gain	105,000	
	Employer contributions	261,000	
	Employee contributions	66,000	
	Benefits paid	(100,000)	
	At 31 August 2018	<u>3,938,000</u>	
20	Reconciliation of net (expenditure)/income to net cash flow from operating activities	2018	2017
		£	£
	Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(57,186)	434,034
	Adjusted for:		
	Capital grants from DfE/ESFA and other capital income	(442,540)	(1,227,731)
	Investment income receivable	(8,179)	(9,009)
	Defined benefit pension costs less contributions payable	169,000	172,000
	Defined benefit pension net finance cost	32,000	43,000
	Depreciation of tangible fixed assets	762,042	722,873
	Loss on disposal of fixed assets	9,632	-
	(Increase) in debtors	(59,823)	(17,345)
	Increase in creditors	121,511	101,475
	Net cash provided by operating activities	<u>526,457</u>	<u>219,297</u>

QUEENS' SCHOOL (BUSHEY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

21 Commitments under operating leases

At 31 August 2018 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts due within one year	5,980	-
Amounts due in two and five years	5,980	-
	<u>11,960</u>	<u>-</u>

22 Capital commitments

	2018 £	2017 £
Expenditure contracted for but not provided in the accounts	435,379	314,360

23 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.

24 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.