

MAHARISHI SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2012

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

MAHARISHI SCHOOL TRUST LIMITED

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MAHARISHI SCHOOL TRUST LIMITED

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISORS

Governors (Trustees)	R Buswell* (Chairman to 16.06.2012) G Evans B Alexander C Robinson J Biswas B Griffiths I Birnbaum* (Chairman from 17.06.2012) C Winteringham L Coombes Robert Johnstone (Resigned 01.11.2011) P Mitchell
* = members of the Finance Committee	
Secretary	
Senior managers	
Head	D Cassells
Deputy Head - Secondary	M Ingram
Deputy Head - Primary	S Bowey
Director of Finance and Administration	P Mitchell
Registered Office	Cobbs Brow Lane Lathom L40 6JJ Tel: 01695 729912
Company Registration Number	1902341 (England and Wales)
Charity Registration Number	517958
Auditors	Chaytor Steele & Co Chartered Accountants 9a Derby Street Ormskirk L39 2BJ
Bankers	Barclays Bank 265-267 Lord Street Southport PR8 1PD Natwest Bank 4 Standishgate Wigan Lancashire WN1 1UJ Bank of Scotland PO Box 1000 BX2 1LB
Solicitors	Bates Wells & Braithwaite 2-6 Cannon Street City of London London EC4M 6YH

MAHARISHI SCHOOL TRUST LIMITED

REPORT OF THE GOVERNORS 31 August 2012

The governors present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2012.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The School is a company limited by guarantee with no share capital (registration no. 1902341) and a registered charity (registration no. 517958). The Academy Trust's memorandum and articles of association are the primary governing documents of the School together with the Funding Agreement entered into with the Secretary of State for Education. Members of the Academy Trust comprise of the signatories to the memorandum, up to 3 persons who may be appointed by the Maharishi Foundation and 1 person who may be appointed by the Secretary of State, the Chair of Governors and others whom existing members may unanimously appoint. The articles of association require the members of the Academy Trust to appoint at least three governors to be responsible for the statutory and constitutional affairs and management of the School.

Members' liability

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

Governors

The governors are directors of the charitable company for the purposes of the Companies Act 2006 and trustees for the purposes of charity legislation. Governors are subject to retirement by rotation but are eligible for re-election at the meeting at which they retire. At each Annual General Meeting of the charitable company one third of the governors retire by rotation. The governors to retire are those who have been longest in office since their last election or appointment. The governors who were in office at 31 August 2012 and served throughout the year, except where shown are listed on page 1. During the year under review the governors held 10 meetings. The training and induction provided for new Governors will depend on their existing experience. Where necessary induction will provide information on charity, educational, legal and financial matters. All new Governors will be given a tour of the School and the chance to meet with staff and students. All governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as governors. As the number of new governors a year is limited, induction tends to be done informally and is tailored specifically to the individual.

Responsibilities of the Governors

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;

MAHARISHI SCHOOL TRUST LIMITED

REPORT OF THE GOVERNORS 31 August 2012

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Responsibilities of the Governors (continued)

- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

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

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

Organisational Structure

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

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

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

Risk management

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

MAHARISHI SCHOOL TRUST LIMITED

REPORT OF THE GOVERNORS 31 August 2012

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Statement on the system of internal finance control

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

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

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

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

The governors have considered the need for a specific internal audit function and have decided not to appoint an internal auditor. However, the governors have appointed J Scott as Responsible Officer (RO). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a quarterly basis, the RO is required to report to the governing body on the operation of the systems of control and on the discharge of the governing body's financial responsibilities. These arrangements can provide only reasonable and not absolute assurance that assets are safeguarded, transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

MAHARISHI SCHOOL TRUST LIMITED

REPORT OF THE GOVERNORS 31 August 2012

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

OBJECTIVES AND ACTIVITIES

Objects, aims and objectives

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

The main objectives of the School during the year ended 31 August 2012 are summarised below:

- to maintain the primacy of Consciousness-based Education as the unique educational strategy
- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- to raise the standard of educational achievement of all pupils;
- to improve the effectiveness of the School by keeping the curriculum and organisational structure under continual review;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements; and
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

Strategies and activities

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

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

MAHARISHI SCHOOL TRUST LIMITED

REPORT OF THE GOVERNORS 31 August 2012

OBJECTIVES AND ACTIVITIES (continued)

Equal opportunities policy

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

ACHIEVEMENTS AND PERFORMANCE

The School is in its first year of operation as a Free School and continues to achieve the forecast numbers of students. Total students in the year ended 31st August 2012 numbered 135. The School has obtained agreement from the Department for Education (DfE) to grow to 155 students in the year commencing September 2012, which represents an increase of 20 students.

Examination results for 2012 were very pleasing. At GCSE 75% of students achieved 5 or more passes at grades A* to C.

To ensure that standards are continually raised the School operates a programme of observation of lessons and is visited by inspectors. The School also participates in national programmes looking at added value through the key stages.

FINANCIAL REVIEW

Financial report for the year

Most of the School's income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2012 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The School also receives grants for fixed assets from the DfE. In accordance with the Charities Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2012, total expenditure of £ 796,007 was more than covered by recurrent grant funding from the DfE together with other incoming resources. The excess of income over expenditure for the year (excluding restricted fixed asset funds) was £ 7,816.

At 31 August 2012 the net book value of fixed assets was £803,198 and movements in tangible fixed assets are shown in note 9 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the School.

The School became a split site in April 2012 when the Morris Birnbaum Building was opened. This was a large part of the schools expansion and made up a large part of the Capital Grant Income.

The staff were offered to join the Local Government Pension Scheme and an accrual has been made to allow this to be implemented.

MAHARISHI SCHOOL TRUST LIMITED

REPORT OF THE GOVERNORS 31 August 2012

FINANCIAL REVIEW (continued)

Reserves policy and financial position

Reserves policy

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

Financial position

The School held fund balances at 31 August 2012 of £873,651 comprising £822,942 of restricted funds and £50,709 of unrestricted general funds.

PLANS FOR FUTURE PERIODS

The School will continue working to improve the levels of performance of its students at all levels.

The School will also increase its recruitment up to the new agreed levels in Reception to Year 9.

We have received £79,022 in donations which are to be used for a variety of projects within the school:

- Set up new free schools with an aim to be a multi academy trust
- Fund the teaching of Transcendental Meditation to school children

AUDITORS

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

The report of the governors was approved by the governors on 20 January 2013 and signed on their behalf by:

**Ian Birnbaum,
Chairman**

MAHARISHI SCHOOL TRUST LIMITED

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF MAHARISHI SCHOOL TRUST 31 August 2012

We have audited the financial statements of Maharishi School Trust Limited for the year ended 31 August 2012 on pages 10 to 26, which have been prepared on the basis of the accounting policies set out on pages 15 to 17.

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The responsibilities of the directors for preparing the Directors Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Responsibilities of the Directors on page 5.

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

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

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

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

MAHARISHI SCHOOL TRUST LIMITED

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF MAHARISHI SCHOOL TRUST 31 August 2012

BASIS OF AUDIT OPINION

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

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

OPINION

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charity's affairs as at 31 August 2012 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended; and
- the financial statements have been prepared in accordance with the Companies Act 2006.

G M DOBSON (Senior Statutory Auditor)

For and on behalf of

CHAYTOR STEELE & CO
Chartered Accountants & Statutory Auditors

9a Derby Street
Ormskirk
Lancashire
L39 2BJ

20 January 2013

MAHARISHI SCHOOL TRUST LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 August 2012

		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds 2012	Total Funds 2011
	Note	£	£		£	£
Incoming resources						
<i>Incoming resources from generating funds:</i>						
Voluntary income	2	58,575	54,983	–	113,558	108,327
Investment income	3	425	–	–	425	503
<i>Incoming resources from charitable</i>						
<i>School fees</i>						
		–	–	–	–	344,623
Funding for the Academy's educational	4	–	665,019	825,076	1,490,095	-
Total incoming resources		<u>59,000</u>	<u>720,002</u>	<u>825,076</u>	<u>1,604,078</u>	<u>453,453</u>
Resources expended						
Investment management costs						
<i>Charitable activities:</i>						
Academy's educational operations	5	33,873	627,025	24,821	685,719	430,392
<i>Governance costs</i>	5	35,995	74,293	–	110,288	19,383
Total resources expended		<u>69,868</u>	<u>701,318</u>	<u>24,821</u>	<u>796,007</u>	<u>449,775</u>
Net movement in funds		<u>(10,868)</u>	<u>18,684</u>	<u>800,255</u>	<u>808,071</u>	<u>3,678</u>
Total funds brought forward at 1 September 2011		<u>61,081</u>	<u>4,499</u>	<u>–</u>	<u>65,580</u>	<u>61,902</u>
Funds carried forward at 31 August 2012		<u><u>50,213</u></u>	<u><u>23,183</u></u>	<u><u>800,255</u></u>	<u><u>873,651</u></u>	<u><u>65,580</u></u>

MAHARISHI TRUST SCHOOL LIMITED

**INCOME AND EXPENDITURE ACCOUNT
for the year ended 31 August 2012**

	Note	2012 £	2011 £
Income			
General Annual Grant (GAG)	1	619,411	-
DfES capital grants	4	825,076	-
Other DfES grants	4	28,292	-
Other Government grants	4	17,316	-
Private sponsorship and donations	2	85,926	103,396
Interest and receivable	3	425	503
Other Income	2	27,632	349,554
Total income		1,604,078	453,453
Expenditure			
General Annual Grant (GAG) related expenditure		618,748	-
Other DfES grant expenditure		29,433	-
Depreciation		31,685	4,705
Other expenditure		116,141	445,070
Total expenditure		796,007	449,775
Excess of income over expenditure		808,071	3,678

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 31 August 2012**

	Note	2012 £	2011 £
Excess of income over expenditure		808,071	3,678
Net movement to (from) funds			
Restricted funds		818,443	(3,938)
Unrestricted funds		<u>(10,372)</u>	<u>7,616</u>
		808,071	3,678

The income and expenditure account and statement of total recognised gains and losses are derived from the statement of financial activities on page 10 which, together with the notes to the financial statements on pages 15 to 26 provides full information on the movements during the year on all the funds of the Academy. All of the Academy's activities derived from continuing operations during the above two financial periods.

MAHARISHI SCHOOL TRUST LIMITED
BALANCE SHEET at 31 August 2012

	Note	2012 £	2011 £
Fixed assets			
Tangible assets	9	803,198	220,265
		<u>803,198</u>	<u>220,265</u>
Current assets			
Debtors	10	34,081	49,655
Cash at bank and in hand		133,629	72,300
		<u>167,710</u>	<u>121,995</u>
Current liabilities			
Creditors: Amounts falling due within one year	11	(97,257)	(48,992)
Net current assets		<u>70,453</u>	<u>72,963</u>
Total assets less current liabilities		<u>873,651</u>	<u>293,228</u>
Creditors: Amounts falling due after one year	12	-	(227,648)
Net assets including pension liability		<u>873,651</u>	<u>65,580</u>
Funds of the Academy			
<i>Income funds</i>			
Restricted funds			
Restricted fixed asset fund	13	800,255	-
Restricted general fund	13	23,183	4,499
		<u>823,438</u>	<u>4,499</u>
Unrestricted funds			
General fund		50,213	61,081
Total Unrestricted funds		<u>50,213</u>	<u>61,081</u>
Total funds		<u>873,651</u>	<u>65,580</u>

The financial statements on pages 10 to 26 were approved by the governors on 20 January 2013 and signed on their behalf by:

Ian Birnbaum,
Chairman

MAHARISHI SCHOOL TRUST LIMITED

**CASH FLOW STATEMENT
for the year ended 31 August 2012**

	2012	2011
	£	£
Operating activities		
RECEIPTS		
Recurrent grants received from the DfES		
. General Annual Grant (GAG)	619,411	-
. Other grants	24,621	-
Other receipts from the DfES	3,671	-
Other receipts from Government	17,316	-
Other receipts	113,558	424,456
	<u>778,577</u>	<u>424,456</u>
PAYMENTS		
Staff costs	(443,912)	(356,992)
Other cash payments	(265,427)	(83,753)
	<u>(709,339)</u>	<u>(440,745)</u>
Net cash inflow from operating activities	69,238	(16,289)
Returns on investments and servicing of finance		
Interest received	425	503
	<u>425</u>	<u>503</u>
Taxation	-	-
Capital (expenditure)/income		
Capital grants from DfES	825,076	-
Purchase of tangible fixed assets	(614,619)	(2,210)
	<u>210,457</u>	<u>(2,210)</u>
Management of liquid resources and financing		
(Decrease) increase in cash	280,120	(17,996)

MAHARISHI SCHOOL TRUST LIMITED

**CASH FLOW STATEMENT
for the year ended 31 August 2012**

		2012	2011
		£	£
Reconciliation of net cash flow to movement in net funds			
(Decrease) increase in cash		280,120	(17,996)
Net funds at 1 September 2011		(146,491)	(128,495)
Net funds at 31 August 2012	Note 1	<u>133,629</u>	<u>(146,491)</u>

NOTE TO THE CASHFLOW STATEMENT

1 Analysis of changes in net funds	At 1 September 2011 £	Cash flows £	At 31 August 2012 £
Cash in hand and at bank	72,300	61,329	133,629
Bank Loans	<u>(218,791)</u>	<u>218,791</u>	<u>-</u>
	<u>(146,491)</u>	<u>280,120</u>	<u>133,629</u>

MAHARISHI SCHOOL TRUST LIMITED

PRINCIPAL ACCOUNTING POLICIES 31 August 2012

Basis of Preparation

The financial statements have been prepared under the historic cost convention and in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Going Concern

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

Incoming resources

Grants receivable

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet.

Sponsorship income

Sponsorship income provided to the Academy which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable.

Donations

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

Interest receivable

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

Resources expended

Resources expended are recognised in the period in which they are incurred and include irrecoverable VAT. They have been classified under headings that aggregate all costs relating to that activity.

Governance costs

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

Fund accounting

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

Restricted funds comprise grants from the DfES and other donors which are to be used for specific purposes.

MAHARISHI SCHOOL TRUST LIMITED

PRINCIPAL ACCOUNTING POLICIES 31 August 2012

Fund accounting

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

Restricted funds comprise grants from the DfES and other donors which are to be used for specific purposes as explained in note 13.

Tangible fixed assets

Tangible fixed assets acquired since the Academy was established are included in the accounts at cost. Where tangible fixed assets have been acquired with the aid of specific grants, either from the Government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund (in the statement of financial activities and carried forward in the balance sheet). The depreciation on such assets is charged in the statement of financial activities over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Assets costing less than £500 are written off in the year of acquisition. All other assets are capitalised.

Depreciation

Depreciation is provided on a straight line basis on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land. The principal annual rates used for other assets are:

Freehold buildings	1%
Furniture and equipment including Minibus	25%
Computer equipment and software	33%

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

Leased assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statements of financial activities on a straight line basis over the lease term.

Taxation

The school is a registered charity and as such is exempt from income tax and corporation tax under the provisions of the Income and Corporation Taxes Act 1988. The cost of irrecoverable VAT incurred by the school has been included in the statement of financial activities.

MAHARISHI SCHOOL TRUST LIMITED

PRINCIPAL ACCOUNTING POLICIES 31 August 2012

Pensions

School staff are members of one of the following pension schemes:

Defined Benefit Schemes

Teachers' Pension Scheme

Full-time and part-time teaching staff, employed under a contract of service are eligible to contribute to the Teachers' Pension Scheme (TPS). The TPS, a statutory, contributory, final salary scheme is administered by Capita Teachers' Pensions on behalf of the Department for Education and Skills. As the school is unable to identify its share of the underlying (notional) assets and liabilities of the scheme, the Academy has taken advantage of the exemption in Financial Reporting Standard (FRS) 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The pension costs for the scheme represent the contributions payable by the school in the year.

Local Government Pension Scheme

Non-teaching members of staff have been offered membership of the Local Government Scheme (LGPS). The LGPS is a defined benefit pension scheme and will be able to identify the school's share of assets and liabilities as per the requirements of FRS 17, Retirement Benefits. At the Balance Sheet date no staff had taken up membership so no disclosure is required during this financial year.

	2012	2011
	£	£
1 GENERAL ANNUAL GRANT (GAG)		
a. Results and Carry Forward for the Year		
GAG allocation for current year	619,411	-
Total GAG available to spend		
Recurrent expenditure from GAG	618,748	-
	<hr/>	<hr/>
GAG carried forward to next year	663	-
Maximum permitted GAG carry forward at end of current year (12% of allocation for current year)	74,329	-
	<hr/>	<hr/>
GAG to surrender to DfES	- 73,666	-
(12% rule breached if result is positive)	(no breach)	(no breach)

MAHARISHI SCHOOL TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS 31 August 2012

2 VOLUNTARY INCOME

	2012	2011
	£	£
Private sponsorship and donations		
Miscellaneous donations & fundraising	24,039	93,242
Donation – Scott re London	31,350	-
Donation – re Suffolk	6,318	-
Edna Linnell Legacy	17,315	7,002
Fundraising	6,904	3,152
	<hr/>	<hr/>
	85,926	103,396
	<hr/>	<hr/>
Other Income		
School Fees	-	344,623
Pupil Trips	6,883	477
Uniform Sale	5,178	1,068
Out of Hours Income	9,945	1,970
Catering Income	5,626	1,416
	<hr/>	<hr/>
	27,632	349,554
	<hr/>	<hr/>
Total Voluntary Income	<u><u>113,558</u></u>	<u><u>452,950</u></u>

3 INVESTMENT INCOME

	2012	2011
	£	£
Bank Interest	425	503
	<hr/>	<hr/>
	425	503
	<hr/>	<hr/>

4 FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

Department for Education and Skills grants		
General Annual Grant (GAG) (note 1)	619,411	-
Other Department for Education Grants	17,316	-
Other Grant	3,671	-
Start Up Grants	24,621	-
Capital grants	825,076	-
	<hr/>	<hr/>
	1,490,095	-
	<hr/>	<hr/>

MAHARISHI SCHOOL TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS 31 August 2012

	2012 £	2011 £
5 CHARITABLE ACTIVITIES – ACADEMY’S EDUCATIONAL OPERATIONS		
<i>DIRECT COSTS</i>		
Teaching and educational support staff costs	449,406	264,935
Depreciation	31,685	4,705
Books, apparatus and stationery	19,129	15,390
Examination fees	1,577	2,944
Staff development	2,609	420
Educational consultancy	2,535	-
Other direct costs	10,339	-
	<u>517,280</u>	<u>288,394</u>
 <i>ALLOCATED SUPPORT COSTS</i>		
Support staff costs	38,619	70,552
TM Teaching	5,244	5,356
Pupil recruitment and support	9,081	30,729
Maintenance of premises and equipment	38,193	7,344
Cleaning	2,978	1,072
Rent and rates	7,119	3,600
Heat and light	6,033	4,994
Insurance	6,164	3,245
Security	-	1,084
Telephone	1,904	1,111
Transport	11,536	1,587
Catering	7,810	7,799
Technology costs	13,755	-
Bank interest and charges	4,691	6,753
Other support costs	15,312	-
	<u>168,439</u>	<u>144,933</u>
	<u>685,719</u>	<u>430,392</u>
 <i>GOVERNANCE COSTS</i>		
Legal and professional fees	73,671	11,175
Audit fees	6,570	2,160
Debt Recovery	594	6,048
Trust Strategy Costs – Suffolk/London	8,291	-
Other Support Costs – Suffolk/London	21,162	-
	<u>110,288</u>	<u>19,383</u>
	<u>796,007</u>	<u>449,775</u>

MAHARISHI SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS 31 August 2012

6 STAFF COSTS

The average number of persons (including senior management team) employed by the Academy during the year ended 31 August 2012 expressed as full time equivalents was as follows:

	2012	2011
	£	£
<i>Charitable Activities</i>		
Teachers	11	10
Administration and support	8	2
Management	1	1
	—	—
	20	13
<i>Governance activities</i>	1	1
	<u>19</u>	<u>14</u>
Staff costs comprise:	2012	2011
	£	£
Wages and salaries	402,755	324,680
Social security costs	29,052	22,830
Other pension costs	15,157	9,312
	—————	—————
	446,964	356,822
	—————	—————

No employees earned more than £60,000 per annum (including taxable benefits but excluding employers' pension contributions) during the year ended 31 August 2012.

MAHARISHI SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS 31 August 2012

7 GOVERNORS' REMUNERATION AND EXPENSES

C Robinson, an employee and staff governor of the Academy received remuneration of £8,590. No other payments were made to the governors of the Academy during the year ended 31 August 2012.

8 GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2012 was £1,540 (2011 - £1,496).

9 TANGIBLE FIXED ASSETS

	Freehold Land and Buildings £	Furniture & Equipment £	Computer Equipment & Software £	Total £
Cost				
At 1 September 2011	241,343	46,935	46,146	334,424
Additions	449,862	24,108	140,649	614,619
At 31 August 2012	<u>691,205</u>	<u>71,043</u>	<u>186,795</u>	<u>949,043</u>
Depreciation				
At 1 September 2011	24,333	44,351	45,475	114,159
Charged in year	4,287	7,533	19,866	31,686
At 31 August 2012	<u>28,620</u>	<u>51,884</u>	<u>65,341</u>	<u>145,845</u>
Net book values				
At 1 September 2011	217,010	2,584	671	220,265
At 31 August 2012	<u>662,585</u>	<u>19,159</u>	<u>121,454</u>	<u>803,198</u>

MAHARISHI SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS 31 August 2012

9 TANGIBLE FIXED ASSETS (CONTINUED)

The above net book value at 31 August 2012 represents fixed assets used for:

	Freehold Land and Buildings £	Furniture & Equipment £	Computer Equipment & Software £	Total £
Education provision	424,054	12,262	77,731	514,047
Support services	145,769	4,215	26,720	176,704
Governance	92,762	2,682	17,003	112,447
	<u>662,585</u>	<u>19,159</u>	<u>121,454</u>	<u>803,198</u>

Source of funding for assets acquired (cumulative to date)

	2012 £
DfES capital grants	855,962
Other funds (non grant income)	<u>93,081</u>
Cost of fixed assets at 31 August 2012	949,043
Less: Accumulated depreciation	<u>(145,845)</u>
Net book value of fixed assets at 31 August 2012	<u>803,198</u>

10 DEBTORS

	2012 £	2011 £
Trade debtors	-	23,897
Prepayments	10,340	2,749
Sundry debtors	<u>23,741</u>	<u>23,009</u>
	<u>34,081</u>	<u>49,655</u>

MAHARISHI SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS 31 August 2012

11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012	2011
	£	£
Bank Loan	-	13,866
Trade creditors	9,868	13,498
Taxation and social security	10,389	7,442
Sundry creditors	28,105	9,933
Accruals	<u>48,895</u>	<u>4,253</u>
	<u>97,257</u>	<u>48,992</u>

12 CREDITORS: AMOUNTS FALLING AFTER MORE THAN ONE YEAR

	2012	2011
	£	£
Bank Loan	-	204,925
Trade creditors	-	1,375
Sundry creditors	-	<u>21,348</u>
Accruals	-	<u>227,648</u>

13 RESTRICTED FUNDS

The income funds of the Academy comprise the following balances of grants to be applied for specific purposes:

	Balance 1 September 2011 £	Incoming resources £	Resources Expended £	Gains losses and Transfers £	Balance at 31 August 2012 £
Restricted general fund					
General Annual Grant (GAG)	-	619,411	(618,746)	-	665
Start Up Grants	-	24,621	(24,621)	-	-
Other DfE Grants	-	17,316	(17,316)	-	-
Other Government Grant	-	3,671	-	-	3,671
Multi Academy Fund - London	-	31,350	(18,795)	-	12,555
Multi Academy Fund - Suffolk	-	6,318	(5,021)	-	1,297
Edna Linell – TM Teaching	-	17,315	(16,819)	-	496
Vastu Fund	4,499	-	-	-	4,499
	<u>4,499</u>	<u>720,002</u>	<u>(701,318)</u>	<u>-</u>	<u>23,183</u>

MAHARISHI SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS 31 August 2012

13 RESTRICTED FUNDS

	Balance 1 September 2011 £	Incoming resources £	Resources Expended £	Gains losses and Transfers £	Balance at 31 August 2012 £
Restricted fixed asset funds					
DfES capital grants	-	825,076	(24,821)	-	800,255
	<u>-</u>	<u>825,076</u>	<u>(24,821)</u>	<u>-</u>	<u>800,255</u>

Notes

(i) General Annual Grant must be used for the normal running costs of the Academy. The Academy is allowed to carry forward up to 12% of the current (GAG). Of the carried forward amount, up to 2% of GAG can be used for general purposes at the discretion of the Academy, but any balance over 2% must be used for capital purposes.

(ii) Restricted fixed asset were funded by government grants or sponsors.

14 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2012 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed asset Funds	Total
Tangible fixed assets	2,943	-	800,255	803,198
Current assets	144,527	23,183	-	167,710
Current Liabilities	(97,257)	-	-	(97,257)
	<u>50,213</u>	<u>23,183</u>	<u>800,255</u>	<u>873,651</u>

15 CONTINGENT LIABILITIES

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy is required either to re-invest the proceeds or to repay to the Secretary of State for Education and Skills the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by Secondary of State.

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

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

MAHARISHI SCHOOL TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 August 2012

16 PENSION AND SIMILAR OBLIGATIONS

The academy's employees belong to the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; Non-teaching staff have been given the option to join the Local Government Pension Scheme (LGPS), £10,000 has been accrued in the financial statements for any non-teaching staff that may wish to join but no-one has been entered into the scheme at the year end.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2004.

Contributions amounting to £2,126 (2011 - £1,044) were payable to the TPS at 31 August 2012 and are included within creditors.

Teachers Pension Scheme (TPS)

The Teachers' Pension Scheme ("TPS") is a statutory, contributory, defined benefit scheme. The regulations under which the TPS operates are Teachers Pensions Regulations 2010.

Although teachers and lecturers are employed by various bodies, their retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament. Under the unfunded TPS, teachers' contributions on a 'pay-as-you-go' basis, and employers' contributions, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account has been credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

The Government Actuary ("GA"), using normal actuarial principles, conducts formal actuarial reviews of the TPS. The aim of the reviews is to specify the level of future contributions.

The contribution rate paid into the TPS is assessed in two parts. First, a standard contribution rate ("SCR") is determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial investigation, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

MAHARISHI SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 August 2012

16 PENSION AND SIMILAR OBLIGATIONS (continued)

The last valuation of the TPS related to the period 1 April 2001 – 31 March 2004. The GA's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £166,500 millions. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 millions. The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 1.5%. The assumed gross rate of return is 6.5%.

As from 1 January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable. The cost-sharing agreement also introduced – effective for the first time for the 2008 valuation – a 14% cap on employer contributions payable.

From 1 April 2012 to 31 March 2013, the employee contribution rate will range between 6.4% and 8.8%, depending on a member's Full Time Equivalent salary. Further changes to the employee contribution rate will be applied in 2013-14 and 2014-15.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. Many of these are being discussed in the context of the design for a reformed TPS and scheme valuations are, therefore, currently suspended. The Government, however, has set out a future process for determining the employer contribution rate under the new scheme, and this process will involve a full actuarial valuation.

Under the definitions set out in Financial Reporting Standard 17, Retirement Benefits, the TPS is a multi-employer pension schemes. The Academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the Academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were defined contribution scheme. The academy has set out above the information available on the scheme and the implications for the academy in terms of the anticipated contribution rates.

23 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.

MAHARISHI SCHOOL TRUST LIMITED

DETAILED INCOME AND EXPENDITURE ACCOUNT

for the year ended 31 August 2012

This page does not form part of the statutory financial statements

	2012
	£
Income	
General Annual Grant (GAG)	619,411
DfES capital grants	825,076
Other DfES grants	
Startup Grant	24,621
Other	3,671
	<hr/>
	1,472,779
	<hr/>
Other Government grants	
Other	17,316
	<hr/>
	17,316
	<hr/>
Private sponsorship and donations	
Other	113,558
	<hr/>
	113,558
	<hr/>
Other Income	
Interest and receivable	425
	<hr/>
	425
	<hr/>
Total income	1,604,078

MAHARISHI SCHOOL TRUST LIMITED

DETAILED INCOME AND EXPENDITURE ACCOUNT

for the year ended 31 August 2012

This page does not form part of the statutory financial statements

	2012
	£
Expenditure	
General annual grant expenditure	
Staff Costs	
Teaching	322,262
Educational support	24,216
Other	97,434
Total GAG staff costs	<hr/> 443,912 <hr/>
Maintenance of premises	
Building maintenance	22,929
	<hr/> 22,929 <hr/>
Other occupancy costs	
Cleaning	2,978
Water	3,088
Fuel	6,033
Rates	2,619
Insurance	6,164
Other	2,202
	<hr/> 23,084 <hr/>
Educational supplies and services	
Books	1,121
Other Educational expenditure	2,406
Stationery, postage and materials	1,493
Transport	11,535
Examination fees	1,577
Educational visits	1,418
Hire of facilities	3,914
Outdoor learning project	5,005
	<hr/> 28,469 <hr/>

MAHARISHI SCHOOL TRUST LIMITED

DETAILED INCOME AND EXPENDITURE ACCOUNT

for the year ended 31 August 2012

This page does not form part of the statutory financial statements

	2012
	£
Other supplies and services	
Uniforms	7,816
Marketing	9,081
Legal and professional fees	38,270
Audit and accountancy fees	6,570
Bank interest and charges	4,691
Catering	7,449
Licenses and subscriptions	1,598
Telephone	1,905
Other	1,176
	<hr/>
	78,556
	<hr/>
Furniture and Equipment	
Repairs and maintenance	6,847
Furniture and equipment minor purchases	617
	<hr/>
	7,464
	<hr/>
Technology costs (not capitalised)	
Hardware	4,429
Software	5,678
ICT contract charges	2,233
Consumables	1,415
	<hr/>
	13,755
	<hr/>
Staff development	579
	<hr/>
Total GAG Expenditure	618,748
	<hr/> <hr/>

MAHARISHI SCHOOL TRUST LIMITED

DETAILED INCOME AND EXPENDITURE ACCOUNT

for the year ended 31 August 2012

This page does not form part of the statutory financial statements

	2012
	£
Other DfES Grant Expenditure	
Educational supplies	5,513
Printing, postage and stationery	8,597
ICT annual maintenance	7,800
Staff training	1,663
Staff costs	5,494
Other	366
	<hr/>
	29,433
	<hr/>
Depreciation	31,685
	<hr/>
Other expenditure	
Staff costs	38,618
TM teaching	5,244
Educational consultancy	2,535
Advertising	18,496
Marketing and fundraising	1,271
Room hire	1,748
Trust strategy costs	8,291
Human resources and legal fees	35,401
Other	4,536
	<hr/>
	116,140
	<hr/>
Total expenditure	796,007
	<hr/> <hr/>