

MAHARISHI SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2015

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

MAHARISHI SCHOOL TRUST LIMITED

CONTENTS

for the year ended 31 August 2015

	Page
Reference and Administrative Details	1 – 2
Trustees' Report	3 - 10
Governance Statement	11 - 16
Statement on Regularity, Propriety and Compliance	17
Statement of Trustees' Responsibilities	18
Independent Auditor's Report on the Financial Statements	19 - 20
Independent Auditor's Report on Regularity	21 - 22
Statement of Financial Activities incorporating Income and Expenditure Account	23 - 24
Balance Sheet	25
Cash Flow Statement	26
Notes to the Financial Statements, incorporating:	
Statement of Accounting Policies	27 - 30
Other Notes to the Financial Statements	31 – 49

MAHARISHI SCHOOL TRUST LIMITED

REFERENCE AND ADMINISTRATIVE DETAILS

for the year ended 31 August 2015

Governors (Trustees)

* = members of the Finance Committee

G Evans
B Alexander
J Biswas (resigned 30/6/2015)
I Birnbaum* (Chairman)
C Winteringham
L Coombes (resigned 1/5/2015)
J Poole
L Hughes (resigned 31/10/2014)
L Walters*
E Freel
M Ingram
C Robinson (resigned 2/9/2014)
W Marriott (resigned 11/9/2014)
L Wilkinson (appointed 31/10/2014)
J Hill (appointed 31/10/2014)
J G Phillips (appointed 20/9/2015)
R Buswell (appointed 20/10/2015)

Secretary

P Mitchell

Senior managers

Principal

D Cassells*

Deputy Head - Secondary

M Ingram

Deputy Head - Primary

E Freel

Director of Finance and Administration

P Mitchell*

Registered Office

Cobbs Brow Lane
Lathom
L40 6JJ
Tel: 01695 729912

Company Registration Number

1902341 (England and Wales)

Charity Registration Number

517958

Auditors

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

MAHARISHI SCHOOL TRUST LIMITED

REFERENCE AND ADMINISTRATIVE DETAILS

for the year ended 31 August 2015

Bankers

Lloyds
PO Box 1000
Andover
BX1 1LT

National Westminster Bank
4 Standishgate
Wigan
Lancashire
WN1 1UJ

Barclays Bank
265-267 Lord Street
Southport
PR8 1PD

Solicitors

Napthens Solicitors
7 Winckley Square
Preston
Lancashire
PR1 3JD

MAHARISHI SCHOOL TRUST LIMITED

TRUSTEES' REPORT

for the year ended 31 August 2015

The trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2014 to 31 August 2015.

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 Maharishi Foundation and 1 person who may be appointed by the Secretary of State, the Chair of Governors and others whom existing members may unanimously appoint. The articles of association require the members of the Academy Trust to appoint at least three governors to be responsible for the statutory and constitutional affairs and management of the School.

Members' liability

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

Trustees' Indemnities

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

Principal Activities

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

Method of Recruitment and Appointment or Election of Trustees

The governors are directors of the charitable company for the purposes of the Companies Act 2006 and trustees for the purposes of charity legislation. 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, excluding parent-elected and staff 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 2015 and served throughout the year are listed on page 1. During the year under review the governors held 6 meetings. The training and induction provided for new Governors will depend on their existing experience. Where necessary, induction will provide information on charity, educational, legal and financial matters. All new Governors will be given a tour of the School, including the chance to meet with staff and students.

MAHARISHI SCHOOL TRUST LIMITED

TRUSTEES' REPORT

for the year ended 31 August 2015

Method of Recruitment and Appointment or Election of Trustees continued

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

Policies and Procedures Adopted for the Induction and Training of Trustees

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

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

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

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

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

Organisational Structure

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

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

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

MAHARISHI SCHOOL TRUST LIMITED

TRUSTEES' REPORT

for the year ended 31 August 2015

Risk Management

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

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

Statement on the system of internal finance control

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

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

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

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

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

MAHARISHI SCHOOL TRUST LIMITED

TRUSTEES' REPORT

for the year ended 31 August 2015

Statement on the system of internal finance control continued

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

OBJECTIVES AND ACTIVITIES

Objects and Aims

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

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

- to be a safe, happy, caring community of 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.

Objectives, Strategies and Activities

The main objectives of the School during the year ended 31 August 2015 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.

MAHARISHI SCHOOL TRUST LIMITED

TRUSTEES' REPORT

for the year ended 31 August 2015

Public Benefit

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

We recognise the unity of every individual with every aspect of the world, not only other people, but the whole environment. A practical expression of this is the fundraising our pupils undertake for those in need, both at home and around the world. The school has also introduced the Duke of Edinburgh award scheme and in its first year of participation had the highest proportion of involved pupils in the region. This award includes the requirement of participants to undertake a volunteering activity.

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

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

ACHIEVEMENTS AND PERFORMANCE

The School is in its fourth year of operation as a Free School and continues to attract students for all year groups. Total students in the year ended 31st August 2015 numbered 198.

Fifteen pupils took their GCSEs in the Summer. Eight got five or more A*-Cs and all but one of those included English and Maths. Overall, 63% of the grades achieved were A*-C, and over 20% of those were A or A*. It needs to be noted that, with small numbers, cohorts are more difficult to compare. These results also need to be understood in relation to the profile of the cohort of which almost 50% had identified special needs and where an additional pupil's results, who would otherwise had got five or more A*-Cs including English and Maths, was ill and the results did not count in the Government's "five plus" table.

Eighteen pupils took their Key Stage 2 assessments in the Summer. Overall the results were good, with particularly strong outcomes at level 5 in writing, English and science, and at level 4 and above in science. In writing 39% achieved level 5 and above compared to a national average of 33%, in English 50% achieved level 5 and above compared to a national average of 41%, and in science 56% achieved level 5 and above and 94% achieved level 4 and above compared to a national average of 39% and 88% respectively. Results for level 4 and above in maths and English were lower than last year's but, as with GCSE, small numbers mean that cohorts are more difficult to compare.

Eighteen pupils took their Key Stage 1 assessments in the Summer. Overall the results were very good, with particularly strong outcomes at level 3 in reading, maths and science. In reading, 39% achieved level 3 and above compared to a national average of 31%, in maths 39% achieved level 3 and above

MAHARISHI SCHOOL TRUST LIMITED

TRUSTEES' REPORT

for the year ended 31 August 2015

ACHIEVEMENTS AND PERFORMANCE continued

compared to a national average of 24%, and in science 29% achieved level 3 and above compared to a national average of 22%.

To ensure that standards are continually raised the School operates a programme of standardised testing of ability, attainment and attitude cognitive ability testing. Attitudes are monitored from Reception and ability and attainment from Year 3, through to Year 11. Peer and Governor observation of lessons takes place and the school organises visits by inspectors. Staff maintain contacts with other local schools to share and learn successful practice. Starting in September 2015, this includes Maharishi School joining the "Shares" cluster of local schools in which training, information and practice experience are shared to benefit all cluster members equally.

Going Concern

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

Key Financial Performance Indicators

Maharishi School has compared its financial performance against benchmarking data for the Academies sector and is satisfied that there are no concerns. Those areas where performance may be considered marginal are being addressed by plans for future years.

The single greatest expenditure item for any school is staff salaries. The average cost as a percentage of total expenditure for 61% of Academies is 70-80%, of these 36% have staff costs of 75%-80%. The budgeted Maharishi School staff costs for 2015/16 is 78.56% of total expenditure and 77.65% of total income.

For 2014/15 Maharishi School was in the largest percentage group of Academies (34%) in terms of GAG funding carry forward of 0-5% at 0.49%.

Environmentally Maharishi Secondary School is fortunate to occupy a building originally constructed using natural materials wherever practicable, including rammed earth walls. This building was converted for the School's conversion to Free School Status, under the auspices of the DfE, to the latest environmental performance standards, including a new roof.

There is a longer term plan to upgrade the Primary School site to achieve more energy efficient buildings. In 2014/15 the school was successful in its application for a DfE Condition Improvement Fund (CIF) grant for the development of a new, stand-alone classroom, constructed largely of timber products and to the highest energy-efficient standards. This building will be ready for occupation by January

MAHARISHI SCHOOL TRUST LIMITED

TRUSTEES' REPORT

for the year ended 31 August 2015

2016. Work has also started on improving the existing building with the replacement of an old large timber window and a French classroom door with UPVC components.

FINANCIAL REVIEW

Financial and Risk Management Objectives and Policies

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

The year in question is the third year in which the school has participated in the Local Government Pension Scheme, from which the Actuaries report indicates a scheme deficit of £26,000. This deficit is a result of the general position of the Lancashire LGPS, which is understood to be undergoing review which in turn will alleviate the deficit.

Principal Risks and Uncertainties

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

- 1 Maharishi School Trust has considerable reliance on government funding through the EFA. In 2014/15, approximately 96.8% of the School's income was publicly funded and this requirement is expected to continue. A particular evolving risk results from funding reform - there can be no assurance that government policy or practice will remain consistent or that public funding will continue at the levels or on the same terms. The School will need to guard against the prospect of reduced government funding to education.

This risk can be mitigated in a number of ways:

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

Reserves policy

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

MAHARISHI SCHOOL TRUST LIMITED

TRUSTEES' REPORT

for the year ended 31 August 2015

Financial position

The School held fund balances at 31 August 2015 of £865,768 (2014 - £848,379) comprising £787,682 (2014 - £782,824) of restricted funds and £78,086 (2014 - £65,555) of unrestricted general funds.

Investment Policy

During the financial year Maharishi School Trust Ltd generated a cash balance of £385,924. The objective of the academy is to ensure that sufficient funds are available at short or no notice to meet foreseeable requirements, while earning an acceptable rate of return without undue risk.

PLANS FOR FUTURE PERIODS

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

The School will also increase its recruitment up to the maximum capacity of our building.

The School has significantly upgraded its built environment during the last period and is working to continue this work to create improved conditions for both pupil learning and staff working.

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 10 December 2015 and signed on their behalf by:

**Ian Birnbaum,
Chairman**

MAHARISHI SCHOOL TRUST LIMITED

GOVERNANCE STATEMENT

for the year ended 31 August 2015

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Maharishi School Trust Limited and the Secretary of State of Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statements of Trustees' Responsibilities. The board of trustees has formally met 6 times during the year.

Trustee	Meetings attended	Out of a possible
I Birnbaum (Chair)	5	6
G Evans	6	6
B Alexander	6	6
J Biswas	2	5
C Winteringham	5	6
L Coombes	4	4
L Hughes	1	1
J Poole	5	6
L Walters	5	6
M Ingram	5	6
E Freel	4	6
W Marriott (resigned 11/9/2014)	0	1
C Robinson (resigned 2/9/2014)	1	1

The finance committee is a sub-committee of the main board of trustees.

MAHARISHI SCHOOL TRUST LIMITED

GOVERNANCE STATEMENT

for the year ended 31 August 2015

Governance continued

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

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

MAHARISHI SCHOOL TRUST LIMITED

GOVERNANCE STATEMENT

for the year ended 31 August 2015

Governance continued

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

Premises

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

MAHARISHI SCHOOL TRUST LIMITED

GOVERNANCE STATEMENT

for the year ended 31 August 2015

Governance continued

12. Additional items as required/agreed.

During the year the school has completed a Deed of Variation to its Funding Agreement with the Department for Education. This included specific items requested by the school, particularly an increase in the maximum pupil roll, as well as items from the DfE based on its desire to standardise Free School and Academy Funding Agreements, especially in respect of funding criteria. Within this aspect the school was able to ensure funding for 2014/15 would comply with the original Funding Agreement and be based on pupil estimates.

Attendance at finance committee meetings in the year was as follows

Trustee	Meetings attended	Out of a possible
I Birnbaum	6	6
D Cassells	6	6
L Walters	6	6
Non-Trustees		
R Scott	4	6
R Buswell	6	6
J Scott	2	6
P Mitchell	6	6

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Maharishi School Trust for the period 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

MAHARISHI SCHOOL TRUST LIMITED

GOVERNANCE STATEMENT

for the year ended 31 August 2015

Governance continued

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the School Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. The process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- Regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (asset purchase of capital investment) guidelines;
- Delegation of authority and segregation of duties;
- Identification and management risks.

The board of trustees has considered the need for a specific internal audit function and has decided:

- Not to appoint an internal auditor. However the trustees have appointed M Miley, an accountant, as responsible officer (RO);

The RO's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a quarterly basis, the RO reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

MAHARISHI SCHOOL TRUST LIMITED

GOVERNANCE STATEMENT

for the year ended 31 August 2015

Review of Effectiveness

As accounting officer the principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- The work of the responsible officer and peer review;
- The work of the external auditor;
- The work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance and general purposes committee and a plan to address weaknesses (if relevant) and ensure continuous improvement of the system in place.

Approved by order of the board of trustees on 10 December 2015 and signed on its behalf by:

I Birnbaum
Chair of Trustees

D Cassells
Accounting Officer

MAHARISHI SCHOOL TRUST LIMITED

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

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

I confirm of no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.

D Cassells
Accounting Officer
10 December 2015

MAHARISHI SCHOOL TRUST LIMITED

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and the apply them consistently;
- Observe the methods and principles in the Charities SORP;
- 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 financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by order of the members of the board of trustees on 10 December 2015 and signed on its behalf by:

Signed

**I Birnbaum
Chair of Trustees**

MAHARISHI SCHOOL TRUST LIMITED

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF MAHARISHI SCHOOL TRUST 31 August 2015

We have audited the financial statements of Maharishi School Trust Limited for the year ended 31 August 2015 on pages 23 to 49, which have been prepared on the basis of the accounting policies set out on pages 27 to 30.

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

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

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

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

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

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

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

MAHARISHI SCHOOL TRUST LIMITED

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF MAHARISHI SCHOOL TRUST 31 August 2015

BASIS OF AUDIT OPINION

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

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

OPINION

In our opinion:

- the financial statements give a true and fair view of the state of the charitable company's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended; and
- the financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and in accordance with the Companies Act 2006;
- the financial statements have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA.

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

10 December 2015

MAHARISHI SCHOOL TRUST LIMITED

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

In accordance with the terms of our engagement letter dated 5 November 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Maharishi School Trust Limited during the period 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Maharishi School Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Maharishi School Trust and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Maharishi School Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Maharishi School Trust's funding agreement with the Secretary of State Education dated 9 August 2011, the Deed of Variation dated 29 August 2014 and the Academies Financial Handbook, extant from 1 September 2014, 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 2014 to 2015. 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 2014 to 31 August 2015 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 2014 to 2015 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

MAHARISHI SCHOOL TRUST LIMITED

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

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

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

The work undertaken to draw our conclusion includes:

- Review expense claims and any unusual transactions ensuring the expenditure does not contravene the funding agreement
- Review of work undertaken and conclusions reached by Accounting Officer and the Responsible Individual throughout the year ensuring internal control procedures have been implemented
- Review responses from 2014 FMGE Return and assessment to ensure all actions required were implemented
- Review the risk register and representations given to trustees to ensure they are aware of their responsibilities including declarations of external interests
- All minutes of committee meetings were reviewed

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects of the expenditure disbursed and income received during the period 1 September 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

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

10 December 2015

MAHARISHI SCHOOL TRUST LIMITED
STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT
AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES)
for the year ended 31 August 2015

		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds 2015	Total Funds 2014
	Note	£	£		£	£
Incoming resources						
<i>Incoming resources from generating funds:</i>						
Voluntary income	3	12,913	39,930	-	52,843	33,120
Activities for generating funds	4	62,864	-	-	62,864	48,323
Investment income	5	284	-	-	284	366
<i>Incoming resources from charitable activities</i>						
Funding for the Academy trust's educational operations	6	-	1,106,483	-	1,106,483	992,407
Total incoming resources		<u>76,061</u>	<u>1,146,413</u>	<u>-</u>	<u>1,222,474</u>	<u>1,074,216</u>
Resources expended						
Costs of generating voluntary income	9	-	6,935	-	6,935	7,200
Fundraising trading	8	37,830	-	-	37,830	30,411
<i>Charitable activities:</i>						
Academy's educational operations	10	25,700	1,079,162	-	1,104,862	955,616
Governance costs	11	-	53,458	-	53,458	59,302
Total resources expended	7	<u>63,530</u>	<u>1,139,555</u>	<u>-</u>	<u>1,203,085</u>	<u>1,052,529</u>
Net incoming/(outgoing) resources before transfers		<u>12,531</u>	<u>6,858</u>	<u>-</u>	<u>19,389</u>	<u>21,687</u>
Gross transfers between funds	18	-	36,151	(36,151)	-	-
Net income/(expenditure) for the year c/f		<u>12,531</u>	<u>43,009</u>	<u>(36,151)</u>	<u>19,389</u>	<u>21,687</u>

MAHARISHI SCHOOL TRUST LIMITED
STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT
AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES) (continued)
for the year ended 31 August 2015

		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds 2015	Total Funds 2014
	Note	£	£		£	£
Net income/(expenditure) for the year b/f		12,531	43,009	(36,151)	19,389	21,687
Other recognised gains and losses						
Actuarial (losses) gains on defined benefit pension schemes	18,27	-	(2,000)	-	(2,000)	(8,000)
Net movement in funds		12,531	41,009	(36,151)	17,389	13,687
Reconciliation of funds						
Total funds brought forward at 1 September 2014	18	65,555	101,792	681,032	848,379	834,692
Total funds carried forward at 31 August 2015		78,086	142,801	644,881	865,768	848,379

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

MAHARISHI SCHOOL TRUST LIMITED
BALANCE SHEET at 31 August 2015

	Notes	2015 £	2015 £	2014 £	2014 £
Fixed assets					
Tangible assets	15		682,157		683,692
Current assets					
Debtors	16	56,431		33,668	
Cash at bank and in hand		385,924		231,700	
		<u>442,355</u>		<u>256,368</u>	
Liabilities					
Creditors: Amounts falling due within one year	17	(232,744)		(91,681)	
Net current assets					
			209,611		173,687
Total assets less current liabilities					
Pension scheme liability	27		891,768		857,379
			(26,000)		(9,000)
Net assets including pension liability					
			<u>865,768</u>		<u>848,379</u>
Funds of the academy trust:					
Restricted income funds					
. Fixed asset fund	18	644,881		681,032	
. General fund	18	168,801		110,792	
. Pension reserve	18	(26,000)		(9,000)	
Total restricted funds					
			<u>787,682</u>	<u>782,824</u>	
Unrestricted income funds					
. General fund	18	78,086		65,555	
Total unrestricted funds					
			<u>78,086</u>	<u>65,555</u>	
Total funds					
			<u>865,768</u>	<u>848,379</u>	

The financial statements on pages 23 to 49 were approved by the trustees, and authorised for issued on 10 December 2015 and are signed on their behalf by:

Ian Birnbaum,
Chairman

MAHARISHI SCHOOL TRUST LIMITED

CASH FLOW STATEMENT
for the year ended 31 August 2015

	Note	2015 £	2014 £
Net cash flow from operating activities	22	206,352	58,220
Returns on investments and servicing of finance	23	284	366
Capital expenditure	24	(52,412)	-
(Decrease)/Increase in cash in the year	25	<u>154,224</u>	<u>58,586</u>
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September 2014		231,700	173,114
Net funds at 31 August 2015		<u>385,924</u>	<u>231,700</u>

MAHARISHI SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2015

1. Statement of Accounting Policies

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

General Annual Grant is recognised in full in the year for which is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship income

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

Donations

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

Interest receivable

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

- **Other Income**

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

MAHARISHI SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2015

- **Donated Service and Gifts in Kind**

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

Resources Expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

- **Costs of Generating Funds**

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

- **Charitable Activities**

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

- **Governance Costs**

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

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

Assets costing £1,004,388 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

MAHARISHI SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2015

1. Statement of Accounting Policies (continued)

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

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

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

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

Leased assets

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

Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pension Benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes 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 lower percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 27, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contributions scheme and the contributions recognised as they are paid each year.

MAHARISHI SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2015

1. Statement of Accounting Policies (continued)

Pension Benefits (continued)

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit 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 gains and losses on settlement and circumstances. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

Fund Accounting

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

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

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

MAHARISHI SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2015

	2015 £	2014 £
2 GENERAL ANNUAL GRANT (GAG)		
a. Results and Carry Forward for the Year		
GAG brought forward from last year	78,216	22,852
GAG allocation for current year	1,089,545	980,273
Total GAG available to spend	1,167,761	1,003,125
Recurrent expenditure from GAG	1,037,973	924,909
GAG carried forward to next year	129,788	78,216
Maximum permitted GAG carry forward at end of current year (12% of allocation for current year)	130,745	117,633
GAG to surrender to DfES	-957	- 39,417
(12% rule breached if result is positive)	(no breach)	(no breach)

Under the funding agreement with the Secretary of State the academy trust was subject to limits at 31 August 2015 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes. The academy trust has not exceeded these limits during the year ended 31 August 2015.

3 VOLUNTARY INCOME

	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
Private sponsorship and donations				
Miscellaneous donations	12,913	-	12,913	13,645
Lottery Funding	-	-	-	10,000
Sport England Funding	-	30,780	30,780	-
Duke of Edinburgh	-	150	150	400
Donations – re: Suffolk	-	-	-	75
Edna Linnell Legacy	-	9,000	9,000	9,000
	12,913	39,930	52,843	33,120

MAHARISHI SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2015

4 ACTIVITIES FOR GENERATING FUNDS

	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
Fundraising	7,212	-	7,212	8,935
Pupil Trips	22,655	-	22,655	7,360
Uniform Sale	5,831	-	5,831	6,671
Out of Hours Income	23,168	-	23,168	18,093
Catering Income	3,274	-	3,274	7,264
Bus Transfer Income	724	-	724	-
	-----	-----	-----	-----
	62,864	-	62,864	48,323
	-----	-----	-----	-----

5 INVESTMENT INCOME

	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
Bank Interest	284	-	284	366
	-----	-----	-----	-----

6 FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
DfE/EFA grants				
General Annual Grant (GAG) (note 2)	-	1,089,545	1,089,545	980,273
	-----	-----	-----	-----
	-	1,089,545	1,089,545	980,273
	-----	-----	-----	-----
Other Government grants				
Local authority grants	-	16,938	16,938	12,134
	-----	-----	-----	-----
	-	1,106,483	1,106,483	992,407
	-----	-----	-----	-----

MAHARISHI SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2015

7 RESOURCES EXPENDED

	Staff Costs	Non Pay Expenditure Other		Total	Total
	£	Premises £	Costs £	2015 £	2014 £
Costs of activities for generating funds	11,593	-	26,237	37,830	30,411
Costs of generating voluntary income	6,935	-	-	6,935	7,200
Academy's educational operations					
. Direct costs	622,900	6,912	177,800	807,612	660,415
. Allocated support costs	191,220	59,126	46,904	297,250	295,201
	832,648	66,038	250,941	1,149,627	993,227
Governance costs including allocated support costs	40,783	-	12,675	53,458	59,302
	873,431	66,038	263,616	1,203,085	1,052,529

Incoming /outgoing resources for the year

Include:	2015 £	2014 £
Fees payable to auditor - audit	4,750	4,500
- other expenses	1,918	2,066
	6,668	6,566

8 CHARITABLE ACTIVITIES – COSTS OF ACTIVITIES FOR GENERATING FUNDS

	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
Catering	20,284	-	20,284	14,209
Support staff costs	11,593	-	11,593	9,626
Other support costs	5,953	-	5,953	6,576
	37,830	-	37,830	30,411

MAHARISHI SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2015

9 CHARITABLE ACTIVITIES – COSTS OF GENERATING VOLUNTARY INCOME

	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
TM Teaching	-	6,935	6,935	7,200

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

	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
Teaching and educational support staff costs	-	622,900	622,900	526,694
Depreciation	-	53,947	53,947	60,995
Technology costs	-	31,820	31,820	9,486
Books, apparatus and stationery	-	16,676	16,676	14,703
Examination fees	-	4,833	4,833	5,522
Staff development	-	6,217	6,217	7,068
Educational Visits	18,270	-	18,270	6,178
Other direct costs	6,607	46,342	52,949	29,769
	24,877	782,735	807,612	660,415

ALLOCATED SUPPORT COSTS

Support staff costs	-	191,220	191,220	181,666
Pupil recruitment and support	-	11,847	11,847	8,563
Maintenance of premises and equipment	-	56,870	56,870	49,532
Cleaning	-	2,364	2,364	3,102
Rent and rates	-	3,919	3,919	4,068
Heat and light	-	7,312	7,312	6,727
Insurance	-	6,517	6,517	6,124
Telephone	-	3,684	3,684	1,540
Transport	-	7,264	7,264	22,526
Technology costs	-	3,584	3,584	6,346
Bank interest and charges	-	1,039	1,039	1,651
Other support costs	823	807	1,630	3,356
	823	296,427	297,250	295,201

ACADEMY'S EDUCATIONAL OPERATIONS 25,700 1,079,162 1,104,862 955,616

MAHARISHI SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2015

11 GOVERNANCE COSTS

	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
Legal and professional fees	-	5,941	5,941	13,073
Auditor's remuneration				
. Audit of financial statements	-	4,750	4,750	4,500
. Other audit costs	-	1,918	1,918	2,066
Support Staff Costs	-	40,783	40,783	39,556
Trustees' reimbursed expenses	-	66	66	107
	<hr/>	<hr/>	<hr/>	<hr/>
	-	53,458	53,458	59,302
	<hr/>	<hr/>	<hr/>	<hr/>

12 STAFF COSTS

Staff costs comprise:

	2015 £	2014 £
Wages and salaries	701,144	635,138
Social security costs	33,115	36,764
Other pension costs	111,975	78,558
	<hr/>	<hr/>
	846,234	750,460
Supply teacher costs	20,262	7,082
TM teaching costs	6,935	7,200
	<hr/>	<hr/>
	873,431	764,742
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MAHARISHI SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2015

12 STAFF COSTS (continued)

The average number of persons (including senior management team) employed by the Academy during the year ended 31 August 2015 expressed as full time equivalents was as follows:

Charitable Activities

	2015 No.	2014 No.
Teachers	13	13
Administration and support (including Teaching Assistants)	17	17
Management	3	2
	—	—
	33	32
	—	—

No employees earned more than £60,000 per annum (including taxable benefits but excluding employers' pension contributions) during the year ended 31 August 2015. (No employees earned more than £60,000-31 August 2014).

13 RELATED PARTY TRANSACTIONS – TRUSTEES' REMUNERATION & EXPENSES

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

D Cassells (principal and trustee):	£40,000 - £45,000 (2014: £40,000 - £45,000)
M Ingram (Deputy Head, Secondary and trustee):	£30,000 - £35,000 (2014: £30,000 - £35,000)
E Freel (Deputy Head, Primary and trustee):	£30,000 - £35,000 (2014: £30,000 - £35,000)
L Walters (SENCO, Teacher and trustee):	£20,000 - £25,000 (2014: £20,000 - £25,000)

During the year ended 31 August 2015, travel and subsistence expenses totalling £66 (2014: £107) were reimbursed to one of the trustees.

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

14 TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2015 was £646 (2014: £646).

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

MAHARISHI SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2015

15 TANGIBLE FIXED ASSETS

	Freehold Land and Buildings £	Furniture & Equipment £	Computer Equipment & Software £	Total £
Cost				
At 1 September 2014	691,205	71,043	189,728	951,976
Additions	7,430	38,730	6,252	52,412
At 31 August 2015	<u>698,635</u>	<u>109,773</u>	<u>195,980</u>	<u>1,004,388</u>
Depreciation				
At 1 September 2014	42,444	64,838	161,002	268,284
Charged in year	8,770	15,000	30,177	53,947
At 31 August 2015	<u>51,214</u>	<u>79,838</u>	<u>191,179</u>	<u>322,231</u>
Net book values				
At 1 September 2014	648,761	6,205	28,726	683,692
At 31 August 2015	<u>647,421</u>	<u>29,935</u>	<u>4,801</u>	<u>682,157</u>

16 DEBTORS

	2015 £	2014 £
Trade debtors	5,726	3,464
Vat Recoverable	10,043	26,734
Prepayments and accrued income	40,662	3,470
	<u>56,431</u>	<u>33,668</u>

17 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £	2014 £
Trade creditors	16,560	19,263
Taxation and social security	-	56
Other creditors	30,392	29,516
Accruals and deferred income	185,792	42,846
	<u>232,744</u>	<u>91,681</u>

MAHARISHI SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2015

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

Deferred income	2015
	£
Deferred Income at 1 September 2014	24,389
Resources deferred in the year	150,372
Amounts released from previous year	(24,389)
	<hr/>
Deferred Income at 31 August 2015	150,372

At the balance sheet date the academy trust was holding funds received in advance for Academy Infant Free School Meals, Pupil Premium and Capital Expenditure booked for the autumn term 2015.

18 FUNDS

	Balance 1 September 2014	Incoming resources	Resources Expended	Gains losses and Transfers	Balance at 31 August 2015
	£	£	£	£	£
Restricted general funds					
General Annual Grant (GAG)	78,216	1,089,545	(1,074,124)	36,151	129,788
Other Government Grant	15,691	16,938	(12,500)	-	20,129
Multi Academy Fund - London	9,090	-	(66)	-	9,024
Edna Linell – TM Teaching	3,296	9,000	(6,935)	-	5,361
Vastu Fund	4,499	-	-	-	4,499
Duke of Edinburgh	-	150	(150)	-	-
Sport England Funding	-	30,780	(30,780)	-	-
Pension reserve	(9,000)	-	(15,000)	(2,000)	(26,000)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	101,792	1,146,413	(1,139,555)	34,151	142,801
Restricted fixed asset funds					
DfES capital grants	681,032	-	-	(36,151)	644,881
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Restricted Funds	782,824	1,146,413	(1,139,555)	(2,000)	787,682
Unrestricted funds					
Unrestricted funds	65,555	76,061	(63,530)	-	78,086
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	848,379	1,222,474	(1,203,085)	(2,000)	865,768

MAHARISHI SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2015

18 FUNDS (continued)

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

- (i) General Annual Grant must be used for the normal running costs of the Academy. Under the funding agreement with the Secretary of State, the Academy Trust is subject to a limit on the amount of GAG that it could carry forward at 31 August 2015. Note 2 discloses whether the limit was exceeded.
- (ii) Other Government Grant has been received from the Local Authority to provide individual pupil funding for SEN.
- (iii) Multi Academy funds were created from donations in two specific areas to support the applications to open new Maharishi School Trust's in these areas. Both applications have been unsuccessful.
- (iv) Edna Linell Fund has the specific purpose of providing the funding to pay for the costs of teaching TM and Consciousness Based Education.
- (v) Vastu Fund was a restricted fund set up prior to the school becoming an Academy for the purpose of expenditure on the school's premises.
- (vi) Restricted fixed assets were funded by government grants. The grant is amortised over the useful economic life of the related assets on a basis consistent with the Academy Trust's depreciation policy, the amount is transferred between funds each year.

The trust is carrying a net surplus of £168,801 on restricted funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2015.

19 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2015 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed asset Funds	Total
Tangible fixed assets	37,276	-	644,881	682,157
Current assets	273,554	168,801	-	442,355
Current Liabilities	(232,744)	-	-	(232,744)
Pension Scheme Liability	-	(26,000)	-	(26,000)
	<u>78,086</u>	<u>142,801</u>	<u>644,881</u>	<u>865,768</u>

MAHARISHI SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2015

20 CAPITAL COMMITMENTS

	2015	2014
	£	£
Contracted for, but not provided in the financial statements	133,698	33,770
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The capital commitment is the construction of a new reception building which is to be partly funded from a capital grant received from the Department for Education.

21 FINANCIAL COMMITMENTS

Operating Leases

At 31 August 2015 the academy trust had annual commitments under non-cancellable operating leases as follows:

	2015	2014
	£	£
Other		
Expiring within two to five years inclusive	576	576
Expiring in over five years	500	500
	<hr/>	<hr/>
	1,076	1,076
	<hr/>	<hr/>

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

	2015	2014
	£	£
Net income	17,389	13,687
Depreciation (note 15)	53,947	60,995
Interest receivable (note 5)	(284)	(366)
(Increase)/decrease in debtors	(22,763)	(19,741)
Increase/(decrease) in creditors	158,063	3,645
	<hr/>	<hr/>
Net Cash Inflow from Operating Activities	206,352	58,220
	<hr/>	<hr/>

MAHARISHI SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2015

23 RETURNS ON INVESTMENTS AND SERVICING FINANCE

	2015	2014
	£	£
Interest received	284	366
	<hr/>	<hr/>
Net cash inflow from returns on investment and servicing of Finance	284	366
	<hr/>	<hr/>

24 CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	2015	2014
	£	£
Purchase of tangible fixed assets	52,412	-
	<hr/>	<hr/>
Net cash outflow from capital expenditure and financial Investment	52,412	-
	<hr/>	<hr/>

25 ANALYSIS OF CHANGES IN NET FUNDS

	At 1 September	Cash flows	At 31
	2014	£	August
	£		2015
			£
Cash in hand and at bank	231,700	154,224	385,924
	<hr/>	<hr/>	<hr/>
	231,700	154,224	385,924
	<hr/>	<hr/>	<hr/>

26 MEMBERS LIABILITY

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

MAHARISHI SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2015

27 PENSION AND SIMILAR OBLIGATIONS

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

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

Contributions amounting to £4,288 (2014 - £4,746) were payable to the schemes at 31 August 2015 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

MAHARISHI SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2015

27 PENSION AND SIMILAR OBLIGATIONS (continued)

Valuation of Teachers' Pension Scheme (continued)

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

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £ 51,028 (2014 - £41,252).

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

MAHARISHI SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2015

27 PENSION AND SIMILAR OBLIGATIONS (continued)

LOCAL GOVERNMENT PENSION SCHEME

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £53,043 (2014 - £49,691), of which employer's contributions totalled £39,043 (2014 - £37,306) and the employees' contributions totalled £14,000 (2014 - £12,385). The agreed contribution rates for future years are 19.1 percent for employers and range from 5.5 per cent to 6.8 per cent for employees.

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

PRINCIPAL ACTUARIAL ASSUMPTIONS

	At 31 August 2015	At 31 August 2014
Rate of increase in salaries	3.70%	3.70%
Rate of increase for pensions in payment/inflation	2.20%	2.20%
Discount rate for scheme liabilities	4.00%	4.00%
Inflation assumption (CPI)	2.20%	2.20%
Commutation of pensions to lump sums		
-Maximum Cash	50.00%	50.00%
-3/80ths Cash	50.00%	50.00%

MAHARISHI SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2015

27 PENSION AND SIMILAR OBLIGATIONS (continued)

LOCAL GOVERNMENT PENSION SCHEME (continued)

PRINCIPAL ACTUARIAL ASSUMPTIONS (continued)

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

	At 31 August 2015	At 31 August 2014
<i>Retiring today</i>		
Males	22.9	22.8
Females	25.4	25.3
<i>Retiring in 20 years</i>		
Males	25.1	25.0
Females	27.8	27.7

The academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	Expected Return at 31 August 2015	Fair value at 31 August 2015	Expected return at 31 August 2013	Fair value at 31 August 2014
Equities	6.5%	53,000	7.0%	48,000
Government Bonds	2.5%	8,000	2.9%	-
Other Bonds	3.6%	4,000	3.8%	26,000
Property	6.1%	14,000	6.2%	9,000
Cash/Liquidity	0.5%	2,000	0.5%	2,000
Other	6.5%	<u>72,000</u>	7.0%	<u>11,000</u>
Total market value of assets		153,000		
Present value of scheme liabilities				
- Funded		<u>(179,000)</u>		
Surplus/(deficit) in the scheme		<u>(26,000)</u>		

MAHARISHI SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2015

27 PENSION AND SIMILAR OBLIGATIONS (continued)

LOCAL GOVERNMENT PENSION SCHEME (continued)

Assumptions for expected returns on assets, gross of expenses

The expected rate of return on plan assets is based on market expectations, at the beginning of the period, for investment returns over the entire life of the related obligation. The assumption used is the average of the following assumptions appropriate to the individual asset classes weighted by the proportion of the assets in the particular asset class.

The assumed investment return on government bonds is the yield on 20-year fixed interest gilts at the relevant date. As at 31 August 2015 this yield was 2.5% p.a.

The expected investment return on corporate bonds is based on market yields at the relevant date, although this will normally vary by duration, and the expected return should also take into account the risk of default in the corporate bond yield. As at 31 August 2015 we have taken the expected return as 3.6% p.a., which implies a reduction for the risk of default of 0.3% p.a. when compared with the corporate bond yield/discount rate appropriate to the "Mature" deviation profile for example.

It is generally accepted that the yield on equity investments will contain an "equity risk premium" in addition to the yield on Government bonds, which are perceived as the "least risk" investment class, in order to compensate investors for the additional risk of holding this type of investment. Historical excess equity returns over more than 100 years have been approximately 4% p.a. on average. However, the level of equity risk premium can vary from time to time dependent on market levels and expectations for future returns. We have taken the overall expected return on equities as at 31 August 2015 as 6.5% p.a., implying an equity risk premium on equities of 4.0% p.a. over and above the gilt yield of 2.5% p.a.

Assumed returns on property are based on the expected long term returns on cash investments, plus a risk premium to allow for expected out-performance of property over cash, and an adjustment for the impact of the expected volatility of the returns.

The actual return on scheme assets was £4,000 (2014:£6,000)

MAHARISHI SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2015

27 PENSION AND SIMILAR OBLIGATIONS (continued)

LOCAL GOVERNMENT PENSION SCHEME (continued)

AMOUNTS RECOGNISED IN THE STATEMENT OF FINANCIAL ACTIVITIES

	2015	2014
Current service cost (net of employee contributions)	(55,000)	(45,000)
Total operating charge	<u>(55,000)</u>	<u>(45,000)</u>
Analysis of pension finance income/(costs)		
Expected return on pension scheme assets	6,000	5,000
Interest on pension liabilities	<u>(5,000)</u>	<u>(5,000)</u>
Pension finance income/(costs)	<u>1,000</u>	<u>-</u>

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £26,000 loss (2014: £9,000 - loss).

Movements in the present value of defined benefit

Obligations were as follows

	2015	2014
	£	£
At 1 September 2014	105,000	64,000
Current service cost (net of employee contributions)	55,000	45,000
Interest cost	5,000	5,000
Employee contributions	14,000	12,000
Actuarial (gain)/loss	-	(21,000)
	<u> </u>	<u> </u>
At 31 August 2015	179,000	105,000
	<u> </u>	<u> </u>

MAHARISHI SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2015

27 PENSION AND SIMILAR OBLIGATIONS (continued)

LOCAL GOVERNMENT PENSION SCHEME (continued)

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

	2015	2014
	£	£
At 1 September	96,000	63,000
Expected return on assets	6,000	5,000
Actuarial gain/(loss)	(2,000)	(23,000)
Employer contributions	39,000	39,000
Employee contributions	14,000	12,000
	<hr/>	<hr/>
At 31 August 2015	<u>153,000</u>	<u>96,000</u>

The estimated value of employer contributions for the year ended 31 August 2016 is £39,000.

The five year history of experience adjustments is as follows:

	2015	2014	2013	2012	2011
	£	£	£	£	£
Present value of defined Benefit obligations	(179,000)	(105,000)	(64,000)	N/A	N/A
Fair value of share of scheme Assets	<u>153,000</u>	<u>96,000</u>	<u>63,000</u>	<u>N/A</u>	<u>N/A</u>
Deficit in the scheme	(26,000)	<u>(9,000)</u>	<u>(1,000)</u>	<u>N/A</u>	<u>N/A</u>
Experience adjustments on Share of scheme assets					
Amount £	(2,000)	(23,000)	5,000	N/A	N/A
Experience adjustments on Scheme liabilities					
Amount £	-	26,000	-	N/A	N/A

MAHARISHI SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2015

28 RELATED PARTY TRANSACTIONS

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

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