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**BEAUMONT SCHOOL**  
**(A company limited by guarantee)**

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**GOVERNORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

THURSDAY



\*L3150054\*

LD3 06/02/2014 #120  
COMPANIES HOUSE



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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS  
FOR THE PERIOD ENDED 31 AUGUST 2013**

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**Governors**

R Prindiville (appointed 13 June 2012)<sup>1 3</sup>  
A N Hall (appointed 13 June 2012)<sup>1,2</sup>  
J M Ingamells (appointed 13 June 2012, resigned 26 November 2012)<sup>1</sup>  
A Mallett (appointed 1 July 2012, resigned 26 November 2012)<sup>1</sup>  
J M Finland (appointed 1 July 2012, resigned 2 September 2013)  
A W J Brenton (appointed 1 July 2012, resigned 21 January 2013)<sup>1</sup>  
A Wallis (appointed 1 July 2012)<sup>1,4</sup>  
J McAlister (appointed 1 July 2012)  
L J Sherwood (appointed 1 July 2012)  
M J Atkinson, Deputy Head (appointed 1 July 2012)  
M R Cameron (appointed 1 July 2012)<sup>1</sup>  
M H McCrorie, Deputy Head (appointed 1 July 2012)  
N A Forster (appointed 1 July 2012, resigned 12 September 2012)  
C J Morris (appointed 1 July 2012, resigned 5 October 2012)<sup>1</sup>  
K M Doyle (appointed 1 July 2012)  
E Hitch, Headteacher (appointed 1 July 2012)<sup>1</sup>  
S J Jump (appointed 1 July 2012)<sup>1</sup>  
A-H Kadodia (appointed 1 July 2012, resigned 12 September 2013)  
L R Sidney (appointed 13 September 2012, resigned 2 September 2013)  
N S Moody (appointed 13 September 2012)  
C C Aikman (appointed 13 September 2012)  
J Chu (appointed 13 September 2012)<sup>1</sup>  
N R Armstrong (appointed 30 November 2012)<sup>1</sup>  
K M Trounson (appointed 30 November 2012)  
G K Kellett (appointed 6 February 2013)<sup>1</sup>

<sup>1</sup> Member of the Resources Committee

<sup>2</sup> Vice-Chair of Governors from 1st July 2012 to 22nd January 2013 when appointed acting Chair of Governors upon resignation of Chair. Appointment as acting Chair ratified and formal appointment as Chair of Governors agreed at FGB meeting on 19th March 2013, such appointment continued to 31st August 2013

<sup>3</sup> Chair of Governors from 1st July 2012 to 22nd January 2013

<sup>4</sup> Vice-Chair of Governors from 19th March 2013 to 31st August 2013

**Company registered  
number**

08104190

**Principal and registered  
office**

Beaumont School  
Oakwood Drive  
St Albans  
Hertfordshire  
AL4 0XB



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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS  
FOR THE PERIOD ENDED 31 AUGUST 2013**

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**Advisers (continued)**

**Company secretary**            S S Kilka-Green

**School Business  
Manager**                        J Wells

**Senior management  
team**                            E Hitch, Headteacher  
                                      M J Atkinson, Deputy Headteacher  
                                      M H McCrorie, Deputy Headteacher  
                                      C Cross, Assistant Headteacher  
                                      A Goodwin, Assistant Headteacher  
                                      K Jones, Assistant Headteacher  
                                      Y P Powdrell, Assistant Headteacher  
                                      J Wells, School Business Manager

**Independent auditor**        Hillier Hopkins LLP  
                                      Chartered Accountants  
                                      Statutory Auditor  
                                      Radius House  
                                      51 Clarendon Road  
                                      Watford  
                                      Hertfordshire  
                                      WD17 1HP

**Bankers**                        Lloyds Bank PLC  
                                      36 Chequer Street  
                                      St Albans  
                                      Hertfordshire  
                                      AL1 3YQ

**Solicitors**                     Winckworth Sherwood  
                                      Minerva House  
                                      5 Montague Close  
                                      London  
                                      SE1 9BB

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**GOVERNORS' REPORT**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

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The Governors (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Beaumont School (the Academy) for the period 12 June 2012 to 31 August 2013. The Governors confirm that the Annual report and financial statements of the Academy comply with the current statutory requirements, the requirements of the Academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**a. Constitution**

The Academy is a company limited by guarantee and an exempt charity. The memorandum and articles of association are the primary governing documents of the Academy.

The Academy was incorporated on 13th June 2012 and the local authority transferred the assets and operations of Beaumont School to the Academy on 1st July 2012.

The members of the Academy are also the Governors (directors) of the Academy for the purposes of company law. The Academy is known as Beaumont School.

Details of the Governors who served during the year are included in the Reference and Administrative Details on page 1.

**b Members' Liability**

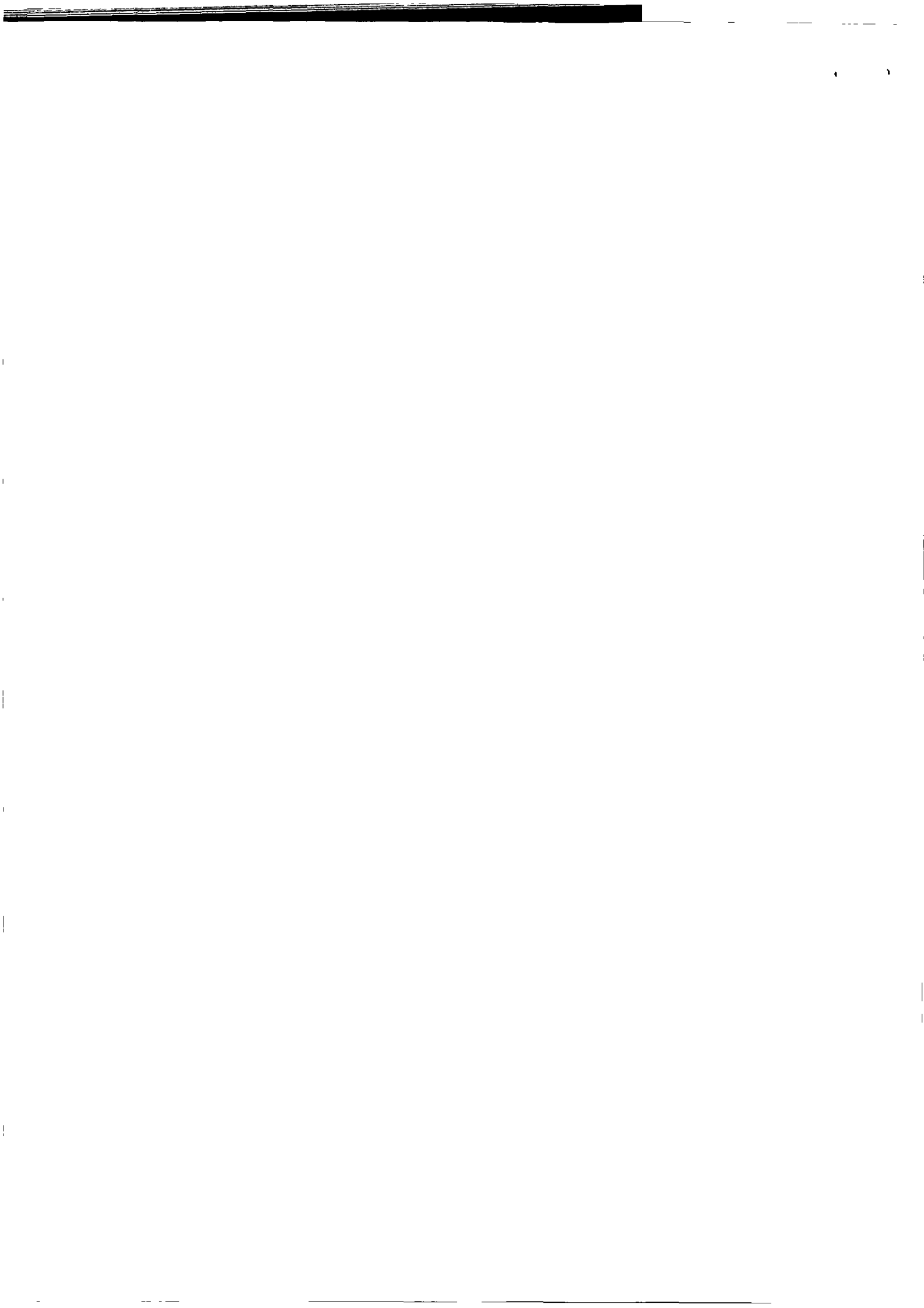
Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted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

**c. Method of Recruitment and Appointment or Election of Governors**

The management of the Academy is the responsibility of the Governors who are elected and co-opted under the terms of the Articles of Association.

The Board of Governors consists of

- i) A minimum of 3 and a maximum of 7 Community Governors appointed by not less than two-thirds of the Governors present and voting at a meeting of Governors,
- ii) A minimum of 3 and a maximum of 7 Staff Governors (the Headteacher and any Deputy Headteacher(s) are ex-officio Staff Governors) of whom at least one is a teacher working at the Academy (in addition to the Headteacher and Deputy Headteacher(s)) and at least one is a member of the support staff working at the Academy. Internal elections are held when there is a vacancy. The total number of Staff Governors (including the Headteacher and Deputy Headteacher(s)) who are employees of the Academy may not exceed one third of the total number of Governors,
- iii) A minimum of 3 and a maximum of 7 Parent Governors elected by the parents of registered pupils at the Academy. A Parent Governor must be a parent of a pupil at the Academy at the time when he/she is elected. The Governing Body ensures that every parent of a registered pupil at the Academy is informed of the vacancy and is given an opportunity to vote at any election. If there are insufficient numbers of parents standing for election then the Governors may appoint a parent as a Parent Governor (provided that the appointment is made at a Governors meeting at which two thirds of Governors entitled to vote on the appointment (rounded up to a whole number) are in attendance),





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**GOVERNORS' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

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- iv) The Secretary of State may
- 1) appoint such Additional Governors as he sees fit if
    - the Secretary of State has given the Governors a warning notice in accordance with Articles 60 and 61 of the Articles of Association and the Governors have failed to comply, or secure compliance with the notice to the Secretary of State's satisfaction within the compliance period, or
    - following an inspection by the Chief Inspector in accordance with the Education Act 2005 (an "Inspection") the Academy receives an Ofsted grading (being a grade referred to in The Framework for School Inspection or any modification or replacement of that document for the time being in force) which amounts to a drop, either from one Inspection to the next Inspection or between any two Inspections carried out within a 5 year period, of two Ofsted grades
  - 2) appoint such Further Governors as he thinks fit if a Special Measures Termination Event (as defined in the Funding Agreement between the Secretary of State and the Academy) occurs in respect of the Academy
- v) Up to 3 co-opted Governors may be appointed by the Governors. A co-opted Governor means a person who is appointed to be a Governor by being co-opted by Governors who have not themselves been so appointed. The Governors may not co-opt an employee of the Academy as a co-opted Governor if the number of Governors who are employees of the Academy would exceed one third of the total number of Governors (including the Headteacher and any Deputy Headteacher(s)).

The number of Community, Staff and Parent Governors shall not differ by more than two. The term of office for all Governors (other than the Headteacher and any Deputy Headteacher(s)) shall be four years at the end of which they may be re-appointed or re-elected (subject to them remaining eligible to be a particular type of Governor).

The term of office of any Staff Governor who ceases to be employed by the Academy shall automatically terminate upon a Staff Governor ceasing to work at the Academy. The term of office of any Parent Governor shall not automatically terminate if the Parent Governor ceases to be the parent of a pupil registered at the Academy.

The Governing Body seeks to appoint Community Governors with relevant experience or background to complement the qualifications of the existing Governors.

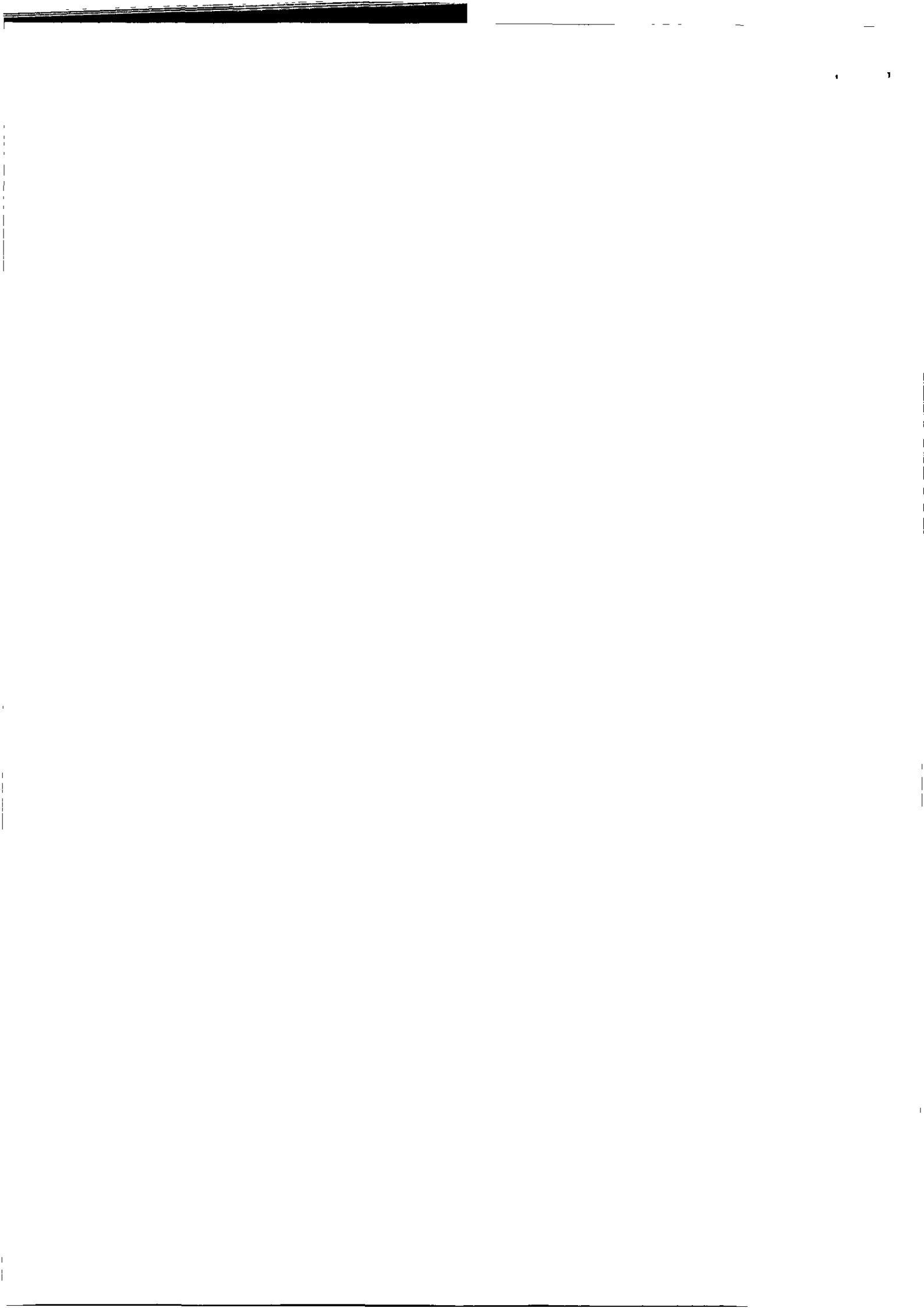
#### **d. Policies and Procedure Adopted for the Induction and Training of Governors**

A comprehensive induction pack is sent to all new Governors shortly after their appointment. It details the structure of the Governing Body, the steps to be taken to complete the formalities of the appointment (such as registration with Companies House, pecuniary interest declarations and DSB and pre-appointment checks) and includes a number of documents to allow the new Governor to familiarise themselves with the school and how it operates.

All new Governors are invited into the school for a tour and to meet with the Headteacher, Chair of Governors and other relevant Governors or members of the Senior Leadership Team. In addition, all new Governors are offered a new Governor mentor, being a more experienced Governor, to guide them through their role as a Governor.

New Governors are asked to attend a meeting of each committee before deciding to which committee they are best suited as a result of their particular skills and experience.

Governors are encouraged to attend training provided by Hertfordshire County Council, in particular induction training and safeguarding, both within the first six months of their appointment if possible. A log is kept of all Governor training undertaken and is reviewed on a regular basis at Governing Body and committee meetings.



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**GOVERNORS' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

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All Governors agree to a written code of practice which they sign upon their appointment and again annually in the Autumn term

**e. Organisational Structure**

All Governors are also members of the Academy and their membership automatically ceases when they cease to be a Governor

The members of the Academy meet a minimum of once a year

The Headteacher is the Accounting Officer for the Academy

The Governing Body comprises those persons appointed under the Articles of Association – as set out in paragraph e above. It is responsible for the strategic direction of the school and meets a minimum of five times a year as a Full Governing Body (FGB), supported by three committees (Curriculum, Teaching and Learning, Resources, and Community), each of which meets five times a year

Terms of reference for the Governing Body and the committees are agreed at the first FGB meeting of the academic year and all committees comprise appropriately qualified members. The Governing Body agrees, reviews and monitors the Plan for School Improvement and oversees school policies

The day to day management of the Academy is delegated to the Headteacher who undertakes the key leadership role overseeing the educational, pastoral and administrative functions of the school, and the appointment of all staff. The Headteacher is supported by the Senior Leadership Team comprised of two Deputy Headteachers, four Assistant Headteachers and the School Business Manager. The Senior Leadership Team works closely with Middle Leaders, who in turn work with staff in their teams and departments, to ensure that the Plan for School Improvement and the overarching aims of the school are delivered

**f. Connected Organisations, Including Related Party Relationships**

The Academy works closely with two local schools to deliver a wide range of courses at post-16 and to encourage professional development of staff, this is not a formal federation. The Academy is also part of a network of six schools delivering a highly successful Graduate Teacher Programme, now overseen by the local Teaching Schools Alliance

The Academy is a member of the national Leading Edge Partnership of high performing schools, affiliated to the Schools' Network, previously the Specialist Schools and Academies Trust. The Headteacher is a member of a number of professional organisations enabling her to keep abreast of current educational issues

**g Risk Management**

The Governors are responsible for overseeing the risks faced by the Academy. Detailed considerations of risk are delegated to the Senior Leadership Team of the School who maintain a risk register in which risks are identified and assessed, and controls established

Through the risk management processes established for the Academy, the Governors are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed

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**GOVERNORS' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

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**h Governors' Indemnities**

In accordance with normal practice the Academy has purchased insurance to protect the Governors and officers from claims arising from negligent acts, errors or omissions whilst on Academy business

**i. Principal Activities**

The objects of the Academy are

- i) to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum ("the Academy"),
- ii) to promote for the benefit of the inhabitants of St Albans and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants

**OBJECTIVES AND ACTIVITIES**

**a Objects and Aims**

The Academy is specifically restricted to the following

to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum. It will seek to promote, for the benefit of the inhabitants of St Albans and the surrounding area, the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants

The Academy's aims are to prepare young people to become active, caring and confident citizens who lead rewarding lives. It will do this by helping each young person to flourish within a school community which is committed to

- Providing outstanding learning opportunities within a broad and balanced curriculum,
- Creating a safe and caring environment in which every young person enjoys learning,
- Promoting equal opportunity for all members of our community, regardless of their ability, background or culture, and
- Developing an awareness of our world, celebrating diversity and promoting a concern for the environment

The Academy intends that every student who leaves Beaumont will do so with a sense of pride in their achievements, an awareness of their responsibilities and a sense of appreciation for all the opportunities they have experienced

**b. Objectives, Strategies and Activities**

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**GOVERNORS' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

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The detailed objectives, strategies and activities for the Academy are outlined in the Plan for School Improvement. The three Governor committees oversee the three key priorities within the Plan for School Improvement: (i) to maintain outstanding quality of provision for students, (ii) to ensure that all students make the progress of which they are capable, and (iii) to ensure high quality staff development and appropriate pay structures to meet the needs of the students.

**c. Achievements and performance**

The Academy's academic results in 2013 demonstrate continued improvement with record results at GCSE and A Level for the school. At GCSE, 86% of Year 11 achieved a minimum of 5+A\*-C (including English and Maths), 43% gained 5+A\*/A, 74% gained 10+A\*-C, and 59% achieved the E-Baccalaureate.

At A Level, 68% of Year 13 gained A\*-B, 37 A\* grades were achieved across 16 subjects and 21 students, and the Value Added figure puts the school in the top 10% nationally (ALIS). These were excellent results at both GCSE and A Level and the outcome of excellent teaching and committed students.

Other key achievements and activities in the 2012/13 academic year include:

- Outstanding performances in sport at district, county and national level,
- Outstanding performances in music, including a performance with the London Philharmonic Orchestra, a trip to Berlin to perform in three concerts, the award of Youth Choir of the Day at the regional finals of the BBC National Choir of the Year competition, and winning several categories in the St Albans Young Musician of the Year Competition,
- Outstanding performances in drama, including rehearsing and performing Joseph and the Amazing Technicolor Dreamcoat in only 48 hours, individual year group performances in Years 7, 8 and 9, and several successes in auditions for places with the National Youth Music Theatre,
- Numerous and extensive trips and visits at home and abroad to enhance both curricular and extra-curricular learning.

**d Public Benefit**

The Academy is a charitable trust which seeks to benefit the public through the pursuit of its stated aims (see above). The Governors have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

**FINANCIAL REVIEW**

**a. Going Concern**

After making appropriate enquiries, the Governors have a reasonable expectation that the Academy 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 Accounting Policies.

**b. Key Financial Performance Indicators**

No key financial performance indicators have been set by the Governors, beyond the requirement that the financial position should remain sufficient to fund future needs. The main expenditure item of the Academy is



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**GOVERNORS' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

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staffing and, for the period ended 31st August 2013, staffing expenditure represented 81% of EFA GAG income. This figure is in line with other comparable academies.

**c. Review of activities**

The majority of income is received from the DfE (via the Education Funding Agency) in the form of its General Annual Grant (GAG), the use of which is restricted to particular purposes. The General Annual Grant received from the DfE during the period ended 31 August 2013 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities (SoFA). On the date of conversion, 1 July 2012, all the assets and liabilities of the predecessor Community school known as Beaumont School were transferred to the Academy. The value of assets brought into the balance sheet as a result are shown as restricted fixed asset funds. In common with other Academies and Local Authorities, the Academy's share of the Local Government Pension Scheme fund is in deficit. The value of this deficit is £777,000 as at 31 August 2013.

**d. Investment Policy**

There are currently no investments held beyond cash deposits retained with a major UK clearing bank. An investment policy is required which will allow for funds to be held in fixed term deposit accounts achieving higher rates of interest than current cash deposits.

**RISKS AND POLICIES**

**a. Financial and Risk Management Objectives and Policies**

Governors monitor reserves to ensure that they are sufficient to enable the Academy to run on an efficient basis whilst maintaining the highest quality of teaching and learning.

**b. Principal Risks and Uncertainties**

The principal risks and uncertainties that the Academy faces are the changes to the Government's funding formula including changes to Sixth Form funding and planned changes to Qualifications at both GCSE and A level. The Academy will make every effort to respond to changes whilst maintaining the highest quality of teaching and learning.

**c. Reserves Policy**

The Academy is permitted to hold unspent GAG from previous Financial Years amounting to such percentage as specified in the current Academies Financial Handbook (AFH) and may use such carried forward amount in accordance with the restrictions specified in the AFH. Reserves are categorised as restricted or unrestricted, restricted reserves are held for specific purposes and unrestricted reserves are held to deal with unexpected events and emergencies. The Academy aims to hold unrestricted reserves sufficient to cover one month's running costs.

**PLANS FOR THE FUTURE**

**a. Future Developments**

The principal task ahead is to maintain the excellent educational standards achieved. The accommodation is generally in good order, however, the Academy is in great need of additional accommodation due to the



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**GOVERNORS' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

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pressure from increasing numbers

In 2011, the Academy successfully appealed for planning permission for its FAB (Field, Access, Buildings) project. Plans are currently underway for a major redevelopment, consisting of new and enlarged playing fields, a new access road and new buildings, including a sports hall and additional classrooms. Development work is currently due to commence in early 2014.

In April 2013, the Academy successfully secured a £594,955 grant from the Academies Capital Maintenance Fund to expand the Sixth Form premises (in which space is currently at a premium), work began in Autumn 2013 and is due to be completed in Spring 2014.

**DISCLOSURE OF INFORMATION TO AUDITOR**

Each of the persons who are Governors at the time when this Governors' report is approved has confirmed that

- so far as that Governor is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- that Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This report was approved by order of the Governors on 18/12/13 and signed on its behalf by

  
A N Hall  
Chair of Governors

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**GOVERNANCE STATEMENT**

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**SCOPE OF RESPONSIBILITY**

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

The Governors have delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Beaumont School and the Secretary of State for Education. They are also responsible for reporting to the Governors any material weaknesses or breakdowns in internal control.

**GOVERNANCE**

The information on governance included here supplements that described in the Governors' report and in the Governors' responsibilities statement. The Governors have formally met 8 times during the period. Attendance during the period at meetings of the Governors was as follows:

Governor	Meetings attended	Out of a possible
M J Atkinson, Deputy Head	7	8
A W J Brenton	1	4
M R Cameron	8	8
K M Doyle	6	8
J M Fingland	5	8
N A Forster	0	0
A N Hall	7	8
E Hitch, Headteacher	7	8
J M Ingamells	2	2
S J Jump	7	8
A-H Kadodia	2	8
A Mallett	1	2
J McAlister	6	8
M H McCrorie, Deputy Head	6	8
C J Morris	1	1
R Prindville	5	8
L J Sherwood	7	8
A Wallis	6	8
J Chu	4	8
C C Aikman	8	8
N S Moody	8	8
L R Sidney	8	8
N R Armstrong	5	6
K M Trounson	6	6
G K Kellett	4	4

The Resources Committee is a sub-committee of the main Governing Body. Its overall remit is to assist the decision making of the Governing Body, by enabling more detailed consideration to be given to the best means of fulfilling the Governing Body's responsibility to ensure sound management of the school's finances and resources, including proper planning, monitoring and probity. The Resources Committee makes appropriate comments and recommendations on such matters to the Governing Body on a regular basis. Major issues are referred to the full Governing Body for ratification.

During the period Rena Prindville, who is a Fellow Chartered Management Accountant, was a member of the Resources Committee (and its Chair from 23rd January 2013) and Mike Cameron, who is an Associate



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**GOVERNANCE STATEMENT (continued)**

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Chartered Accountant, joined the committee

Attendance at meetings in the period was as follows

Governor	Meetings attended	Out of a possible
R Prindiville	3	5
E Hitch	5	5
J M Ingamells	2	2
C J Morris	1	1
M R Cameron	2	2
A Wallis	5	5
A Mallett	2	2
A N Hall	4	5
S J Jump	4	5
A W J Brenton	0	2
N R Armstrong	1	2
G K Kellett	2	2
J Chu	1	2

The functions of the audit committee have been delegated to the Resources Committee under the Committee terms of reference agreed by the Governing Body

Additionally, there is a Curriculum, Teaching and Learning Committee and a Community Committee. There is scope to form ad hoc committees to discuss and make decisions on specific pertinent issues when required.

#### **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 ongoing process designed to identify and prioritise the risks to the achievement of Academy 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 Beaumont School for the period 13 June 2012 to 31 August 2013 and up to the date of approval of the annual report and financial statements.

#### **CAPACITY TO HANDLE RISK**

The Governors have reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governors are of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the period 13 June 2012 to 31 August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governors.

#### **THE RISK AND CONTROL FRAMEWORK**

The Academy'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 Governors,
- regular reviews by the Resources Committee of reports which indicate financial performance against the forecasts and describe 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

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**GOVERNANCE STATEMENT (continued)**

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- 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 Hillier Hopkins LLP 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 termly basis, the RO reports to the Governors on the operation of the systems of control and on the discharge of the Governors' financial responsibilities.

No material control issues have been identified as a result of the auditor's responsible officer work.

**REVIEW OF EFFECTIVENESS**

As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by

- the work of the Responsible Officer,
- the work of the external auditor,
- the financial management and governance self-assessment process,
- the work of the executive managers within the Academy 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 Resources Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Governors on 18/12/13 and signed on their behalf, by

  
A N Hall  
Chair of Governors

  
E Hitch  
Accounting Officer



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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of Beaumont School I have considered my responsibility to notify the Academy Governors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2012)

I confirm that I and the Academy Governors are able to identify any material, irregular or improper use of funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook (2012)

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



**E Hitch**  
**Accounting Officer**





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**BEAUMONT SCHOOL**  
(A company limited by guarantee)

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**GOVERNORS' RESPONSIBILITIES STATEMENT  
FOR THE PERIOD ENDED 31 AUGUST 2013**

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The Governors (who act as governors of Beaumont School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' 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 Governors to prepare financial statements for each financial year. Under company law the Governors 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 Governors are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles of the Charities SORP,
- make judgments and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the 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 Governors are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Governors on 18/12/13 and signed on its behalf by

  
A N Hall  
Chair of Governors

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**BEAUMONT SCHOOL**  
**(A company limited by guarantee)**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BEAUMONT SCHOOL**

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We have audited the financial statements of Beaumont School for the period ended 31 August 2013 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 issued by the Education Funding Agency.

This report is made solely to the Academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy's members, as a body, 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 Academy's members, as a body, for our audit work, for this report, or for the opinion we have formed.

**RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITOR**

As explained more fully in the Governors' responsibilities statement, the Governors (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Academy's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Governors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Governors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements

- give a true and fair view of the state of the Academy's affairs as at 31 August 2013 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 issued by the Education Funding Agency.

**OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Governors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

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**BEAUMONT SCHOOL**  
(A company limited by guarantee)

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BEAUMONT SCHOOL**

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**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

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

*Hilmer Hopkins hhl*

Alexander Bottom ACA (Senior statutory auditor)

for and on behalf of

**Hillier Hopkins LLP**

Chartered Accountants  
Statutory Auditor

Radius House  
51 Clarendon Road  
Watford  
Hertfordshire  
WD17 1HP  
Date

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**BEAUMONT SCHOOL**  
**(A company limited by guarantee)**

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**INDEPENDENT REPORTING AUDITOR'S ASSURANCE REPORT ON REGULARITY TO BEAUMONT SCHOOL AND THE EDUCATION FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 5 October 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Beaumont School during the period 13 June 2012 to 31 August 2013 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 Beaumont School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Beaumont School 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 Beaumont School and the EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF BEAUMONT SCHOOL'S ACCOUNTING OFFICER AND THE REPORTING AUDITOR**

The accounting officer is responsible, under the requirements of Beaumont School's funding agreement with the Secretary of State for Education dated 1 July 2012, and the Academies Financial Handbook extant from 2006, 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 2013. 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 13 June 2012 to 31 August 2013 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 2013 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.

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's income and expenditure.

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**BEAUMONT SCHOOL**  
(A company limited by guarantee)

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**INDEPENDENT REPORTING AUDITOR'S ASSURANCE REPORT ON REGULARITY TO BEAUMONT  
SCHOOL AND THE EDUCATION FUNDING AGENCY (continued)**

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**CONCLUSION**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 13 June 2012 to 31 August 2013 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them

*Hillier Hopkins LLP*

Alexander Bottom ACA (Senior statutory auditor)

for and on behalf of

**Hillier Hopkins LLP**

Chartered Accountants  
Statutory Auditor

Radius House  
51 Clarendon Road  
Watford  
Hertfordshire  
WD17 1HP

Date



**BEAUMONT SCHOOL**  
(A company limited by guarantee)

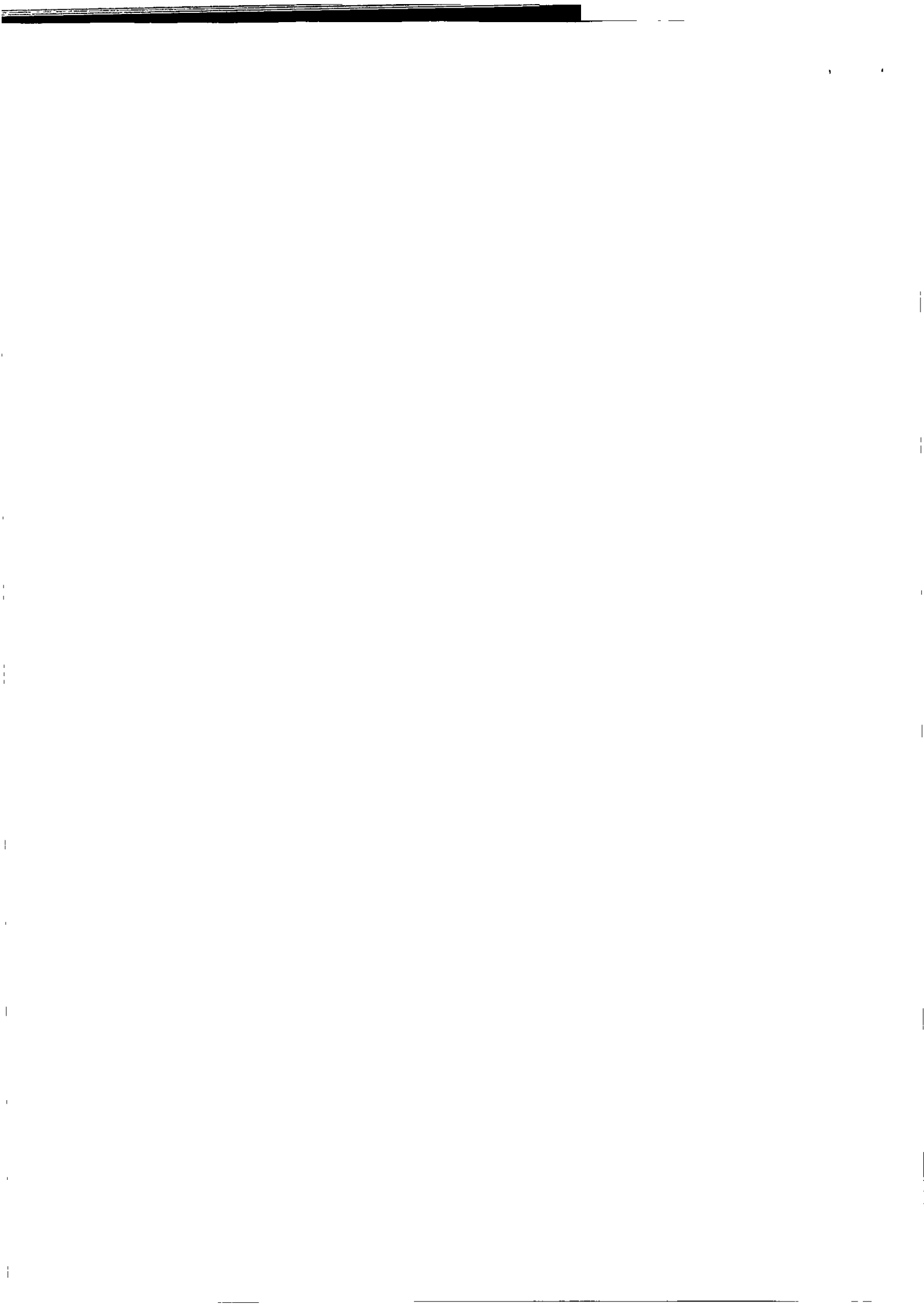
**STATEMENT OF FINANCIAL ACTIVITIES**  
(Incorporating Income and Expenditure Account and Statement of Recognised Gains and Losses)  
FOR THE PERIOD ENDED 31 AUGUST 2013

	Note	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £
<b>INCOMING RESOURCES</b>					
Incoming resources from generated funds					
Assets donated upon conversion	2	388,771	(658,000)	18,578,016	18,308,787
Other voluntary income	2	1,188	23,499	-	24,687
Activities for generating funds	3	85,183	-	-	85,183
Investment income	4	1,118	-	-	1,118
Incoming resources from charitable activities	5	997,300	7,072,271	220,076	8,289,647
<b>TOTAL INCOMING RESOURCES</b>		<b>1,473,560</b>	<b>6,437,770</b>	<b>18,798,092</b>	<b>26,709,422</b>
<b>RESOURCES EXPENDED</b>					
Costs of generating funds					
Costs of generating voluntary income	6	23,492	-	-	23,492
Charitable activities		969,425	6,866,867	388,477	8,224,769
Governance costs	8	-	15,324	-	15,324
<b>TOTAL RESOURCES EXPENDED</b>	11	<b>992,917</b>	<b>6,882,191</b>	<b>388,477</b>	<b>8,263,585</b>
<b>NET INCOMING RESOURCES / (RESOURCES EXPENDED) BEFORE TRANSFERS</b>					
		<b>480,643</b>	<b>(444,421)</b>	<b>18,409,615</b>	<b>18,445,837</b>
Transfers between Funds	21	(23,015)	(145,775)	168,790	-
<b>NET INCOME FOR THE YEAR</b>		<b>457,628</b>	<b>(590,196)</b>	<b>18,578,405</b>	<b>18,445,837</b>
Actuarial gains and losses on defined benefit pension schemes		-	(85,000)	-	(85,000)
<b>NET MOVEMENT IN FUNDS FOR THE YEAR</b>		<b>457,628</b>	<b>(675,196)</b>	<b>18,578,405</b>	<b>18,360,837</b>
<i>Total funds at 13 June 2012</i>		-	-	-	-
<b>TOTAL FUNDS AT 31 AUGUST 2013</b>		<b>457,628</b>	<b>(675,196)</b>	<b>18,578,405</b>	<b>18,360,837</b>

All of the Academy's activities derive from acquisitions in the current financial period

The Statement of Financial Activities includes all gains and losses recognised in the period

The notes on pages 22 to 43 form part of these financial statements





**BEAUMONT SCHOOL**  
(A company limited by guarantee)  
REGISTERED NUMBER. 08104190

**BALANCE SHEET**  
AS AT 31 AUGUST 2013

	Note	£	2013 £
<b>FIXED ASSETS</b>			
Tangible assets	18		18,411,010
<b>CURRENT ASSETS</b>			
Debtors	19	217,056	
Cash at bank and in hand		833,146	
		1,050,202	
<b>CREDITORS</b> amounts falling due within one year	20	(323,375)	
<b>NET CURRENT ASSETS</b>			726,827
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
Defined benefit pension scheme liability	27		(777,000)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			18,360,837
<b>FUNDS OF THE ACADEMY</b>			
Restricted funds			
Restricted funds	21	101,804	
Restricted fixed asset funds	21	18,578,405	
Restricted funds excluding pension liability		18,680,209	
Pension reserve		(777,000)	
Total restricted funds			17,903,209
Unrestricted funds	21		457,628
<b>TOTAL FUNDS</b>			18,360,837

The financial statements were approved by the Governors, and authorised for issue, on 18/12/13 and are signed on their behalf, by

  
A N Hall  
Chair of Governors

The notes on pages 22 to 43 form part of these financial statements

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**BEAUMONT SCHOOL**  
(A company limited by guarantee)

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**CASH FLOW STATEMENT**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

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	Note	2013 £
Net cash flow from operating activities	23	19,054,031
Returns on investments and servicing of finance	24	1,118
Capital expenditure and financial investment	24	(18,579,412)
Cash transferred on conversion to an academy trust	26	357,409
<b>INCREASE IN CASH IN THE PERIOD</b>		<b>833,146</b>

All of the cash flows are derived from acquisitions in the current financial period

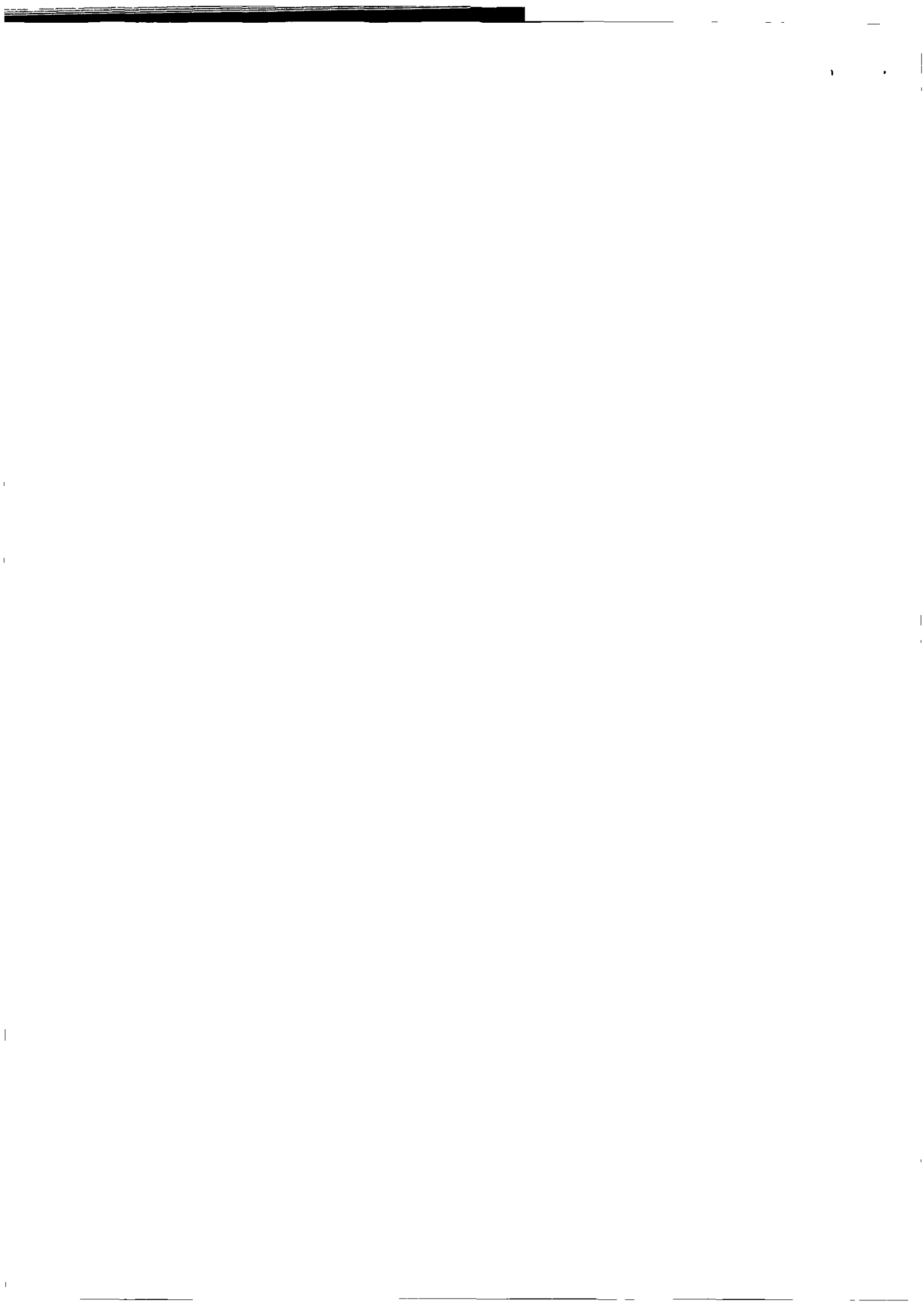
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**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

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	2013 £
Increase in cash in the period	833,146
<b>MOVEMENT IN NET FUNDS IN THE PERIOD</b>	<b>833,146</b>
Net at 13 June 2012	-
<b>NET FUNDS AT 31 AUGUST 2013</b>	<b>833,146</b>

The notes on pages 22 to 43 form part of these financial statements



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**BEAUMONT SCHOOL**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

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**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 issued by the EFA, applicable accounting standards and the Companies Act 2006.

**1.2 Fund accounting**

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

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

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

Investment income, gains and losses are allocated to the appropriate fund.

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**BEAUMONT SCHOOL**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

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**1 ACCOUNTING POLICIES (continued)**

**1.3 Incoming resources**

All incoming resources are included in the Statement of financial activities when the Academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability. For legacies, entitlement is the earlier of the Academy being notified of an impending distribution or the legacy being received.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

Sponsorship income 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.

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

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.



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**BEAUMONT SCHOOL**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2013**

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**1 ACCOUNTING POLICIES (continued)**

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

Charitable activities are costs incurred in the Academy's educational operations.

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.

All resources expended are inclusive of irrecoverable VAT.

**1.5 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 Academy 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.

**1.6 Tangible fixed assets and depreciation**

All assets costing more than £2,000 are capitalised.

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 are 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's depreciation policy.

Both the school and the caretaker's house are part of a long leasehold. The value of the school's leasehold has been included at depreciated replacement cost. The value of the caretaker's house leasehold has been included at existing use value.





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**BEAUMONT SCHOOL**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

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**1. ACCOUNTING POLICIES (continued)**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property - buildings	-	2% straight line
Long-term leasehold property - land	-	over the length of the lease
Motor vehicles	-	20% straight line
Fixtures and fittings	-	10% straight line
Computer equipment	-	33 3% straight line

Assets under construction are not depreciated as they are not yet in operational use.

**1.7 Operating leases**

Rentals under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

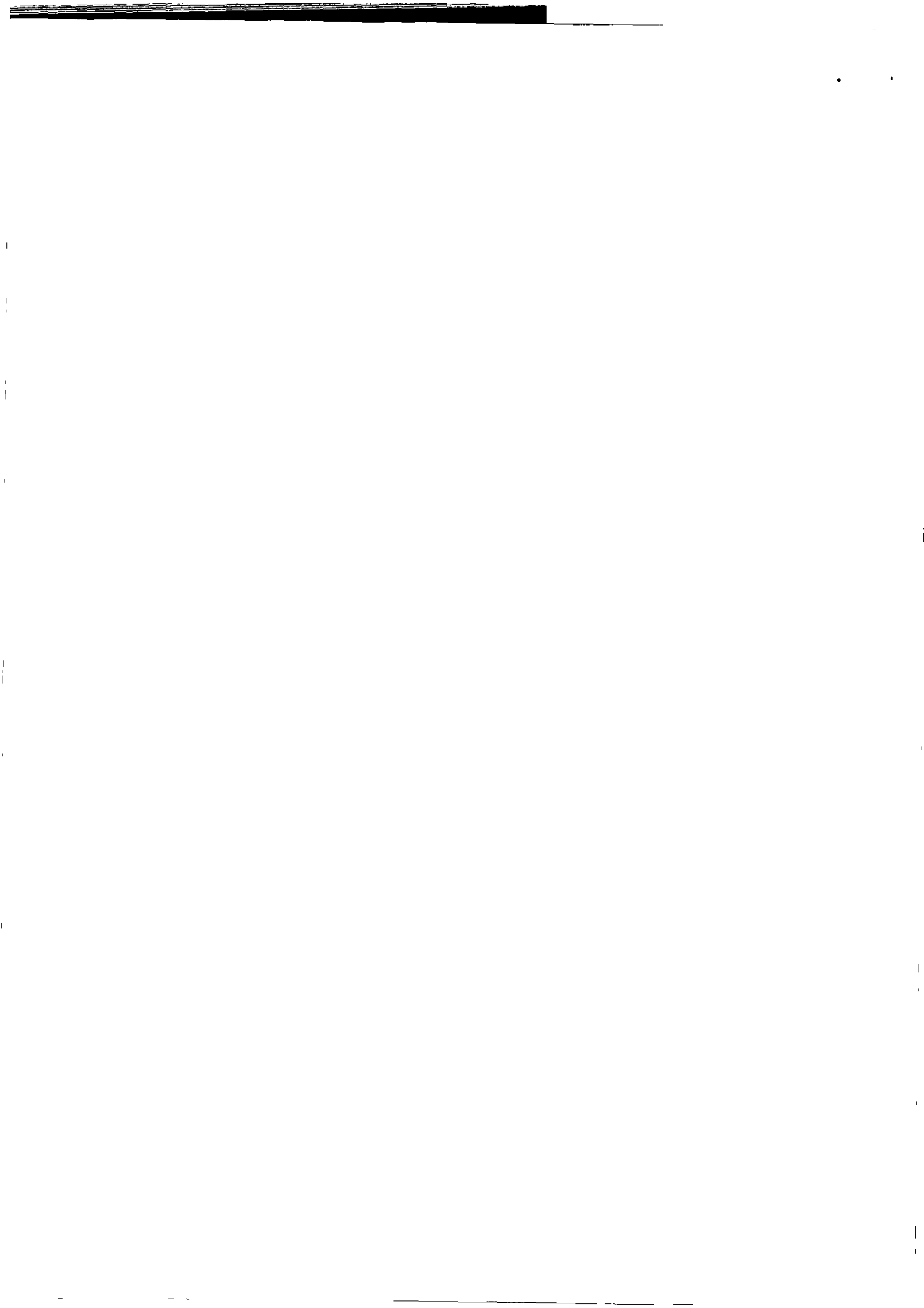
**1.8 Taxation**

The Academy 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 is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**1.9 Pensions**

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ("SERPS"), and the assets are held separately from those of the Academy.

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 in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 27, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.



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**BEAUMONT SCHOOL**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

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**1 ACCOUNTING POLICIES (continued)**

The LGPS is a funded scheme and the assets are held separately from those of the Academy 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 the settlements and curtailments. 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 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.

**1 10 Conversion to an Academy trust**

The conversion from a state maintained school to an Academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from Beaumont School to an Academy trust have been valued at their fair value, being a reasonable estimate of the current market value that the Governors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Beaumont School. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in the Statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 26.

**2. VOLUNTARY INCOME**

	<b>Unrestricted funds 2013 £</b>	<b>Restricted funds 2013 £</b>	<b>Total funds 2013 £</b>
Assets donated upon conversion	388,771	17,920,016	18,308,787
Donations	1,188	23,499	24,687
Voluntary income	<u>389,959</u>	<u>17,943,515</u>	<u>18,333,474</u>

**BEAUMONT SCHOOL**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2013**

**3. ACTIVITIES FOR GENERATING FUNDS**

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Rental income	15,759	-	15,759
Community income	22,284	-	22,284
Staff consultancy services	47,140	-	47,140
	<u>85,183</u>	<u>-</u>	<u>85,183</u>

**4. INVESTMENT INCOME**

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Investment income	<u>1,118</u>	<u>-</u>	<u>1,118</u>

**5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Educational activities	<u>997,300</u>	<u>7,292,347</u>	<u>8,289,647</u>

**BEAUMONT SCHOOL**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2013**

**FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
<b>DfE/EFA grants</b>			
General Annual Grant (GAG)	-	6,854,640	6,854,640
Pupil Premium	-	62,983	62,983
Other DfE grants	-	12,743	12,743
Start Up grants	-	25,000	25,000
EFA capital grants	-	220,076	220,076
	<u>-</u>	<u>7,175,442</u>	<u>7,175,442</u>
<b>Other government grants</b>			
SEN funding	-	57,937	57,937
Other government grants	-	58,968	58,968
	<u>-</u>	<u>116,905</u>	<u>116,905</u>
<b>Other funding</b>			
Trip income	529,236	-	529,236
Exam fee income	23,015	-	23,015
Music income	86,096	-	86,096
Catering income	291,512	-	291,512
Other income	67,441	-	67,441
	<u>997,300</u>	<u>-</u>	<u>997,300</u>
	<u>997,300</u>	<u>7,292,347</u>	<u>8,289,647</u>

**6. COSTS OF GENERATING VOLUNTARY INCOME**

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Voluntary income staff costs	23,492	-	23,492
	<u>23,492</u>	<u>-</u>	<u>23,492</u>

**BEAUMONT SCHOOL**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2013**

**7. EXPENDITURE BY CHARITABLE ACTIVITY**

**SUMMARY BY FUND TYPE**

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Educational activities	969,425	7,255,344	8,224,769

**SUMMARY BY EXPENDITURE TYPE**

	Staff costs 2013 £	Depreciation 2013 £	Other costs 2013 £	Total 2013 £
Educational activities	5,564,169	388,477	2,272,123	8,224,769

**8. GOVERNANCE COSTS**

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Governance Auditors' remuneration	-	6,500	6,500
Governance Auditors' non audit costs	-	7,270	7,270
Governors training	-	1,554	1,554
	-	15,324	15,324

**9. DIRECT COSTS**

	Educational activities £	Total 2013 £
Teaching and educational supplies	307,363	307,363
Examination fees	131,189	131,189
Staff development	25,672	25,672
Educational consultancy	5,927	5,927
Music services	101,683	101,683
Trip expenditure	520,413	520,413
Other direct costs	76,627	76,627
Wages and salaries	4,152,596	4,152,596
National insurance	316,791	316,791
Pension cost	568,909	568,909
	6,207,170	6,207,170

**BEAUMONT SCHOOL**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2013**

**10. SUPPORT COSTS**

	Educational activities £	Total 2013 £
FRS17 pension cost (note 17)	30,000	30,000
Travel expenditure	8,286	8,286
Recruitment	20,306	20,306
Premises and equipment maintenance costs	126,978	126,978
Rent and rates	34,574	34,574
Catering costs	302,866	302,866
Technology costs	76,447	76,447
Insurance costs	95,258	95,258
Heat and light costs	104,926	104,926
Printing, postage and stationery	12,569	12,569
Cleaning and caretaking costs	129,660	129,660
Professional fees	28,338	28,338
Other support costs	133,041	133,041
Wages and salaries	430,462	430,462
National insurance	25,764	25,764
Pension cost	69,647	69,647
Depreciation	388,477	388,477
	<u>2,017,599</u>	<u>2,017,599</u>

**11 ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE**

	Staff costs 2013 £	Depreciation 2013 £	Other costs 2013 £	Total 2013 £
Costs of generating voluntary income	23,492	-	-	23,492
<b>Costs of generating funds</b>	<u>23,492</u>	<u>-</u>	<u>-</u>	<u>23,492</u>
Educational activities	5,038,296	-	1,168,874	6,207,170
Support costs - Educational activities	525,873	388,477	1,103,249	2,017,599
<b>Charitable activities</b>	<u>5,564,169</u>	<u>388,477</u>	<u>2,272,123</u>	<u>8,224,769</u>
<b>Governance</b>	<u>-</u>	<u>-</u>	<u>15,324</u>	<u>15,324</u>
	<u>5,587,661</u>	<u>388,477</u>	<u>2,287,447</u>	<u>8,263,585</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**12. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES**

	<b>Activities undertaken directly 2013 £</b>	<b>Support costs 2013 £</b>	<b>Total 2013 £</b>
Educational activities	<u>6,207,170</u>	<u>2,017,599</u>	<u>8,224,769</u>

**13. NET INCOMING RESOURCES / (RESOURCES EXPENDED)**

This is stated after charging

	<b>2013 £</b>
Depreciation of tangible fixed assets - owned by the charity	<b>388,478</b>
Auditor's remuneration	<b>6,500</b>
Auditor's remuneration - non-audit	<b>7,270</b>
	<u><b>7,270</b></u>



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**NOTES TO THE FINANCIAL STATEMENTS  
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**14 STAFF COSTS**

Staff costs were as follows

	2013 £
Wages and salaries	4,605,662
Social security costs	342,555
Other pension costs (Note 27)	639,444
	<u>5,587,661</u>
Supply teacher costs	78,117
	<u><u>5,665,778</u></u>

The average number of persons (including the senior management team) employed by the Academy during the period expressed as full time equivalents was as follows

	2013 No.
Teachers	79
Administration and support	43
Management	8
	<u>130</u>

The number of employees whose emoluments fell within the following bands was

	14 months 2013 No.
In the band £60,001 - £70,000	4
In the band £70,001 - £80,000	2
In the band £100,001 - £110,000	1
	<u>7</u>

Of the above employees, seven participated in the Teachers' Pension Scheme. During the period ended 31 August 2013, pension contributions for these staff amounted to £72,663

**15 GOVERNORS' REMUNERATION AND EXPENSES**

During the period retirement benefits were accruing to 8 Governors in respect of defined benefit pension schemes

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The highest paid Governor received remuneration of less than £105,000

The Principal and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as Governors. Other Governors did not receive any payments, other than expenses, from the Academy in respect of their role as Governors. The value of Governors' remuneration fell within the following bands

	14 months 2013 £
E Hitch (principal and Governor)	100,000-105,000
M H McCrorie	75,000-80,000
M J Atkinson	75,000-80,000
S J Jump	50,000-55,000
N S Moody	40,000-45,000
L R Sidney	45,000-50,000
C C Aikman	15,000-20,000
N A Forster	5,000-10,000
H Doan*	45,000-50,000
M Atkinson*	0-5,000

During the period, no Governors received any reimbursement of expenses

\* H Doan is a related party by virtue of being married to A Hall, a Governor. During the period, the employee participated in the Teachers' Pension Scheme

\* M Atkinson is a related party by virtue of being married to M J Atkinson, a Governor. During the period, the employee participated in the Local Government Pension Scheme

**16. 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 £2,000,000 on any one claim and the cost for the period ended 31 August 2013 was £943

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

**17. OTHER FINANCE INCOME**

	2013 £
Expected return on pension scheme assets	25,000
Interest on pension scheme liabilities	(55,000)
	(30,000)
	(30,000)

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**NOTES TO THE FINANCIAL STATEMENTS  
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**18. TANGIBLE FIXED ASSETS**

	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Assets under construction £	Total £
<b>Cost</b>						
Additions	32,203	-	27,269	150,908	11,092	221,472
Inherited upon conversion	18,426,006	6,388	75,788	69,834	-	18,578,016
At 31 August 2013	<u>18,458,209</u>	<u>6,388</u>	<u>103,057</u>	<u>220,742</u>	<u>11,092</u>	<u>18,799,488</u>
<b>Depreciation</b>						
Charge for the period	300,415	1,754	12,954	73,355	-	388,478
At 31 August 2013	<u>300,415</u>	<u>1,754</u>	<u>12,954</u>	<u>73,355</u>	<u>-</u>	<u>388,478</u>
<b>Net book value</b>						
At 31 August 2013	<u><u>18,157,794</u></u>	<u><u>4,634</u></u>	<u><u>90,103</u></u>	<u><u>147,387</u></u>	<u><u>11,092</u></u>	<u><u>18,411,010</u></u>

**19. DEBTORS**

	2013 £
Trade debtors	48,739
Other debtors	69,036
Prepayments and accrued income	99,281
	<u>217,056</u>



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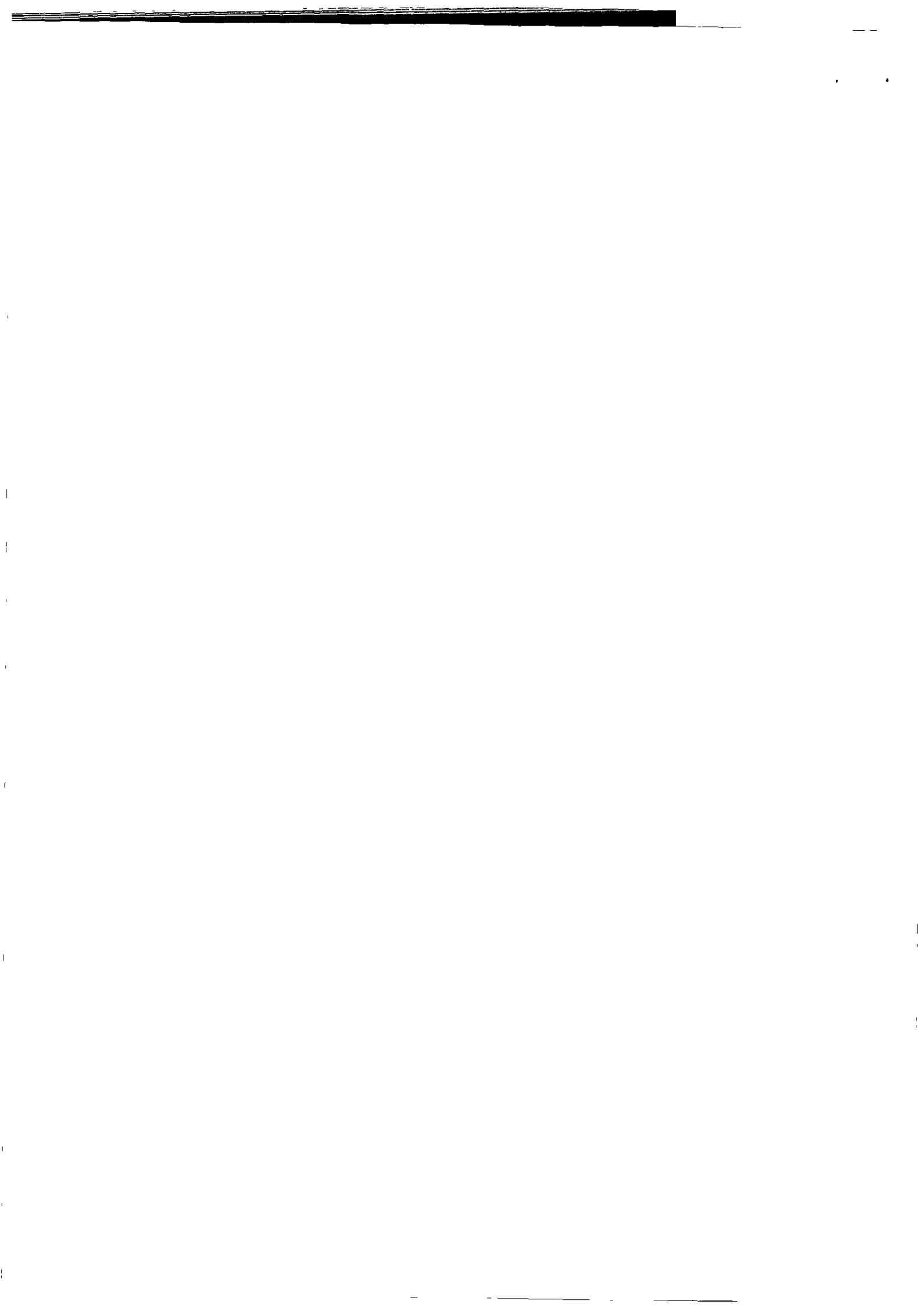
**NOTES TO THE FINANCIAL STATEMENTS  
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**20 CREDITORS:  
Amounts falling due within one year**

	2013 £
Trade creditors	25,607
Other taxation and social security	88,906
Other creditors	75,837
Accruals and deferred income	133,025
	323,375
	£
<b>Deferred income</b>	
Resources deferred during the year	51,350

**21. STATEMENT OF FUNDS**

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
<b>Unrestricted funds</b>						
Unrestricted funds	-	1,473,560	(992,917)	(23,015)	-	457,628
<b>Restricted funds</b>						
General Annual Grant (GAG)	-	6,854,640	(6,613,980)	(145,775)	-	94,885
Pupil Premium	-	62,983	(62,983)	-	-	-
SEN funding	-	57,937	(57,937)	-	-	-
Start up grants	-	25,000	(25,000)	-	-	-
Other DfE grants	-	12,743	(5,914)	-	-	6,829
Other government grants	-	58,968	(58,968)	-	-	-
Restricted donations	-	23,499	(23,409)	-	-	90
Pension reserve	-	(658,000)	(34,000)	-	(85,000)	(777,000)
	-	6,437,770	(6,882,191)	(145,775)	(85,000)	(675,196)



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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2013**

**21 STATEMENT OF FUNDS (continued)**

**Restricted fixed asset funds**

Restricted fixed asset fund	-	18,578,016	(388,477)	221,471	-	18,411,010
EFA capital grants	-	220,076	-	(52,681)	-	167,395
	-	18,798,092	(388,477)	168,790	-	18,578,405
Total restricted funds	-	25,235,862	(7,270,668)	23,015	(85,000)	17,903,209
Total of funds	-	26,709,422	(8,263,585)	-	(85,000)	18,360,837

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

The General Annual Grant (GAG) represents the core funding for the educational activities of the Academy that has been provided via the Education Funding Agency (EFA) by the Department for Education. The GAG fund must be used for the normal running costs of the Academy.

Pupil Premium is a grant allocated to academies with pupils that are known to be eligible for free school meals. The purpose is to raise attainment for pupils from low income families.

SEN funding is a grant allocated to academies for pupils with special educational needs.

The pension reserve represents the net deficit on the LGPS defined benefit pension scheme. The deficit arose because of the pension scheme deficit inherited upon conversion and future GAG funding agreed by the EFA is expected to be sufficient to take the fund back into surplus.

The restricted fixed asset fund includes all significant items of fixed assets. Depreciation charged on the assets is allocated to the fund. The transfer of GAG funds to the fixed asset reserve fund represents the spending of GAG monies for fixed asset additions. The unspent funds received of £167,395 will be used in 2013/14.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2013.

**SUMMARY OF FUNDS**

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	-	1,473,560	(992,917)	(23,015)	-	457,628
Restricted funds	-	6,437,770	(6,882,191)	(145,775)	(85,000)	(675,196)
Restricted fixed asset funds	-	18,798,092	(388,477)	168,790	-	18,578,405
	-	26,709,422	(8,263,585)	-	(85,000)	18,360,837

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**NOTES TO THE FINANCIAL STATEMENTS  
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**22 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £
Tangible fixed assets	-	-	18,411,011	18,411,011
Current assets	457,628	425,179	167,394	1,050,201
Creditors due within one year	-	(323,375)	-	(323,375)
Provisions for liabilities and charges	-	(777,000)	-	(777,000)
	<u>457,628</u>	<u>(675,196)</u>	<u>18,578,405</u>	<u>18,360,837</u>

**23. NET CASH FLOW FROM OPERATING ACTIVITIES**

	2013 £
Net incoming resources before revaluations	18,445,837
Returns on investments and servicing of finance	(1,118)
Cash transferred on conversion	(357,409)
Depreciation of tangible fixed assets	388,478
Capital grants from DfE	(220,076)
Increase in debtors	(217,056)
Increase in creditors	323,375
FRS 17 adjustments	34,000
LGPS inherited upon conversion	658,000
<b>Net cash inflow from operations</b>	<u><u>19,054,031</u></u>

**24 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT**

	2013 £
<b>Returns on investments and servicing of finance</b>	
Interest received	<u><u>1,118</u></u>
	2013 £
<b>Capital expenditure and financial investment</b>	
Purchase of tangible fixed assets	(221,472)
Assets inherited upon conversion	(18,578,016)
Capital grants from DfE	220,076
<b>Net cash outflow capital expenditure</b>	<u><u>(18,579,412)</u></u>



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**25 ANALYSIS OF CHANGES IN NET FUNDS**

	13 June 2012 £	Cash flow £	Other non-cash changes £	31 August 2013 £
Cash at bank and in hand	-	833,146	-	833,146
<b>Net funds</b>	<b>-</b>	<b>833,146</b>	<b>-</b>	<b>833,146</b>

**26. CONVERSION TO AN ACADEMY TRUST**

On 1 July 2012 Beaumont School converted to Academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Beaumont School from Hertfordshire County Council for £NIL consideration

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised in the Statement of financial activities as voluntary income

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	-	18,292,000	18,292,000
- Other tangible fixed assets	-	-	286,016	286,016
Budget surplus/(deficit) on LA funds	388,771	-	-	388,771
LGPS pension surplus/(deficit)	-	(658,000)	-	(658,000)
<b>Net assets/(liabilities)</b>	<b>388,771</b>	<b>(658,000)</b>	<b>18,578,016</b>	<b>18,308,787</b>

The above net assets include £357,409 that were transferred as cash



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**NOTES TO THE FINANCIAL STATEMENTS**  
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**27 PENSION COMMITMENTS**

The Academy's employees belong to two principal pension schemes the Teachers' Pension Scheme for England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Hertfordshire County Council Both are 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 2004 and of the LGPS 31 March 2010

There were no outstanding or prepaid contributions at either the beginning or the end of the financial period

**Teachers' Pension Scheme**

**Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales In addition teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract Teachers and lecturers are able to opt out of the TPS

**The Teachers' Pension Budgeting and Valuation Account**

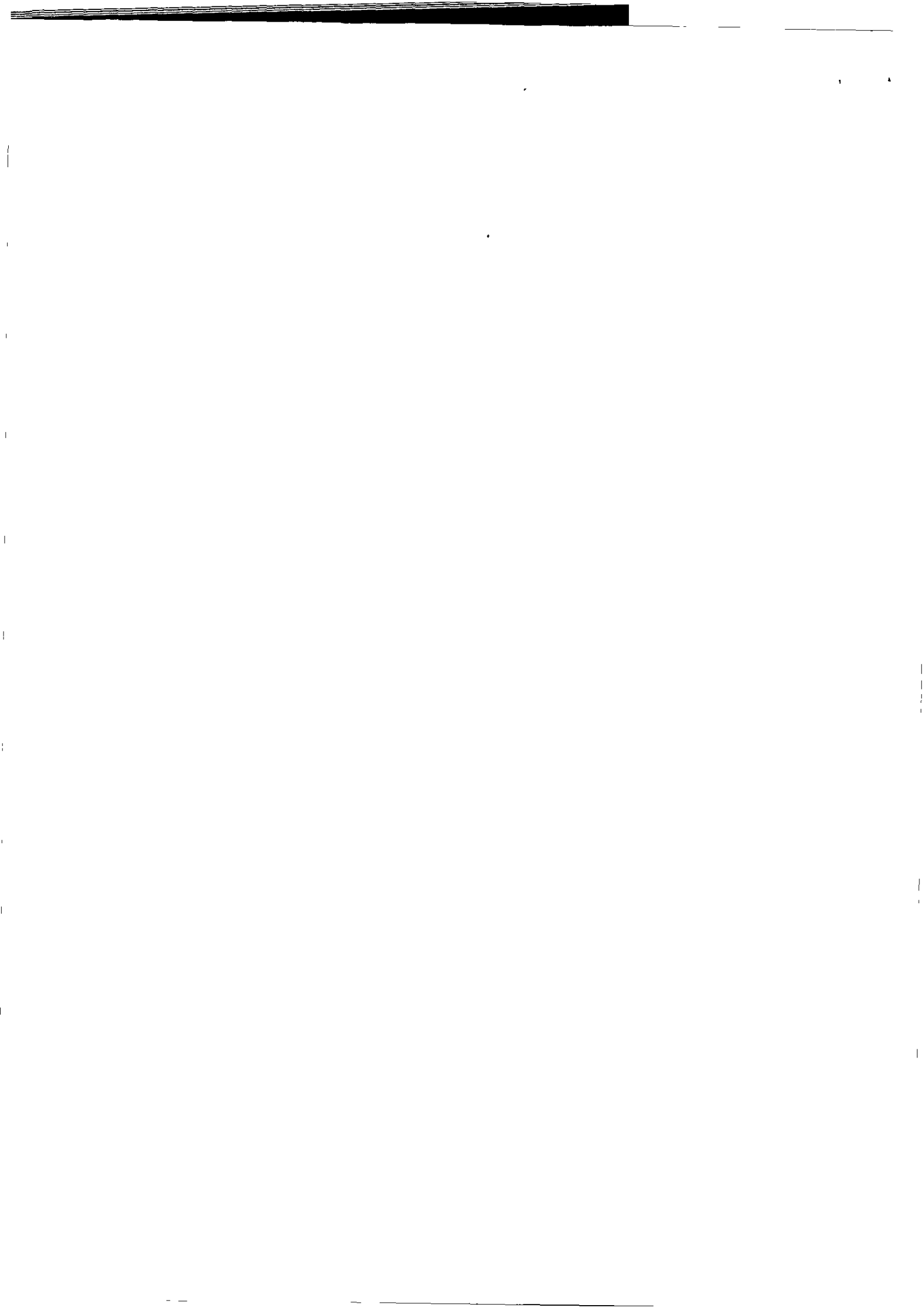
Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament The TPS is an unfunded scheme and members contribute on a "pay as you go" basis – these contributions along with those made by employers are credited to the Exchequer 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, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return

**Valuation of the Teachers' Pension Scheme**

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts First, a standard contribution rate (SCR) was 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 review, 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

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004 The Government



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**27. PENSION COMMITMENTS (continued)**

Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, 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.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

**Teachers' Pension Scheme Changes**

Lord Hutton published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include a pension based on career average earnings, an accrual rate of 1/57th, and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall just outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases were to be phased in from April 2012 on a 40/80/100% basis.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. 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 a defined contribution scheme. The Academy has set out above the information available on the scheme.

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds.

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**27 PENSION COMMITMENTS (continued)**

The total contribution made for the period ended 31 August 2013 was £163,000, of which employer's contributions totalled £127,000 and employees' contributions totalled £36,000. The agreed contribution rates for future years are 20.6% for employers and 5.5% to 7.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of Academy closure, outstanding local government pension scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

As described in note 26 the LGPS obligation relates to the employees of the Academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy at the balance sheet date.

The amounts recognised in the Balance sheet are as follows

	2013 £
Present value of funded obligations	(1,348,000)
Fair value of scheme assets	571,000
	(777,000)
Net (liability)/asset	(777,000)

The amounts recognised in the Statement of financial activities are as follows

	2013 £
Current service cost	(131,000)
Interest on obligation	(55,000)
Expected return on scheme assets	25,000
	(161,000)
Total	(161,000)
Actual return on scheme assets	73,000

Movements in the present value of the defined benefit obligation were as follows

	2013 £
Opening defined benefit obligation	992,000
Current service cost	131,000
Interest cost	55,000
Contributions by scheme participants	36,000
Actuarial Losses	134,000
	1,348,000
Closing defined benefit obligation	1,348,000

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**27. PENSION COMMITMENTS (continued)**

Movements in the fair value of the Academy's share of scheme assets

	2013 £
Opening fair value of scheme assets	334,000
Expected return on assets	25,000
Actuarial gains and (losses)	49,000
Contributions by employer	127,000
Contributions by employees	36,000
	571,000

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £85,000 losses

The Academy expects to contribute £106,000 to its Defined benefit pension scheme in 2014

The major categories of scheme assets as a percentage of total scheme assets are as follows

	2013
Equities	74.00 %
Bonds	18.00 %
Property	5.00 %
Cash	3.00 %

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages)

	2013
Discount rate for scheme liabilities	4.60 %
Expected return on scheme assets at 31 August	5.90 %
Rate of increase in salaries	5.10 %
Rate of increase for pensions in payment / inflation	2.80 %

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

	2013
Retiring today	
Males	21.0
Females	23.8
Retiring in 20 years	
Males	22.9
Females	25.7

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**27. PENSION COMMITMENTS (continued)**

Amounts for the current period are as follows

Defined benefit pension schemes

	2013 £
Defined benefit obligation	(1,348,000)
Scheme assets	571,000
	(777,000)
Experience adjustments on scheme liabilities	(134,000)
Experience adjustments on scheme assets	49,000
	(134,000)

**28. OPERATING LEASE COMMITMENTS**

At 31 August 2013 the Academy had annual commitments under non-cancellable operating leases as follows

	Land and buildings 2013 £	Other 2013 £
<b>Expiry date:</b>		
Within 1 year	-	879
Between 2 and 5 years	-	29,794
	-	29,794

**29. RELATED PARTY TRANSACTIONS**

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

Details of related party transactions in the period have been detailed in note 15

**30. CONTROLLING PARTY**

In the opinion of the governors there is no ultimate controlling party



