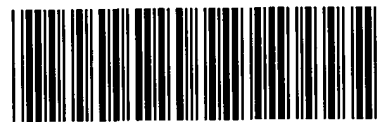

BEAUMONT SCHOOL
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

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BEAUMONT SCHOOL
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2014**

Trustees

C C Aikman
N R Armstrong
M J Atkinson, Deputy Head
M R Cameron¹
J Chu (resigned 14 November 2014)¹
K M Doyle (resigned 21 November 2014)
J M Fingland (resigned 2 September 2013)
A N Hall, Chair^{1,2}
H R Henry (appointed 12 September 2013)
E Hitch, Headteacher¹
C Hopkin (appointed 12 September 2013)¹
W I Johnston (appointed 22 November 2014)
S J Jump¹
A-H Kadodia (resigned 12 September 2013)
G K Kellett¹
D A Lee (appointed 22 November 2014)
J McAlister
M H McCrorie, Deputy Head
N M Moody
C J Morris (appointed 4 November 2013)
R Prindiville^{1,4}
L J Sherwood
L R Sidney (resigned 2 September 2013)
K M Trounson
A Wallis^{1,3}

¹ Member of the Resources Committee

² Chair of Governors

³ Vice Chair of Governors

⁴ Chair of Resources Committee

**Company registered
number**

08104190

**Principal and registered
office**

Beaumont School
Oakwood Drive
St Albans
Hertfordshire
AL4 0XB

BEAUMONT SCHOOL
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2014**

Administrative details (continued)

Company secretary 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
 L Hawkins, 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

BEAUMONT SCHOOL
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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2014

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 year to 31 August 2014. 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 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);

BEAUMONT SCHOOL
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

- 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 DBS 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

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

best suited as a result of their particular skills and experience.

Governors are encouraged to attend training 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.

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

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

provide reasonable but not absolute assurance that major risks have been adequately managed.

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.

OBJECTIVES AND ACTIVITIES

a. Principal Activities

The objects of the Academy are:

- 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;
- 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.

b. Objectives, Strategies and Activities

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. 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.

Strategic report

a. Achievements and performance

The Academy's academic results in 2014 demonstrate continued outstanding performance. At GCSE, 83% of Year 11 achieved a minimum of 5+A*-C (including English and Maths), 32% gained 5+A*/A and 55% achieved the E-Baccalaureate.

At A Level, 31% of grades were A*/A, 60% were A*/B and the Value Added figure puts the school in the top 6% of comprehensives (based on 2013 tables). These were excellent results at both GCSE and A Level and the outcome of excellent teaching and committed students.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

Other key achievements and activities in the 2013/14 academic year include:

- Judgement of Outstanding in all categories in the Ofsted inspection in March 2014;
- Outstanding performances in sport at district, county and national level and winning the District PE Department of the Year;
- Outstanding performances in music including whole school performances within school, concerts in the local area and winning the Hertfordshire Creative Flame Under 25 Contribution to the Arts Award;
- Winning the Hertfordshire Creative Flame judges' commendation for secondary school, gaining the British Council International Award for another four years and being finalists for several staff and student awards at the Herts Advertiser teaching awards ceremony in July;
- Numerous and extensive trips and visits at home and abroad to enhance both curricular and extra-curricular learning;
- During the year the Academy successfully managed the Sixth form expansion project utilising a £594,955 grant from the Academies Capital Maintenance Fund; work began in Autumn 2013 and was successfully completed in Summer 2014.

b. Key Performance Indicators

There are a number of non-financial indicators which the Academy uses to analyse performance, including Ofsted inspection outcomes and academic results, both of which are detailed above under Achievements and Performance. In addition, the Academy closely monitors pupil attendance data which is regularly reviewed by the Governors. Pupil recruitment is also monitored with the school's Year 7 entry oversubscribed every year and entry into the 6th growing year on year.

In terms of financial performance indicators the Governing Body has delegated the responsibility for considering the main financial indicators to the Resources Committee. This committee meets at least five times each year and considers the following indicators as appropriate:

- Monthly variances against budget;
- Staff costs as a percentage of General Annual Grant income;
- Cash flow;
- Revised outturn forecasts;
- Restricted and unrestricted funds carried forward.

c. 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.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

FINANCIAL REVIEW

a. 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 2014 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 transferred are shown within restricted fixed asset funds on the balance sheet. 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 £966,000 as at 31 August 2014.

b. Investment Policy

There are currently no investments held beyond cash deposits retained with a major UK clearing bank. An investment policy was adopted in March 2014 which allows for funds to be held in UK regulated banks and financial institutions that are authorised by the Financial Conduct Authority, as the successor to the Financial Services Authority. Funds may be invested for periods of between six weeks and three years provided that funds can be withdrawn before the investment term albeit with an interest penalty if required.

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.

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.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

PLANS FOR THE FUTURE

a. Future Developments

The principal tasks ahead are (i) to maintain and build upon the excellent standards achieved and (ii) to develop our facilities such that they provide outstanding opportunities for all of our students. The accommodation is generally in good order; however, the Academy is in great need of additional accommodation due to the pressure from increasing numbers.

In 2011, the Academy successfully appealed for planning permission for its FAB (Fields, 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. Work on the improved and enlarged playing fields commenced in October 2014 and it is currently anticipated that work will commence on the sports hall and classrooms in the Summer of 2015.

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, incorporating the Strategic report, was approved by order of the Governors, as the company directors, on 16/12/14 and signed on the board's behalf by:



.....
A N Hall
Chair of Governors

BEAUMONT SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT

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 has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between 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 6 times during the year. Attendance during the year at meetings of the Governors was as follows:

Governor	Meetings attended	Out of a possible
C C Aikman	5	6
N R Armstrong	5	6
M J Atkinson, Deputy Head	4	6
M R Cameron	6	6
J Chu	4	6
K M Doyle	6	6
J M Fingland	0	0
A N Hall, Chair	6	6
H R Henry	5	6
E Hitch, Headteacher	6	6
C Hopkin	4	6
W I Johnston	0	0
S J Jump	5	6
A-H Kadodia	0	0
G K Kellett	6	6
D A Lee	0	0
J McAlister	6	6
M H McCrorie, Deputy Head	3	6
N M Moody	3	6
C J Morris	4	5
R Prindiville	3	6
L J Sherwood	6	6
L R Sidney	0	0
K M Trounson	6	6
A Wallis	6	6

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 Prindiville, who is a Fellow Chartered Management Accountant, was a member of the Resources Committee (and its Chair) and Mike Cameron, who is an Associate Chartered Accountant, was also

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GOVERNANCE STATEMENT (continued)

a member of the committee.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
R Prindiville	5	5
E Hitch	5	5
C Hopkin	5	5
M R Cameron	5	5
A Wallis	3	5
A N Hall	3	5
S J Jump	0	5
G K Kellett	4	5
J Chu	2	5

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 year 1 September 2013 to 31 August 2014 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 year 1 September 2013 to 31 August 2014 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 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.

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GOVERNANCE STATEMENT (continued)

The Governors have considered the need for a specific internal audit function and has 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.

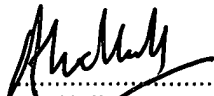
REVIEW OF EFFECTIVENESS

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

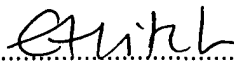
- the work of the Responsible Officer;
- the work of the external auditor;
- the work of the finance team within the Academy who have responsibility for the development and maintenance of the internal control framework.

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 16/12/14 and signed on its behalf, by:



A N Hall
Chair of Governors



E Hitch
Accounting Officer

BEAUMONT SCHOOL
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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 (2013).

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 (2013).

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Governors and EFA.


.....
E Hitch
Accounting Officer

Date: 16/12/14

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**GOVERNORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014**

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 (including the Strategic 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:

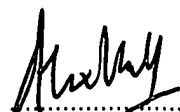
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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 16/12/14 and signed on its behalf by:



.....
A N Hall
Chair of Governors

BEAUMONT SCHOOL
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INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF GOVERNORS OF BEAUMONT SCHOOL

We have audited the financial statements of Beaumont School for the year ended 31 August 2014 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 to 2014 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON 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 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 to 2014 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, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

BEAUMONT SCHOOL
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF GOVERNORS OF BEAUMONT SCHOOL

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.

Alexander Bottom

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: *18th December 2014*

BEAUMONT SCHOOL
(A company limited by guarantee)

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

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 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Beaumont School during the year 1 September 2013 to 31 August 2014 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 EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Beaumont School and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Beaumont School and 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 ACCOUNTANT

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 1 September 2013, 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 to 2014. 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 year 1 September 2013 to 31 August 2014 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 to 2014 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

BEAUMONT SCHOOL
(A company limited by guarantee)

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

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 year 1 September 2013 to 31 August 2014 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

Hillier Hopkins LLP

Chartered Accountants
Statutory Auditor

Radius House
51 Clarendon Road
Watford
Hertfordshire
WD17 1HP

Date: *18th December 2014*

BEAUMONT SCHOOL
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account and Statement of Total Recognised Gains and Losses)
FOR THE YEAR ENDED 31 AUGUST 2014

	Note	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	14 months Total funds 2013 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Assets donated upon conversion	2	-	-	-	-	18,308,787
Other voluntary income	2	5,668	12,145	-	17,813	24,687
Activities for generating funds	3	63,425	-	-	63,425	85,183
Investment income	4	1,827	-	-	1,827	1,118
Incoming resources from charitable activities	5	473,652	6,129,197	445,854	7,048,703	8,289,647
TOTAL INCOMING RESOURCES		544,572	6,141,342	445,854	7,131,768	26,709,422
RESOURCES EXPENDED						
Costs of generating funds:						
Costs of generating voluntary income	6	27,575	-	-	27,575	23,492
Charitable activities		436,131	5,985,094	331,706	6,752,931	8,224,769
Governance costs	8	-	14,846	-	14,846	15,324
TOTAL RESOURCES EXPENDED	11	463,706	5,999,940	331,706	6,795,352	8,263,585
NET INCOMING RESOURCES BEFORE TRANSFERS		80,866	141,402	114,148	336,416	18,445,837

BEAUMONT SCHOOL
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

	Note	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	14 months Total funds 2013 £
Transfers between Funds	21	-	(156,315)	156,315	-	-
NET INCOME FOR THE YEAR		80,866	(14,913)	270,463	336,416	18,445,837
Actuarial gains and losses on defined benefit pension schemes		-	(137,000)	-	(137,000)	(85,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		80,866	(151,913)	270,463	199,416	18,360,837
<i>Total funds at 1 September 2013</i>		457,628	(675,196)	18,578,405	18,360,837	-
TOTAL FUNDS AT 31 AUGUST 2014		538,494	(827,109)	18,848,868	18,560,253	18,360,837

All activities relate to continuing operations.

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

The notes on pages 23 to 43 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2014

	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Tangible assets	18		18,848,868		18,411,010
CURRENT ASSETS					
Debtors	19	178,915		217,056	
Cash at bank and in hand		938,553		833,146	
			<u>1,117,468</u>	<u>1,050,202</u>	
CREDITORS: amounts falling due within one year	20		<u>(440,083)</u>	<u>(323,375)</u>	
NET CURRENT ASSETS			677,385		726,827
TOTAL ASSETS LESS CURRENT LIABILITIES					
Defined benefit pension scheme liability	26		<u>(966,000)</u>		<u>(777,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u>18,560,253</u>		<u>18,360,837</u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	21	138,891		101,804	
Restricted fixed asset funds	21	18,848,868		18,578,405	
Restricted funds excluding pension liability		18,987,759		18,680,209	
Pension reserve		<u>(966,000)</u>		<u>(777,000)</u>	
Total restricted funds			18,021,759		17,903,209
Unrestricted funds	21		538,494		457,628
TOTAL FUNDS			<u>18,560,253</u>		<u>18,360,837</u>

The financial statements were approved by the Governors, and authorised for issue, on 16/12/14 and are signed on their behalf, by:


.....
A N Hall
Chair of Governors

The notes on pages 23 to 43 form part of these financial statements.

BEAUMONT SCHOOL
(A company limited by guarantee)

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014**

	Note	31 August 2014 £	<i>14 months ended 31 August 2013 £</i>
Net cash flow from operating activities	23	427,290	19,054,031
Returns on investments and servicing of finance	24	1,827	1,118
Capital expenditure and financial investment	24	(323,710)	(18,579,412)
Cash transferred on conversion to an academy trust		-	357,409
INCREASE IN CASH IN THE YEAR		105,407	833,146

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2014**

	31 August 2014 £	<i>14 months ended 31 August 2013 £</i>
Increase in cash in the year	105,407	833,146
MOVEMENT IN NET FUNDS IN THE YEAR	105,407	833,146
Net funds at 1 September 2013	833,146	-
NET FUNDS AT 31 AUGUST 2014	938,553	833,146

The notes on pages 23 to 43 form part of these financial statements.

BEAUMONT SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

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 to 2014 issued by 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 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 Department for Education.

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

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.

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

BEAUMONT SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES (continued)

1.4 Resources expended

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.

BEAUMONT SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

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
IT infrastructure	-	20% 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.

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 26, 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.

BEAUMONT SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

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.

2. VOLUNTARY INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	14 months Total funds 2013 £
Assets donated upon conversion	-	-	-	18,308,787
Donations	5,668	12,145	17,813	24,687
Voluntary income	5,668	12,145	17,813	18,333,474

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	14 months Total funds 2013 £
Rental income	6,804	-	6,804	15,759
Community income	33,968	-	33,968	22,284
Staff consultancy services	17,831	-	17,831	47,140
Other generated income	4,822	-	4,822	-
	63,425	-	63,425	85,183

BEAUMONT SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

4. INVESTMENT INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	14 months Total funds 2013 £
Investment income	1,827	-	1,827	1,118

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	14 months Total funds 2013 £
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	5,912,877	5,912,877	6,854,640
Pupil Premium	-	72,898	72,898	62,983
Other DfE grants	-	10,364	10,364	12,743
Start Up grants	-	-	-	25,000
EFA capital grants	-	440,482	440,482	220,076
	-	6,436,621	6,436,621	7,175,442
Other government grants				
SEN funding	-	60,690	60,690	57,937
Other government grants	-	55,263	55,263	58,969
Other government grants - capital	-	5,372	5,372	-
	-	121,325	121,325	116,906
Other funding				
Trip income	349,377	-	349,377	529,236
Exam fee income	9,323	-	9,323	23,015
Music income	78,763	-	78,763	86,096
Catering income	12,943	-	12,943	291,512
Other income	23,246	17,105	40,351	67,441
	473,652	17,105	490,757	997,300
	473,652	6,575,051	7,048,703	8,289,648

BEAUMONT SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

6. COSTS OF GENERATING VOLUNTARY INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	14 months Total funds 2013 £
Voluntary income expenditure	723	-	723	-
Voluntary income staff costs	26,852	-	26,852	23,492
	<u>27,575</u>	<u>-</u>	<u>27,575</u>	<u>23,492</u>

7. EXPENDITURE BY CHARITABLE ACTIVITY

SUMMARY BY FUND TYPE

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	14 months Total funds 2013 £
Educational activities	436,131	6,316,800	6,752,931	8,224,769
	<u>436,131</u>	<u>6,316,800</u>	<u>6,752,931</u>	<u>8,224,769</u>

SUMMARY BY EXPENDITURE TYPE

	Staff costs 2014 £	Depreciation 2014 £	Other costs 2014 £	Total 2014 £	Total 2013 £
Educational activities	5,010,904	331,706	1,410,321	6,752,931	8,224,769
	<u>5,010,904</u>	<u>331,706</u>	<u>1,410,321</u>	<u>6,752,931</u>	<u>8,224,769</u>

8. GOVERNANCE COSTS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	14 months Total funds 2013 £
Governance Auditors' remuneration	-	6,500	6,500	6,500
Governance Auditors' non audit costs	-	6,815	6,815	7,270
Governors training	-	1,531	1,531	1,554
	<u>-</u>	<u>14,846</u>	<u>14,846</u>	<u>15,324</u>

BEAUMONT SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

9. DIRECT COSTS

	Educational activities	Total 2014	<i>Total 2013</i>
	£	£	£
Teaching and educational supplies	197,466	197,466	307,363
Examination fees	116,131	116,131	131,189
Staff development	20,655	20,655	25,672
Educational consultancy	11,597	11,597	5,927
Music services	109,489	109,489	101,683
Trip expenditure	343,198	343,198	520,413
Other direct costs	15,671	15,671	76,627
Wages and salaries	3,699,697	3,699,697	4,152,596
National insurance	278,902	278,902	316,791
Pension cost	493,413	493,413	568,909
	<u>5,286,219</u>	<u>5,286,219</u>	<u>6,207,170</u>

10. SUPPORT COSTS

	Educational activities	Total 2014	<i>Total 2013</i>
	£	£	£
FRS17 pension cost (note 17)	28,000	28,000	30,000
Travel expenditure	5,552	5,552	8,286
Recruitment	13,693	13,693	20,306
Premises and equipment maintenance costs	91,801	91,801	126,978
Rent and rates	30,836	30,836	34,574
Catering costs	18,263	18,263	302,866
Technology costs	43,098	43,098	76,447
Insurance costs	44,766	44,766	95,258
Heat and light costs	85,963	85,963	104,926
Printing, postage and stationery	9,092	9,092	12,569
Cleaning and caretaking costs	107,101	107,101	129,660
Professional fees	29,457	29,457	28,338
Other support costs	88,492	88,492	133,041
Wages and salaries	424,260	424,260	430,462
National insurance	21,796	21,796	25,764
Pension cost	92,836	92,836	69,647
Depreciation	331,706	331,706	388,477
	<u>1,466,712</u>	<u>1,466,712</u>	<u>2,017,599</u>

BEAUMONT SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

11. RESOURCES EXPENDED

	Staff costs	Non Pay Expenditure Other costs	Total	Total
	2014	2014	2014	2013
	£	£	£	£
Costs of generating voluntary income	26,852	723	27,575	23,492
Costs of generating funds	26,852	723	27,575	23,492
Educational activities	4,472,012	814,207	5,286,219	6,207,170
Support costs - Educational activities	538,892	927,820	1,466,712	2,017,599
Charitable activities	5,010,904	1,742,027	6,752,931	8,224,769
Governance	-	14,846	14,846	15,324
	5,037,756	1,757,596	6,795,352	8,263,585

12. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly	Support costs	Total	Total
	2014	2014	2014	2013
	£	£	£	£
Educational activities	5,286,219	1,466,712	6,752,931	8,224,769

13. NET INCOMING RESOURCES

This is stated after charging:

	31 August 2014 £	14 months ended 31 August 2013 £
Depreciation of tangible fixed assets: - owned by the charity	331,706	388,478
Auditor's remuneration	6,500	6,500
Auditor's remuneration - non-audit	6,815	7,270

BEAUMONT SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

14. STAFF

a. Staff costs

Staff costs were as follows:

	31 August 2014	<i>14 months ended 31 August 2013</i>
	£	£
Wages and salaries	4,069,995	4,605,662
Social security costs	300,842	342,555
Other pension costs (Note 26)	587,756	639,444
	4,958,593	5,587,661
Supply teacher costs	79,163	-
Supply teacher costs	-	78,117
	5,037,756	5,665,778

b. Staff numbers

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

	31 August 2014	<i>14 months ended 31 August 2013</i>
	No.	No.
Teachers	81	79
Administration and support	43	43
Management	8	8
	132	130

BEAUMONT SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

14. STAFF (continued)

c. Higher paid staff

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

	31 August	<i>14 months ended</i>
	2014	<i>31 August</i>
	No.	<i>14 months 2013</i>
		<i>No.</i>
In the band £60,001 - £70,000	2	4
In the band £70,001 - £80,000	0	2
In the band £90,001 - £100,000	1	0
In the band £100,001 - £110,000	0	1
	<hr/>	<hr/>
	3	<i>7</i>
	<hr/> <hr/>	<hr/> <hr/>

Of the above employees, three (2013: seven) participated in the Teachers' Pension Scheme. During the period ended 31 August 2014, pension contributions for these staff amounted to £32,468 (2013: £72,663).

15. GOVERNORS' REMUNERATION AND EXPENSES

During the year retirement benefits were accruing to 7 Governors (2013 - 8) in respect of defined benefit pension schemes.

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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:

	31 August 2014 £	<i>14 months ended 31 August 2013 £</i>
E Hitch (principal and Governor)	95,000-100,000	<i>100,000-105,000</i>
M H McCrorie	65,000-70,000	<i>75,000-80,000</i>
M J Atkinson	65,000-70,000	<i>75,000-80,000</i>
S J Jump	45,000-50,000	<i>50,000-55,000</i>
N S Moody	40,000-45,000	<i>40,000-45,000</i>
L R Sidney (resigned 2 September 2013)	<i>n/a</i>	<i>45,000-50,000</i>
C C Aikman	15,000-20,000	<i>15,000-20,000</i>
N A Forster (resigned 12 September 2012)	<i>n/a</i>	<i>5,000-10,000</i>
C Hopkin (appointed 12 September 2013)	20,000-25,000	<i>n/a</i>
H Doan*	10,000-15,000	<i>45,000-50,000</i>
M Atkinson*	10,000-15,000	<i>0-5,000</i>
D Atkinson*	0-5,000	<i>n/a</i>
S Rolfe*	5,000-10,000	<i>n/a</i>

During the year ended 31 August 2014, expenses totalling £156 (2013 - £NIL) were reimbursed to 1 Governor (2013 - 0).

* 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.

* D Atkinson is a related party by virtue of being father of M J Atkinson, a Governor. During the period, the employee did not participate in any Pension Scheme.

* S Rolfe is a related party by virtue of being partner of C Aikman, 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 year ended 31 August 2014 was £879 (2013 - £943). The cost of this insurance is included in the total insurance cost.

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17. OTHER FINANCE INCOME

	31 August 2014	<i>14 months ended 31 August 2013</i>
	£	£
Expected return on pension scheme assets	38,000	25,000
Interest on pension scheme liabilities	(66,000)	(55,000)
	(28,000)	(30,000)
	(28,000)	(30,000)

18. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Assets under construction £	Total £
Cost						
At 1 September 2013	18,458,209	6,388	103,057	220,742	11,092	18,799,488
Additions	661,822	-	23,672	78,698	5,372	769,564
Transfer between classes	11,092	-	-	-	(11,092)	-
At 31 August 2014	19,131,123	6,388	126,729	299,440	5,372	19,569,052
Depreciation						
At 1 September 2013	300,415	1,754	12,954	73,355	-	388,478
Charge for the year	260,205	1,503	12,728	57,270	-	331,706
At 31 August 2014	560,620	3,257	25,682	130,625	-	720,184
Net book value						
At 31 August 2014	18,570,503	3,131	101,047	168,815	5,372	18,848,868
At 31 August 2013	18,157,794	4,634	90,103	147,387	11,092	18,411,010
	18,570,503	3,131	101,047	168,815	5,372	18,848,868

19. DEBTORS

	2014	2013
	£	£
Trade debtors	15,827	48,739
Other debtors	32,075	69,036
Prepayments and accrued income	131,013	99,281
	178,915	217,056
	178,915	217,056

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20. CREDITORS:
Amounts falling due within one year

	2014 £	2013 £
Trade creditors	158,185	25,607
Other taxation and social security	85,179	88,906
Other creditors	75,611	75,837
Accruals and deferred income	121,108	133,025
	440,083	323,375
£		
Deferred income		
Deferred income at 1 September 2013		51,350
Resources deferred during the year		104,507
Amounts released from previous years		(51,350)
		104,507

21. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
Unrestricted funds	457,628	544,572	(463,706)	-	-	538,494
	457,628	544,572	(463,706)	-	-	538,494
Restricted funds						
General Annual Grant (GAG)	94,885	5,912,877	(5,726,809)	(156,315)	-	124,638
Pupil Premium	-	72,898	(72,898)	-	-	-
SEN funding	-	60,690	(60,690)	-	-	-
Other DfE grants	6,829	10,364	(2,940)	-	-	14,253
Other government grants	-	55,263	(55,263)	-	-	-
Restricted donations	90	17,105	(17,195)	-	-	-
Other Voluntary Income	-	12,145	(12,145)	-	-	-
Pension reserve	(777,000)	-	(52,000)	-	(137,000)	(966,000)
	(675,196)	6,141,342	(5,999,940)	(156,315)	(137,000)	(827,109)

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**NOTES TO THE FINANCIAL STATEMENTS
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21. STATEMENT OF FUNDS (continued)

Restricted fixed asset funds

Restricted fixed asset fund	18,411,010	-	(331,706)	769,564	-	18,848,868
EFA capital grants	167,395	445,854	-	(613,249)	-	-
	<u>18,578,405</u>	<u>445,854</u>	<u>(331,706)</u>	<u>156,315</u>	<u>-</u>	<u>18,848,868</u>
Total restricted funds	<u>17,903,209</u>	<u>6,587,196</u>	<u>(6,331,646)</u>	<u>-</u>	<u>(137,000)</u>	<u>18,021,759</u>
Total of funds	<u><u>18,360,837</u></u>	<u><u>7,131,768</u></u>	<u><u>(6,795,352)</u></u>	<u><u>-</u></u>	<u><u>(137,000)</u></u>	<u><u>18,560,253</u></u>

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.

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 2014.

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	457,628	544,572	(463,706)	-	-	538,494
Restricted funds	(675,196)	6,141,342	(5,999,940)	(156,315)	(137,000)	(827,109)
Restricted fixed asset funds	<u>18,578,405</u>	<u>445,854</u>	<u>(331,706)</u>	<u>156,315</u>	<u>-</u>	<u>18,848,868</u>
	<u><u>18,360,837</u></u>	<u><u>7,131,768</u></u>	<u><u>(6,795,352)</u></u>	<u><u>-</u></u>	<u><u>(137,000)</u></u>	<u><u>18,560,253</u></u>

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

	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	14 months Total funds 2013 £
Tangible fixed assets	-	-	18,848,868	18,848,868	18,411,011
Current assets	642,998	474,470	-	1,117,468	1,050,201
Creditors due within one year	(104,504)	(335,579)	-	(440,083)	(323,375)
Provisions for liabilities and charges	-	(966,000)	-	(966,000)	(777,000)
	<u>538,494</u>	<u>(827,109)</u>	<u>18,848,868</u>	<u>18,560,253</u>	<u>18,360,837</u>

23. NET CASH FLOW FROM OPERATING ACTIVITIES

	31 August 2014 £	14 months ended 31 August 2013 £
Net incoming resources before revaluations	336,416	18,445,837
Returns on investments and servicing of finance	(1,827)	(1,118)
Cash transferred on conversion	-	(357,409)
Depreciation of tangible fixed assets	331,706	388,478
Capital grants	(445,854)	(220,076)
Decrease/(increase) in debtors	38,141	(217,056)
Increase in creditors	116,708	323,375
FRS 17 adjustments	52,000	34,000
LGPS inherited upon conversion	-	658,000
Net cash inflow from operations	<u>427,290</u>	<u>19,054,031</u>

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

	31 August 2014 £	14 months ended 31 August 2013 £
Returns on investments and servicing of finance		
Interest received	<u>1,827</u>	<u>1,118</u>

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24. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)

	31 August 2014 £	<i>14 months ended 31 August 2013 £</i>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(769,564)	(221,472)
Assets inherited upon conversion	-	(18,578,016)
Capital grants	445,854	220,076
Net cash outflow capital expenditure	(323,710)	(18,579,412)

25. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2013 £	Cash flow £	Other non-cash changes £	31 August 2014 £
Cash at bank and in hand:	833,146	105,407	-	938,553
Net funds	833,146	105,407	-	938,553

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NOTES TO THE FINANCIAL STATEMENTS
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26. PENSION COMMITMENTS

The Academy's employees belong to two principal pension schemes: the Teacher's 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.

Contributions amounting to £73,755 were payable to the scheme at 31 August 2014 (2013 - £73,952) 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.

The Teachers' Pensions Regulations require an annual 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

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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26. PENSION COMMITMENTS (continued)

Teachers' Pension Scheme Changes

Lord Hutton made recommendations in 2011 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 with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

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. 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 up to three and a half years 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 have been phased in from April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatted Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme will commence on 1 April 2015.

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. The total contribution made for the year ended 31 August 2014 was £156,000, of which employer's contributions totalled £123,000 and employees' contributions totalled £33,000. The agreed contribution rates for future years are 25.3% for employers and 5.5% to 12.5% for employees.

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

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26. PENSION COMMITMENTS (continued)

The amounts recognised in the Balance sheet are as follows:

	31 August 2014 £	<i>14 months ended 31 August 2013 £</i>
Present value of funded obligations	(1,724,000)	<i>(1,348,000)</i>
Fair value of scheme assets	758,000	<i>571,000</i>
Net liability	<u>(966,000)</u>	<i><u>(777,000)</u></i>

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

	31 August 2014 £	<i>14 months ended 31 August 2013 £</i>
Current service cost	(147,000)	<i>(131,000)</i>
Interest on obligation	(66,000)	<i>(55,000)</i>
Expected return on scheme assets	38,000	<i>25,000</i>
Total	<u>(175,000)</u>	<i><u>(161,000)</u></i>
Actual return on scheme assets	<u>80,000</u>	<i><u>73,000</u></i>

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

	31 August 2014 £	<i>14 months ended 31 August 2013 £</i>
Opening defined benefit obligation	1,348,000	<i>992,000</i>
Current service cost	147,000	<i>131,000</i>
Interest cost	66,000	<i>55,000</i>
Contributions by scheme participants	33,000	<i>36,000</i>
Actuarial Losses	132,000	<i>134,000</i>
Benefits paid	(2,000)	<i>-</i>
Closing defined benefit obligation	<u>1,724,000</u>	<i><u>1,348,000</u></i>

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26. PENSION COMMITMENTS (continued)

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

	31 August 2014 £	<i>14 months ended 31 August 2013 £</i>
Opening fair value of scheme assets	571,000	334,000
Expected return on assets	38,000	25,000
Actuarial gains and (losses)	(5,000)	49,000
Contributions by employer	123,000	127,000
Contributions by employees	33,000	36,000
Benefits paid	(2,000)	-
	758,000	571,000

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £222,000 losses (2013 - £85,000 losses).

The Academy expects to contribute £162,000 to its Defined benefit pension scheme in 2015.

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

	2014	2013
Equities	67.00 %	74.00 %
Bonds	23.00 %	18.00 %
Property	7.00 %	5.00 %
Cash	3.00 %	3.00 %

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

	2014	2013
Discount rate for scheme liabilities	3.70 %	4.60 %
Expected return on scheme assets at 31 August	5.40 %	5.90 %
Rate of increase in salaries	3.90 %	5.10 %
Rate of increase for pensions in payment / inflation	2.60 %	2.80 %

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

	2014	2013
Retiring today		
Males	22.3	21.0
Females	24.5	23.8
Retiring in 20 years		
Males	24.3	22.9
Females	26.7	25.7

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26. PENSION COMMITMENTS (continued)

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	2014 £	2013 £
Defined benefit obligation	(1,724,000)	(1,348,000)
Scheme assets	758,000	571,000
(Deficit)/surplus	<u>(966,000)</u>	<u>(777,000)</u>
Experience adjustments on scheme liabilities	(132,000)	(134,000)
Experience adjustments on scheme assets	<u>(5,000)</u>	<u>49,000</u>

27. OPERATING LEASE COMMITMENTS

At 31 August 2014 the Academy had annual commitments under non-cancellable operating leases as follows:

	2014 £	2013 £
Expiry date:		
Within 1 year	-	879
Between 2 and 5 years	<u>30,966</u>	<u>29,794</u>

28. 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.

29. CONTROLLING PARTY

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