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

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS/ TRUSTEES AND  
ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2015**

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**Governors and members** C C Aikman (resigned 17 July 2015)  
N R Armstrong  
M J Atkinson, Deputy Head  
M R Cameron<sup>1</sup>  
J Chu (resigned 14 November 2014)<sup>1</sup>  
C I Davies (appointed 11 September 2015)<sup>1</sup>  
K M Doyle (resigned 21 November 2014)  
A N Hall<sup>1,2</sup>  
H R Henry  
E Hitch, Headteacher<sup>1</sup>  
C Hopkin<sup>1</sup>  
W I Johnston (appointed 22 November 2014)  
S J Jump (resigned 31 August 2015)<sup>1</sup>  
G K Kellett<sup>1</sup>  
D A Lee (appointed 22 November 2014)  
J McAlister  
M H McCrorie, Deputy Head (resigned 31 August 2015)  
K Mirza (appointed 7 July 2015)  
N S Moody  
C J Morris (resigned 17 July 2015)  
R Prindiville<sup>1,4</sup>  
L J Sherwood  
V M Stewart (appointed 11 September 2015)  
K M Trounson  
A Wallis<sup>1,3</sup>

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

<sup>2</sup> Chair of Governors

<sup>3</sup> Vice Chair of Governors

<sup>4</sup> Chair of Resources Committee

**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 MEMBERS/ TRUSTEES AND  
ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2015**

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**Administrative details (continued)**

<b>Company secretary</b>	S Kilka-Green
<b>School Business Manager</b>	J Wells
<b>Senior leadership team</b>	E Hitch, Headteacher M Atkinson, Deputy Headteacher M H McCrorie, Deputy Headteacher (resigned 31 August 2015) C Cross, Assistant Headteacher A Goodwin, Assistant Headteacher (resigned 31 August 2015) L Hawkins, Assistant Headteacher Y Powdrell, Assistant Headteacher S Hosegood, Assistant Headteacher (appointed 1 September 2015) J Wells, School Business Manager
<b>Independent auditor</b>	Hillier Hopkins LLP Chartered Accountants Statutory Auditor Radius House 51 Clarendon Road Watford Hertfordshire WD17 1HP
<b>Bankers</b>	Lloyds Bank PLC 36 Chequer Street St Albans Hertfordshire AL1 3YQ
<b>Solicitors</b>	Winckworth Sherwood Minerva House 5 Montague Close London SE1 9BB

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**GOVERNORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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**Governors' Report**

The Governors (who are also directors and members 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 2015. 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.

The Academy operates as a state-maintained, mixed secondary school in St Albans, Hertfordshire, for pupils aged 11 – 18. It had a roll of 1,216 in the school census on 21 May 2015, including 319 in the Sixth Form.

**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. 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.

**d. 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;

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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- 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);
- iv) The Secretary of State may:
- 1) appoint such Additional Governors as she 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 she 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 numbers 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.

**e. 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, business and personal interest declarations (including family relationships) and DBS and pre-appointment checks) and includes a number of documents to allow the new

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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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 (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.

**f. 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 d. 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 ((i) Curriculum, Teaching and Learning; (ii) Resources; and (iii) Community), each of which meets five times a year. With effect from 1st September 2015, the number of committees has been reduced to two ((i) Community, Teaching and Learning; and (ii) Resources), each of which will meet 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 which during the period to 31 August 2015 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.

**g. 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 an active member of the local Headteachers' group and also part of a network of local schools delivering a highly successful Graduate Teacher Programme, co-ordinated by the local Teaching Schools Alliance. The Academy is a National Support School, and affiliated to the Schools' Network, previously the Specialist Schools and Academies Trust. The Headteacher qualified as an Ofsted inspector in February 2015, is a National Leader of Education and works to support schools across the Local Authority as required. She is a member of a number of professional

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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organisations enabling her to keep abreast of current educational issues.

**Objectives and Activities**

**i. Objects and Aims**

The objects of the Academy are:

- a) 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;
- b) 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 aims of the Academy are to prepare young people to become active, caring and confident citizens who lead rewarding lives. The Academy 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;
- Developing an awareness of our world, celebrating diversity and promoting a concern for the environment.

The Academy wants every student who leaves Beaumont School to 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.

**ii. Objectives, Strategies and Activities**

The detailed objectives, strategies and activities for the Academy are outlined in the Plan for School Improvement. The 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 to meet the needs of the students.

**iii. 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 in exercising their powers or duties.

Whilst the Academy is independently governed, it remains state-funded and free for students. Its admissions policy is delegated to and operated by the County Council, so as to ensure fair and inclusive access for local students across the full range of abilities. The Governors pay close regard to the charitable objectives of the



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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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Academy, particularly through seeking to achieve its aims and maintain its ethos through the implementation of the Plan for School Improvement, which ensures a broad and balanced curriculum, a safe and caring learning environment and equality of opportunity.

The Governors continue to invest heavily in the improvement of the Academy's facilities, particularly recreation and sports facilities (through the ongoing FAB Project) which will benefit both the Academy's students and the local community.

### **STRATEGIC REPORT**

#### **a. Achievements and performance**

The Academy's academic results in 2015 demonstrate continued outstanding performance. At GCSE, 82% of Year 11 achieved a minimum of 5+A\*-C (including English and Maths), 37% of grades were A\*/A and 60% achieved the E-Baccalaureate.

At A Level, 32% of grades were A\*/A, 65% were A\*/B and the average points per entry puts the school in the top 5% of comprehensive schools based on 2014-15 performance tables. 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 2014/15 academic year include:

- In January 2015, the Academy became a National Support School and the Headteacher became a National Leader of Education.
- Outstanding performances in Sport at district, county and national level
- Outstanding performances in Music, including whole school performances within school, and concerts in the local community, and also in a number of venues during a tour to Belgium in February 2015 (including a performance at the Last Post ceremony at the Menin Gate).
- Outstanding performances in Drama, including Upper School performances of Beauty and the Beast, drama club performances in Years 7 to 9, and individual success, including for alumni active in the West End.
- Numerous and extensive trips and visits at home and abroad to enhance both curricular and extra-curricular learning.

#### **b. Key Financial 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 Sixth Form 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; and
- Restricted and unrestricted funds carried forward.

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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**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.

**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 2015 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 is 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 £1,025,000 as at 31 August 2015.

**b. Reserves Policy**

The Academy is permitted to hold unspent GAG from previous Financial Years 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.

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. The current level of reserves will be required to meet the increased costs of Employer's pension contributions and Employer's National Insurance contributions over the next few years.

**c. 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 2015 which allows for funds to be held in UK regulated banks and financial institutions that are authorised by the Financial Conduct 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.

**d. Principal Risks and Uncertainties**

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.

The Academy's risk register is comprehensive and is regularly reviewed at management level and considered regularly by the Governors. The principal risks and uncertainties that the Academy faces include the challenge of achieving the financial efficiencies required as a result of no increases to funding levels in conjunction with

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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increased staffing costs and the extensive 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.

The Academy also faces risks from the various building and facilities improvement works that are currently being undertaken, and maintains comprehensive risk registers which are specific to those projects in which those risks are identified, assessed and controls established.

#### **PLANS FOR FUTURE PERIODS**

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, and 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 (with the Academy taking occupation in October 2015) and it is currently anticipated that work will commence on the sports hall and classrooms at the end of 2015 and in early 2016.

In April 2015, the Academy successfully secured a £605,000 grant from the Condition Improvement Fund to overhaul the drainage system across the school; work began in Summer 2015 and is expected to be completed in Spring 2016.

#### **FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

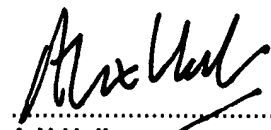
The academy does not hold funds as a custodian trustee on behalf of others.

#### **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 *18/12/15* and signed on the board's behalf by



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**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 has formally met 7 times during the year. Attendance during the year at meetings of the Governors were as follows:

Governor	Meetings attended	Out of a possible
C C Aikman	6	7
N R Armstrong	5	7
M J Atkinson, Deputy Head	7	7
M R Cameron	7	7
J Chu	0	2
K M Doyle	2	2
A N Hall	7	7
H R Henry	5	7
E Hitch, Headteacher	7	7
C Hopkin	4	7
W I Johnston	5	5
S J Jump	6	7
G K Kellett	7	7
D A Lee	5	5
J McAlister	6	7
M H McCrorie, Deputy Head	6	7
K Mirza	0	0
N S Moody	5	7
C J Morris	5	7
R Prindiville	5	7
L J Sherwood	5	7
K M Trounson	7	7
A Wallis	6	7

Review and self-evaluation of the Governing Body is conducted on a regular basis and at least annually:

- In September 2013, a mock Ofsted inspection by Herts For Learning included a detailed discussion with Governors regarding the Academy's performance and the role, responsibilities and current performance of the Governing Body.
- Following the inspection of the Academy by Ofsted in March 2014, Ofsted reported that:

*"The headteacher, leadership team and the governors have a relentless focus on raising achievement for all students in the school. They are all passionate about driving up standards even further and give a clear*

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**GOVERNANCE STATEMENT (continued)**

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*vision to all staff of where they want the school to be. They have been successful in creating a culture that pursues excellence.*

*Governors and senior leaders set themselves very high standards. Procedures for monitoring the quality of teaching and how well students are doing are robust and rigorous. This promotes further improvement in achievement.*

*Governors systematically pursue excellence along with the headteacher and senior leaders. Governors are passionate about the school. They know the school very well because of the regular visits governors make to support leaders in monitoring and tracking the quality of learning.*

*Governors ensure that the performance of teachers is well managed. Governors oversee performance appraisal arrangements effectively and regularly review statutory policies and ensure that requirements are met, including those relating to safeguarding. Governors ask school leaders challenging questions about performance in all aspects of the school's work. They monitor the impact of pupil-premium funding closely."*

- In July 2014, a 360 review of the Chair of Governors was carried out. Feedback was given in Autumn 2014 and steps taken to improve induction and mentoring of new governors.
- Following discussion at the meeting of the Full Governing Body in September 2015, a further self-evaluation exercise is currently underway, the results of which will be considered and acted upon by the Governors during the course of this academic year.

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 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	4	5
M R Cameron	5	5
A Wallis	4	5
A N Hall	2	5
S J Jump	4	5
G K Kellett	4	5
J Chu	0	2
W I Johnston	3	3

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

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**GOVERNANCE STATEMENT (continued)**

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Additionally, during the financial year 2014-15 there was a Curriculum, Teaching and Learning Committee and a Community Committee (with effect from 1st September 2015, the number of committees was reduced to two ((i) Community, Teaching and Learning and (ii) Resources). There is also scope to form ad hoc committees to discuss and make decisions on specific pertinent issues when required.

**REVIEW OF VALUE FOR MONEY**

As accounting officer, the Headteacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- continuing to develop a collaborative approach in the delivery of courses at Key Stage 5 by working in close partnership with two other local secondary schools, which means that a wider range of course options can be delivered in a more cost effective way;
- improved purchasing as a result of benchmarking and the robust challenge of spending decisions;
- implementing a rigorous programme of curriculum review that has resulted in staffing efficiencies.

Whilst the Academy explores every opportunity to generate income through the hire of facilities, this remains an area which is being targeted for improvement, following completion of the current scheme of building and facility improvement works.

**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 2014 to 31 August 2015 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 2014 to 31 August 2015 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

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

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**GOVERNANCE STATEMENT (continued)**

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- forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
  - clearly defined purchasing (asset purchase or capital investment) guidelines;
  - delegation of authority and segregation of duties;
  - identification and management of risks.

The Governors have considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed Hillier Hopkins LLP, the external auditor, to perform additional checks.

This supplementary programme of work undertaken by the external auditor includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. In particular the checks carried out in the current period included:

- Systems and controls;
- Banking;
- Purchases;
- Pupil Premium;
- Income;
- Payroll;
- Fixed assets;
- Management reporting;
- VAT;
- Contracts register;
- Procurement.

On a termly basis, the auditor reports to the Governors, through the Resources Committee, on the operation of the systems of control and on the discharge of the Governors' financial responsibilities.

This schedule of work was delivered as planned during the period and no material control issues have been identified as a result of the this work.

**REVIEW OF EFFECTIVENESS**

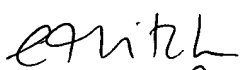
As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the supplementary programme of work undertaken termly by the external auditor;
- the work of the School Business Manager and the Senior Finance Officer 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 18/12/15 and signed on its behalf, by:

  
.....  
A N Hall  
Chair of Governors

  
.....  
E Hitch  
Accounting Officer 18.12.15

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

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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 (2014).

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 (2014).

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*

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

Date:

*18.12.15*



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

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**GOVERNORS' RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 31 AUGUST 2015**

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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 (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:

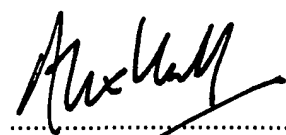
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material 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 18/12/15 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**

---

We have audited the financial statements of Beaumont School for the year ended 31 August 2015 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 2014 to 2015 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 2015 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 2014 to 2015 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.

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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.

*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:

*18th December 2015*

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

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**INDEPENDENT REPORTING ACCOUNTANT'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 2014 to 2015, 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 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**APPROACH**

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by 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.

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material misstatement and irregularity across the Academy Trust's activities.
- Testing and review of areas identified through risk assessment including enquiry, observation, inspection and review of supporting evidence.
- Review of system controls, policies and procedures in place to ensure compliance with the regularity regime.
- Consideration of evidence obtained through the work performed as part of our financial statements audit in order to support the regularity conclusion.

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

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**INDEPENDENT REPORTING ACCOUNTANT'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 year 1 September 2014 to 31 August 2015 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 2015*

**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 2015

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
<b>INCOMING RESOURCES</b>					
Incoming resources from generated funds:					
Voluntary income	26,182	-	12,430	38,612	17,813
Activities for generating funds	54,557	-	-	54,557	63,424
Investment income	1,331	-	-	1,331	1,827
Incoming resources from charitable activities	534,622	6,040,233	1,128,020	7,702,875	7,048,703
<b>TOTAL INCOMING RESOURCES</b>	<b>616,692</b>	<b>6,040,233</b>	<b>1,140,450</b>	<b>7,797,375</b>	<b>7,131,767</b>
<b>RESOURCES EXPENDED</b>					
Costs of generating funds:					
Costs of generating voluntary income	24,913	-	-	24,913	27,575
Charitable activities	501,205	6,110,915	349,079	6,961,199	6,752,931
Governance costs	-	18,882	-	18,882	14,846
<b>TOTAL RESOURCES EXPENDED</b>	<b>526,118</b>	<b>6,129,797</b>	<b>349,079</b>	<b>7,004,994</b>	<b>6,795,352</b>
<b>NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS</b>	<b>90,574</b>	<b>(89,564)</b>	<b>791,371</b>	<b>792,381</b>	<b>336,415</b>

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

**STATEMENT OF FINANCIAL ACTIVITIES (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Transfers between Funds	21	-	(14,711)	14,711	-	-
<b>NET INCOME FOR THE YEAR</b>		<b>90,574</b>	<b>(104,275)</b>	<b>806,082</b>	<b>792,381</b>	<b>336,415</b>
Actuarial gains and losses on defined benefit pension schemes		-	(25,000)	-	(25,000)	(137,000)
<b>NET MOVEMENT IN FUNDS FOR THE YEAR</b>		<b>90,574</b>	<b>(129,275)</b>	<b>806,082</b>	<b>767,381</b>	<b>199,415</b>
<i>Total funds at 1 September 2014</i>		<i>538,494</i>	<i>(827,109)</i>	<i>18,848,868</i>	<i>18,560,253</i>	<i>18,360,838</i>
<b>TOTAL FUNDS AT 31 AUGUST 2015</b>		<b>629,068</b>	<b>(956,384)</b>	<b>19,654,950</b>	<b>19,327,634</b>	<b>18,560,253</b>

All activities relate to continuing operations.

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

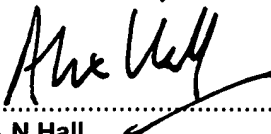
The notes on pages 24 to 44 form part of these financial statements.

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

**BALANCE SHEET**  
AS AT 31 AUGUST 2015

	Note	£	2015 £	£	2014 £
<b>FIXED ASSETS</b>					
Tangible assets	18		19,321,593		18,848,869
<b>CURRENT ASSETS</b>					
Debtors	19	611,638		178,915	
Cash at bank and in hand		1,473,044		938,553	
		<u>2,084,682</u>		<u>1,117,468</u>	
<b>CREDITORS: amounts falling due within one year</b>	20		<u>(1,053,641)</u>		<u>(440,084)</u>
<b>NET CURRENT ASSETS</b>			<u>1,031,041</u>		<u>677,384</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>20,352,634</u>		<u>19,526,253</u>
Defined benefit pension scheme liability	26		<u>(1,025,000)</u>		<u>(966,000)</u>
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITY</b>			<u><u>19,327,634</u></u>		<u><u>18,560,253</u></u>
<b>FUNDS OF THE ACADEMY</b>					
Restricted funds:					
Restricted funds	21	68,616		138,891	
Restricted fixed asset funds	21	19,654,950		18,848,868	
Restricted funds excluding pension liability		<u>19,723,566</u>		<u>18,987,759</u>	
Pension reserve		<u>(1,025,000)</u>		<u>(966,000)</u>	
Total restricted funds			<u>18,698,566</u>		<u>18,021,759</u>
Unrestricted funds	21		<u>629,068</u>		<u>538,494</u>
<b>TOTAL FUNDS</b>			<u><u>19,327,634</u></u>		<u><u>18,560,253</u></u>

The financial statements were approved by the Governors, and authorised for issue, on 18/12/15 and are signed on their behalf, by:

  
.....  
A N Hall  
Chair of Governors

The notes on pages 24 to 44 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 YEAR ENDED 31 AUGUST 2015**

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	<b>Note</b>	<b>2015</b> £	<b>2014</b> £
Net cash flow from operating activities	23	<b>214,513</b>	427,289
Returns on investments and servicing of finance	24	<b>1,331</b>	1,827
Capital expenditure and financial investment	24	<b>318,647</b>	(323,710)
<b>INCREASE IN CASH IN THE YEAR</b>		<u><b>534,491</b></u>	<u>105,406</u>

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**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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	<b>2015</b> £	<b>2014</b> £
Increase in cash in the year	<u><b>534,491</b></u>	<u>105,406</u>
<b>MOVEMENT IN NET FUNDS IN THE YEAR</b>	<b>534,491</b>	105,406
Net funds at 1 September 2014	<u><b>938,553</b></u>	<u>833,147</u>
<b>NET FUNDS AT 31 AUGUST 2015</b>	<u><b>1,473,044</b></u>	<u>938,553</u>

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The notes on pages 24 to 44 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 YEAR ENDED 31 AUGUST 2015**

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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 2014 to 2015 issued by EFA, applicable accounting standards and the Companies Act 2006.

**1.2 Company status**

The academy is a company limited by guarantee. The members of the company are the Governors named on page 1. In the event of the academy being wound up, the liability in respect of the guarantee is limited to £10 per member of the academy.

**1.3 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.

**1.4 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.

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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**1. ACCOUNTING POLICIES (continued)**

**1.5 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.

**1.6 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.

**1.7 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 YEAR ENDED 31 AUGUST 2015**

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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
IT infrastructure	-	20% straight line

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

**1.8 Operating leases**

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

**1.9 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.

**1.10 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.

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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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.

**1.11 Agency arrangements**

The academy trust acts as an agent in distributing 16-19 bursary funds from EFA. Payments received from EFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities.

The academy trust acts as an agent in distributing funding for the Developing Special Provision Locally (DSPL), on behalf of Hertfordshire County Council (HCC). Receipts of the funding from HCC and subsequent disbursements are excluded from the statement of financial activities.

The funds received and paid and any balances held are disclosed in note 30.

**2. VOLUNTARY INCOME**

	<b>Unrestricted funds 2015 £</b>	<b>Restricted funds 2015 £</b>	<b>Total funds 2015 £</b>	<i>Total funds 2014 £</i>
Donations	<u>26,182</u>	<u>12,430</u>	<u>38,612</u>	<u>17,813</u>

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**3. ACTIVITIES FOR GENERATING FUNDS**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	<i>Total funds 2014 £</i>
Rental income	6,825	-	6,825	6,804
Community income	41,932	-	41,932	33,968
Staff consultancy services	5,800	-	5,800	17,830
Other generated income	-	-	-	4,822
	<u>54,557</u>	<u>-</u>	<u>54,557</u>	<u>63,424</u>

**4. INVESTMENT INCOME**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	<i>Total funds 2014 £</i>
Investment income	1,331	-	1,331	1,827
	<u>1,331</u>	<u>-</u>	<u>1,331</u>	<u>1,827</u>

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**5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
<b>DfE/EFA revenue grants</b>				
General Annual Grant (GAG)	-	5,795,553	5,795,553	5,912,877
Other DfE grants	-	704	704	10,364
EFA capital grants	-	599,818	599,818	440,482
Pupil Premium	-	71,385	71,385	72,898
	-	6,467,460	6,467,460	6,436,621
<b>Other government grants</b>				
Other government grants	-	95,719	95,719	55,263
Other government grants - capital	-	528,202	528,202	5,372
SEN funding	-	43,873	43,873	60,690
	-	667,794	667,794	121,325
<b>Other funding</b>				
Trip income	417,594	-	417,594	349,377
Exam fee income	11,889	-	11,889	9,323
Music income	63,258	-	63,258	78,763
Catering income	10,833	-	10,833	12,943
Other income	31,048	32,999	64,047	40,351
	534,622	32,999	567,621	490,757
	534,622	7,168,253	7,702,875	7,048,703

**6. COSTS OF GENERATING VOLUNTARY INCOME**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Voluntary income expenditure	892	-	892	723
Voluntary income staff costs	24,021	-	24,021	26,852
	24,913	-	24,913	27,575

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**7. EXPENDITURE BY CHARITABLE ACTIVITY**

**SUMMARY BY FUND TYPE**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	<i>Total funds 2014 £</i>
Educational activities	501,205	6,459,994	6,961,199	6,752,931

**SUMMARY BY EXPENDITURE TYPE**

	Staff costs 2015 £	Depreciation 2015 £	Other costs 2015 £	Total 2015 £	<i>Total 2014 £</i>
Educational activities	5,146,581	349,079	1,465,539	6,961,199	6,752,931

**8. GOVERNANCE COSTS**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	<i>Total funds 2014 £</i>
Governance Auditors' remuneration	-	6,750	6,750	6,500
Governance Auditors' non audit costs	-	10,663	10,663	6,815
Governors training	-	1,469	1,469	1,531
	-	18,882	18,882	14,846

**9. DIRECT COSTS**

	Educational activities £	Total 2015 £	<i>Total 2014 £</i>
Teaching and educational supplies	163,451	163,451	197,466
Examination fees	127,038	127,038	116,131
Staff development	14,668	14,668	20,655
Educational consultancy	14,065	14,065	11,597
Music services	78,216	78,216	109,489
Trip expenditure	407,519	407,519	343,198
Other direct costs	25,416	25,416	15,671
Wages and salaries	3,783,287	3,783,287	3,699,697
National insurance	284,426	284,426	278,902
Pension cost	516,197	516,197	493,413
	5,414,283	5,414,283	5,286,219



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**10. SUPPORT COSTS**

	Educational activities £	Total 2015 £	Total 2014 £
FRS17 pension cost (note 17)	21,000	21,000	28,000
Travel expenditure	5,852	5,852	5,552
Recruitment	19,143	19,143	13,693
Premises and equipment maintenance costs	108,954	108,954	91,801
Rent and rates	26,104	26,104	30,836
Catering costs	19,681	19,681	18,263
Technology costs	63,909	63,909	43,098
Insurance costs	45,829	45,829	44,766
Heat and light costs	94,079	94,079	85,963
Printing, postage and stationery	15,170	15,170	9,092
Cleaning and caretaking costs	112,904	112,904	107,101
Professional fees	25,454	25,454	29,457
Other support costs	77,087	77,087	88,492
Wages and salaries	442,500	442,500	424,260
National insurance	23,085	23,085	21,796
Pension cost	97,086	97,086	92,836
Depreciation	349,079	349,079	331,706
	<u>1,546,916</u>	<u>1,546,916</u>	<u>1,466,712</u>

**11. RESOURCES EXPENDED**

	Staff costs 2015 £	Non Pay Premises 2015 £	Expenditure Other costs 2015 £	Total 2015 £	Total 2014 £
Costs of generating voluntary income	24,021	-	892	24,913	27,575
<b>Costs of generating funds</b>	<u>24,021</u>	<u>-</u>	<u>892</u>	<u>24,913</u>	<u>27,575</u>
Direct costs - Educational activities	4,583,910	-	830,373	5,414,283	5,286,219
Support costs - Educational activities	562,671	591,715	392,530	1,546,916	1,466,712
<b>Charitable activities</b>	<u>5,146,581</u>	<u>591,715</u>	<u>1,222,903</u>	<u>6,961,199</u>	<u>6,752,931</u>
<b>Governance</b>	<u>-</u>	<u>-</u>	<u>18,882</u>	<u>18,882</u>	<u>14,846</u>
	<u>5,170,602</u>	<u>591,715</u>	<u>1,242,677</u>	<u>7,004,994</u>	<u>6,795,352</u>

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**12. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES**

	Activities undertaken directly 2015 £	Support costs 2015 £	Total 2015 £	Total 2014 £
Educational activities	<u>5,414,283</u>	<u>1,546,916</u>	<u>6,961,199</u>	<u>6,752,931</u>

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

This is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets: - owned by the charity	349,079	331,706
Auditor's remuneration	6,750	6,500
Auditor's remuneration - non-audit	<u>10,663</u>	<u>6,815</u>

**14. STAFF**

**a. Staff costs**

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	4,194,887	4,069,995
Social security costs	307,548	300,842
Other pension costs (Note 26)	<u>615,147</u>	<u>587,756</u>
	5,117,582	4,958,593
Supply teacher costs	<u>53,020</u>	<u>79,163</u>
	<u>5,170,602</u>	<u>5,037,756</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**14. STAFF (continued)**

**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:

	<b>2015</b>	<b>2014</b>
	<b>No.</b>	<b>No.</b>
Teachers	77	81
Administration and support	43	43
Management	8	8
	<hr/>	<hr/>
	<b>128</b>	<b>132</b>
	<hr/> <hr/>	<hr/> <hr/>

**c. Higher paid staff**

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

	<b>2015</b>	<b>2014</b>
	<b>No.</b>	<b>No.</b>
In the band £60,001 - £70,000	0	2
In the band £70,001 - £80,000	2	0
In the band £90,001 - £100,000	1	1
	<hr/> <hr/>	<hr/> <hr/>

Of the above employees, three (2014: three) participated in the Teachers' Pension Scheme. During the period ended 31 August 2015, pension contributions for these staff amounted to £33,326 (2014: £32,468).

**15. GOVERNORS' REMUNERATION AND EXPENSES**

During the year retirement benefits were accruing to 7 Governors (2014 - 7) in respect of defined benefit pension schemes.

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One or more Governors has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Governors. The value of Governors' remuneration and other benefits was as follows:

		<b>2015</b>	<b>2014</b>
		<b>£</b>	<b>£</b>
E Hitch	Remuneration	<b>95,000-100,000</b>	<i>95,000-100,000</i>
	Employer's pension contribution	<b>10,000-15,000</b>	<i>10,000-15,000</i>
M H McCrorie	Remuneration	<b>70,000-75,000</b>	<i>65,000-70,000</i>
	Employer's pension contribution	<b>5,000-10,000</b>	<i>5,000-10,000</i>
M J Atkinson	Remuneration	<b>70,000-75,000</b>	<i>65,000-70,000</i>
	Employer's pension contribution	<b>5,000-10,000</b>	<i>5,000-10,000</i>
S J Jump	Remuneration	<b>40,000-45,000</b>	<i>45,000-50,000</i>
	Employer's pension contribution	<b>5,000-10,000</b>	<i>5,000-10,000</i>
N S Moody	Remuneration	<b>40,000-45,000</b>	<i>40,000-45,000</i>
	Employer's pension contribution	<b>5,000-10,000</b>	<i>5,000-10,000</i>
C C Aikman	Remuneration	<b>10,000-15,000</b>	<i>15,000-20,000</i>
	Employer's pension contribution	<b>0-5,000</b>	<i>0-5,000</i>
C Hopkin	Remuneration	<b>25,000-30,000</b>	<i>20,000-25,000</i>
	Employer's pension contribution	<b>0-5,000</b>	<i>0-5,000</i>
H Doan*	Remuneration	<b>20,000-25,000</b>	<i>10,000-15,000</i>
	Employer's pension contribution	<b>0-5,000</b>	<i>0-5,000</i>
M Atkinson*	Remuneration	<b>10,000-15,000</b>	<i>10,000-15,000</i>
	Employer's pension contribution	<b>0-5,000</b>	<i>0-5,000</i>
D Atkinson*	Remuneration	<b>0-5,000</b>	<i>0-5,000</i>
	Employer's pension contribution	<b>n/a</b>	<i>n/a</i>
S Rolfe*	Remuneration	<b>10,000-15,000</b>	<i>5,000-10,000</i>
	Employer's pension contribution	<b>0-5,000</b>	<i>0-5,000</i>

During the year, no Governors received any reimbursement of expenses (2014 - £156).

\* 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.

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**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 2015 was £911 (2014 - £879). The cost of this insurance is included in the total insurance cost.

**17. OTHER FINANCE INCOME**

	2015 £	2014 £
Expected return on pension scheme assets	46,000	38,000
Interest on pension scheme liabilities	(67,000)	(66,000)
	(21,000)	(28,000)

**18. TANGIBLE FIXED ASSETS**

	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Assets under constructio n £	Total £
<b>Cost</b>						
At 1 September 2014	19,131,124	6,388	126,729	299,440	5,372	19,569,053
Additions	15,549	-	15,580	14,736	775,938	821,803
Transfer between classes	-	-	-	7,088	(7,088)	-
At 31 August 2015	19,146,673	6,388	142,309	321,264	774,222	20,390,856
<b>Depreciation</b>						
At 1 September 2014	560,620	3,257	25,682	130,625	-	720,184
Charge for the year	271,353	1,503	15,455	60,768	-	349,079
At 31 August 2015	831,973	4,760	41,137	191,393	-	1,069,263
<b>Net book value</b>						
At 31 August 2015	18,314,700	1,628	101,172	129,871	774,222	19,321,593
At 31 August 2014	18,570,504	3,131	101,047	168,815	5,372	18,848,869

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**19. DEBTORS**

	2015	2014
	£	£
Trade debtors	210,344	15,827
Prepayments and accrued income	286,332	131,013
VAT recoverable	114,962	32,075
	611,638	178,915

**20. CREDITORS:  
Amounts falling due within one year**

	2015	2014
	£	£
Trade creditors	784,739	158,185
Other taxation and social security	85,635	85,179
Other creditors	86,910	75,612
Accruals and deferred income	96,357	121,108
	1,053,641	440,084

**Deferred income**

Deferred income at 1 September 2014		104,507
Resources deferred during the year		80,437
Amounts released from previous years		(104,507)
		80,437

At the balance sheet date the academy trust was holding funds received in advance for trips booked for the 2015/16 academic year.

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**21. STATEMENT OF FUNDS**

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
<b>Unrestricted funds</b>						
Unrestricted funds	538,494	616,692	(526,118)	-	-	629,068
<b>Restricted funds</b>						
General Annual Grant (GAG)	124,638	5,795,553	(5,854,678)	(14,711)	-	50,802
Pupil Premium	-	71,385	(71,385)	-	-	-
SEN funding	-	43,873	(43,873)	-	-	-
Other DfE grants	14,253	704	(3,143)	-	-	11,814
Other government grants	-	95,719	(89,719)	-	-	6,000
Other Restricted Income	-	32,999	(32,999)	-	-	-
Pension reserve	(966,000)	-	(34,000)	-	(25,000)	(1,025,000)
	<u>(827,109)</u>	<u>6,040,233</u>	<u>(6,129,797)</u>	<u>(14,711)</u>	<u>(25,000)</u>	<u>(956,384)</u>
<b>Restricted fixed asset funds</b>						
Restricted fixed asset fund	18,848,868	540,632	(349,079)	281,172	-	19,321,593
EFA capital grants	-	599,818	-	(266,461)	-	333,357
	<u>18,848,868</u>	<u>1,140,450</u>	<u>(349,079)</u>	<u>14,711</u>	<u>-</u>	<u>19,654,950</u>
Total restricted funds	<u>18,021,759</u>	<u>7,180,683</u>	<u>(6,478,876)</u>	<u>-</u>	<u>(25,000)</u>	<u>18,698,566</u>
Total of funds	<u><u>18,560,253</u></u>	<u><u>7,797,375</u></u>	<u><u>(7,004,994)</u></u>	<u><u>-</u></u>	<u><u>(25,000)</u></u>	<u><u>19,327,634</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.

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**21. STATEMENT OF FUNDS (continued)**

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 2015.

**SUMMARY OF FUNDS**

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	538,494	616,692	(526,118)	-	-	629,068
Restricted funds	(827,109)	6,040,233	(6,129,797)	(14,711)	(25,000)	(956,384)
Restricted fixed asset funds	18,848,868	1,140,450	(349,079)	14,711	-	19,654,950
	<u>18,560,253</u>	<u>7,797,375</u>	<u>(7,004,994)</u>	<u>-</u>	<u>(25,000)</u>	<u>19,327,634</u>

**22. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Tangible fixed assets	-	-	19,321,593	19,321,593	18,848,868
Current assets	711,944	1,039,381	333,357	2,084,682	1,117,468
Creditors due within one year	(82,876)	(970,765)	-	(1,053,641)	(440,083)
Provisions for liabilities and charges	-	(1,025,000)	-	(1,025,000)	(966,000)
	<u>629,068</u>	<u>(956,384)</u>	<u>19,654,950</u>	<u>19,327,634</u>	<u>18,560,253</u>



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

	2015 £	2014 £
Net incoming resources before revaluations	792,381	336,415
Returns on investments and servicing of finance	(1,331)	(1,827)
Depreciation of tangible fixed assets	349,079	331,706
Capital grants	(1,140,450)	(445,854)
(Increase)/decrease in debtors	(432,723)	38,141
Increase in creditors	613,557	116,708
FRS 17 adjustments	34,000	52,000
<b>Net cash inflow from operations</b>	<b>214,513</b>	<b>427,289</b>

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

	2015 £	2014 £
<b>Returns on investments and servicing of finance</b>		
Interest received	1,331	1,827
	<b>1,331</b>	<b>1,827</b>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(821,803)	(769,564)
Capital grants	1,140,450	445,854
<b>Net cash inflow/(outflow) capital expenditure</b>	<b>318,647</b>	<b>(323,710)</b>

**25. ANALYSIS OF CHANGES IN NET FUNDS**

	1 September 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand:	938,553	534,491	-	1,473,044
<b>Net funds</b>	<b>938,553</b>	<b>534,491</b>	<b>-</b>	<b>1,473,044</b>

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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 2012 and of the LGPS 31 March 2013.

Contributions amounting to £75,826 were payable to the scheme at 31 August 2015 (2014 - £73,755) and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

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

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%));
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

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

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**NOTES TO THE FINANCIAL STATEMENTS  
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**26. PENSION COMMITMENTS (continued)**

The pension costs paid to TPS in the period amounted to £454,090 (2014: £438,777).

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy 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 2015 was £183,000, of which employer's contributions totalled £148,000 and employees' contributions totalled £35,000. 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.

The amounts recognised in the Balance sheet are as follows:

	2015 £	2014 £
Present value of funded obligations	(1,996,000)	(1,724,000)
Fair value of scheme assets	971,000	758,000
Net liability	<u>(1,025,000)</u>	<u>(966,000)</u>

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

	2015 £	2014 £
Current service cost	(161,000)	(147,000)
Interest on obligation	(67,000)	(66,000)
Expected return on scheme assets	46,000	38,000
Total	<u>(182,000)</u>	<u>(175,000)</u>
Actual return on scheme assets	<u>40,000</u>	<u>80,000</u>

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**26. PENSION COMMITMENTS (continued)**

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

	2015 £	2014 £
Opening defined benefit obligation	1,724,000	1,348,000
Current service cost	161,000	147,000
Interest cost	67,000	66,000
Contributions by scheme participants	35,000	33,000
Actuarial Losses	19,000	132,000
Benefits paid	(10,000)	(2,000)
	<u>1,996,000</u>	<u>1,724,000</u>

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

	2015 £	2014 £
Opening fair value of scheme assets	758,000	571,000
Expected return on assets	46,000	38,000
Actuarial gains and (losses)	(6,000)	(5,000)
Contributions by employer	148,000	123,000
Contributions by employees	35,000	33,000
Benefits paid	(10,000)	(2,000)
	<u>971,000</u>	<u>758,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £247,000 loss (2014 - £222,000 loss).

The Academy expects to contribute £140,000 to its Defined benefit pension scheme in 2016.

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

	2015	2014
Equities	62.00 %	67.00 %
Bonds	27.00 %	23.00 %
Property	7.00 %	7.00 %
Cash	4.00 %	3.00 %

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

	2015	2014
Discount rate for scheme liabilities	3.70 %	3.70 %
Expected return on scheme assets at 31 August	3.70 %	5.40 %
Rate of increase in salaries	4.00 %	3.90 %
Rate of increase for pensions in payment / inflation	2.60 %	2.60 %

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**26. PENSION COMMITMENTS (continued)**

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

	2015	2014
Retiring today		
Males	22.3	22.3
Females	24.5	24.5
Retiring in 20 years		
Males	24.3	24.3
Females	26.7	26.7

Amounts for the current and previous two periods are as follows:

Defined benefit pension schemes

	2015 £	2014 £	2013 £
Defined benefit obligation	(1,996,000)	(1,724,000)	(1,348,000)
Scheme assets	971,000	758,000	571,000
(Deficit)/surplus	<u>(1,025,000)</u>	<u>(966,000)</u>	<u>(777,000)</u>
Experience adjustments on scheme liabilities	(19,000)	(132,000)	(134,000)
Experience adjustments on scheme assets	<u>(6,000)</u>	<u>(5,000)</u>	<u>49,000</u>

**27. OPERATING LEASE COMMITMENTS**

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

	2015 £	2014 £
<b>Expiry date:</b>		
Within 1 year	7,255	-
Between 2 and 5 years	<u>10,681</u>	<u>30,966</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 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 16.

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**29. CONTROLLING PARTY**

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

**30. AGENCY ARRANGEMENTS**

The academy trust distributes 16-19 bursary funds to students as an agent for EFA. In the accounting period ending 31 August 2015, the trust received £10,616 and disbursed £531 from the fund, including administration fees. An amount of £10,085 is included in other creditors relating to the undistributed funds.

During the financial year, the academy had the role of lead school on behalf of a group of Hertfordshire schools responsible for developing special provision locally (this group of schools is known as DSPL Area Group 7). In this role the academy acted as the fund holder for this activity and in the accounting period ending 31 August 2015, received £297,790 of funding from Hertfordshire County Council (this includes the transfer of an opening balance received from another Hertfordshire school). All funds received were either disbursed or transferred to the new lead school. As at 31 August 2015, there are no undistributed funds held by the academy.