

Registered number: 08104190

BEAUMONT SCHOOL
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

BEAUMONT SCHOOL
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017

Governors and Members E Hitch, Head Teacher (resigned 31 August 2017)
M J Atkinson, Deputy Head (appointed as Headeacher with effect from 1
September 2017)⁵
B Austin (appointed 13 September 2016)¹
A A Battaglia (appointed 30 November 2016)
M R Cameron¹
A C Curran (appointed 30 November 2016)¹
C I Davies¹
A J Gray (appointed 29 September 2017)
A N Hall, Chair^{1,2}
H R Henry (resigned 11 September 2017)¹
C Hopkin (resigned 11 September 2017)¹
W I Johnston¹
G K Kellett^{1,6}
D A Lee¹
J McAlister
N S Moody (resigned 12 September 2016)
J Mountstevens (appointed 1 September 2017)
Y P Powdrell (appointed 1 September 2017)
R Prindiville (resigned 21 July 2017)^{1,4}
L J Sherwood
V M Stewart
K M Trounson (resigned 29 November 2016)
A Wallis^{1,3}

¹ Member of Resources Committee

² Chair of Governors

³ Vice-Chair of Governors

⁴ Chair of Resources Committee

⁵ Member of Resources Committee from 1 September 2017

⁶ Chair of Resources Committee from 25 September 2017

**Company registered
number** 08104190

Company name Beaumont School

**Principal and registered
office** Beaumont School
Oakwood Drive
St Albans
Hertfordshire
AL4 0XB

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REFERENCE AND ADMINISTRATIVE DETAILS
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Advisers (continued)

Company secretary S Kilka-Green

Senior management team

E Hitch, Headteacher (resigned 31 August 2017)
M Atkinson, Deputy Headteacher (appointed Headteacher 1 September 2017)
J Mountstevens, Deputy Headteacher (appointed 1 September 2017)
C Cross, Assistant Headteacher
Y Powdrell, Assistant Headteacher (appointed Deputy Headteacher 1 September 2017)
L Dine, Assistant Headteacher
S Hosegood, Assistant Headteacher
E Dundjerovic, Assistant Headteacher (appointed 1 September 2017)
Z Shepherd, Associate Assistant Headteacher
J Wells, School Business Manager

Independent auditor

Hillier Hopkins LLP
Chartered Accountants
Radius House
51 Clarendon Road
Watford
Herts
WD17 1HP

Bankers

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

Solicitors

Winckworth Sherwood LLP
Minerva House
5 Montague Close
London
SE1 9BB

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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017

The Governors present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2016 to 31 August 2017. The Annual report serves the purposes of both a Governors' report, and a Directors' report under company law.

The Academy operates as a state-maintained, mixed secondary school in St Albans, Hertfordshire, for pupils aged 11 – 18. It had a roll of 1217 in the school census on 19 May 2017, including 306 in the Sixth Form.

STRUCTURE, GOVERNANCE AND MANAGEMENT

a. Constitution

The Academy is a charitable 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.

In July 2017, the Academy applied to the Department for Education for the Academy to be registered as an Academy Sponsor. As a result of this application, the Governors are considering changes to the corporate structure of the Academy, which are likely to be effected in subsequent financial years.

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;
- 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

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

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 and the National Database of Governors held by the Department for Education, pecuniary, business and personal interest declarations (including family relationships) and DBS and pre-appointment checks) and includes a number of documents to allow new Governors 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

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GOVERNORS' REPORT (continued)
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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, safeguarding and WRAP/Prevent training), 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. Governors are required to refresh safeguarding training every four years and exclusions training every two years.

All Governors agree to a written code of practice which they sign upon their appointment and again annually in each 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 headed 'Method of Recruitment and Appointment or Election of Governors' 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 two committees ((i) Curriculum, Teaching and Learning and (ii) Community), each of which meets five times a year.

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

The day-to-day management of the Academy is delegated to the Headteacher who undertakes the key leadership role overseeing the educational, pastoral and administrative functions of the school, and the appointment of all staff. The Headteacher is supported by the Senior Leadership Team which during the period to 31 August 2017 comprised of: a Deputy Headteacher, 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. Arrangements for setting pay and remuneration of key management personnel

There is a Pay and Performance Appraisal Policy which is reviewed annually by the Governing Body. In setting the Headteacher's pay, the Governing Body has assigned the school to a headteacher pay range group in accordance with the School Teachers Pay and Conditions Document (STPCD). This is then reviewed by the Pay Review Group (consisting of three appropriate Governors) to agree the pay range for the Headteacher and for any Deputy Headteachers, taking into account the permanent responsibilities of those roles, any challenges specific to the roles, performance to date, and all other relevant considerations.

All Senior Leadership team posts (Teaching) follow the same performance review procedures as other teaching staff. These reviews are completed by 31 October each year (Headteacher post by 31 December). Following the performance appraisal process, all review documentation is moderated by the Headteacher and is then subject to review by an external consultant. The Headteacher's report and the report by the external consultant

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are presented to the Pay Review Group which scrutinises the proposals. The Pay Review Group presents all recommendations in a report to the Resources Committee for ratification. The Headteacher's performance management is undertaken by the Pay Review Group with the support of an external adviser from Hertfordshire County Council and is reported to Resources.

h. Related Parties and other Connected Charities and Organisations

The Academy works closely with two local schools, Sandringham and Verulam, to deliver a wide range of courses at post-16 and to encourage professional development of staff; this was known as the BeauSandVer Consortium until the end of July 2016. On 8th August 2016 the consortium became a company limited by guarantee called BeauSandVer Education Trust which was incorporated in England and Wales (the BeauSandVerTrust). The Academy is one of the three members of the BeauSandVer Trust and the Headteacher and Chair of Governors of the Academy are two of the six directors. The Academy is also an active member of the local Headteachers' group and part of a network of local schools delivering a highly successful Schools' Direct programme, co-ordinated by the local Alban Teaching Schools Alliance. The Academy is a National Support School, and affiliated to the Schools, Teachers and Students Network (formerly the SSAT). The Headteacher in post during the financial year to 31st August 2017 qualified as an Ofsted inspector in February 2015, was a National Leader of Education and worked to support schools across the Local Authority as required. She was a member of a number of professional organisations enabling her to keep fully abreast of current educational issues.

OBJECTIVES AND ACTIVITIES

a. 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. The Academy is very proud of its community ethos, which is central to all significant Governing Body decisions.

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b. 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 key priorities within the Plan for School Improvement: (i) to maintain outstanding quality of provision for students; (ii) to deploy resources efficiently and effectively to meet the needs of students and staff.

c. Public Benefit

The Academy is a charitable trust which seeks to benefit the public through the pursuit of its stated aims (see above). The Governors have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission 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 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, which will benefit both the Academy's students and the local community. The multimillion pound FAB Project – an ambitious project to create a new sports hall, reception, classrooms and sports facilities – was completed on time and on budget during the course of the year. The new Block A received a Commendation at the 2016 St Albans Civic Society Awards for Architecture. The windows and external fittings of Block B were completely refurbished with monies from the Government's Condition Improvement Fund. The Academy is now planning a new science building, and hopes to commence construction during the 2017/18 financial year.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

a. Achievements and performance

The Academy's academic results in 2017 demonstrate continued outstanding performance.

The four main GCSE performance measures were as set out below:

1.	Attainment 8 :	58.1
2.	Progress 8:	0.48
3.	% Basics:	86% 9-4 in both English & Maths
4.	EBacc:	53 %

A2 Results:

- Record results at APS per entry of 39.8 (B)
- 70% A*-B grades
- 41% A*-A
- 57 A* grades across 19 subjects

These results put the school in the top 5% of comprehensive schools based on 2016-17 performance tables. These were exceptional results at both GCSE and A Level and the outcome of excellent teaching and committed students.

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Other key achievements and activities in the 2016/17 academic year include:

- Exceptional performance in Sport at district, county and national level
- Exceptional performance in Music, including whole school performances within school, and concerts in the local community, including an ambitious Arts Celebration featuring 200 students and alumni at the Alban Arena.
- Exceptional performances in Drama, including a whole school production of 'Oliver', drama club performances in Years 7 and 8, Year 9 drama club entry into the Barn Theatre Drama Festival (Welwyn Garden City) 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 Performance Indicators

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.

In addition to considering the indicators above, the Resources Committee uses benchmark data to review and compare various items of income and expenditure against other Academies.

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 Statement of Accounting Policies.

FINANCIAL REVIEW

a. Financial Review

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 2017 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 assets on the balance sheet and since conversion there have been a number of significant additions to fixed assets which have been funded either by CIF monies received from the ESFA or by funding from Hertfordshire County Council.

During the year ended 31 August 2017, a portion of the existing school playing fields were disposed of and a new lease was acquired for larger school playing fields on the original Eastern boundary of the school site. Both transactions were part of an overall development scheme initiated by Hertfordshire County Council as the freeholder of the school site. The freehold for the land for the new playing fields was purchased by Hertfordshire

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County Council and the facilities have been developed by them for the school using the proceeds from the sale of the freehold of the portion of the original playing fields to a property developer. As a result of this development further Capital funding has been made available to the Academy to enable the construction of a new block with a Sports Hall and 11 additional classrooms which came into use at the start of the year and is the reason for the significant transfer value from Assets under construction to long-term leasehold property.

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 £1,057,000 as at 31 August 2017.

b. Reserves Policy

The Academy is permitted to carry forward unspent GAG from one year to the next 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. Any other funding may also be carried forward and all amounts carried forward are categorised as restricted or unrestricted reserves. The policy of the Academy is to carry forward a prudent level of unrestricted reserve designed to meet one month expenditure and to provide a level of contingency for any other unforeseen expenditure. The Academy is also currently building a reserve in preparation for a building project to redevelop a Performing Arts space funded by income received from fundraising activities.

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.

As at 31 August 2017 the Academy has total reserves of £26,478k, which is made up of £769k of unrestricted reserves, £64k of funds unrestricted funds which are earmarked for a future project to redevelop the Performing Arts space, £26,702k of restricted fixed asset reserves and (£1,057k) of restricted funds relating to the LGPS pension liability.

The Academy is a member of a LGPS pooled arrangement with a large number of other Hertfordshire schools and academies. The current liability does not result in an immediate cash flow impact on the Academy and has been significantly reduced in year (liability as at 31 August 2016 was £1,698k).

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 2016, and reviewed in March 2017, 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 at least annually by the Governors. The principal risks and uncertainties that the Academy faces include the uncertainty over the possible future impact of the National Funding Formula and the challenge of achieving the financial efficiencies required as a result of no increases to funding levels in conjunction with increased staffing costs. The extensive planned changes to Qualifications at both GCSE and A level have also been identified as

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a risk. The Academy will make every effort to respond to changes whilst maintaining the highest quality of teaching and learning, and is also increasing student numbers (including an additional form of entry in Year 7 from September 2018 as described below) as a strategy to secure its financial position.

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

The main financial instrument of the Academy is cash and the financial risk management objective is to reduce cash flow risk by careful monitoring of the bank account and managing expenditure. Debtors are also closely monitored and steps taken to minimise the risk of non-payment.

PLANS FOR FUTURE PERIODS

a. Future Developments

The principal tasks ahead are (i) to maintain and build upon the excellent standards achieved and (ii) to continue to develop the facilities such that they provide outstanding opportunities for all students.

The Academy is a highly over-subscribed, outstanding secondary school which provides a superb education for students in the local community. In line with recent national trends, there has been a significant increase in the demand for Year 7 places in parts of Hertfordshire, in particular St Albans and the surrounding areas. This is forecast by Hertfordshire County Council to increase further.

The Academy and County Council consider that it is important to ensure that there are sufficient places available for students at outstanding schools, as near as possible to their homes. Following an appropriate consultation, in November 2016 the Governors approved an increase to the Academy's published admission numbers to 210 from September 2018, and a Funding Agreement was entered into with the County Council on 17th February 2017 under which the County Council will fund the works to provide accommodation for the additional students.

Using the funding from the County Council, plans are currently underway for the construction of a new science block and various alterations to the existing buildings and an application for planning consent will be submitted for approval as soon as possible.

Given the successful management of previous large scale, ambitious building projects, the Academy is confident that it will deliver high quality facilities within the allocated budget. Subject to the grant of planning consent, it is currently anticipated that work will commence in the first half of 2018 and be completed for occupation during the 2018-19 academic year.

In addition, the Academy has embarked upon an ambitious fundraising campaign known as the '80 in '18 Campaign'. The campaign's vision is to provide state-of-the-art facilities to enable an outstanding education into the future, and part of that is a new, multi-purpose hall and performing arts centre to be called the Beaumont Arts Centre. Work is already underway on the concept designs for the Beaumont Arts Centre.

FUNDS HELD AS CUSTODIAN

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

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DISCLOSURE OF INFORMATION TO AUDITOR

Insofar as the Governors are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Governors have 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.

The Governors' report, incorporating a strategic report, was approved by order of the Governors, as the company directors, on *12/12/17* and signed on its behalf by:


A N Hall
Chair of Trustees

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

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

GOVERNANCE

The information on governance included here supplements that described in the Governors' report and in the Statement of Governors' responsibilities. The Governors has formally met 9 times during the year. Attendance during the year at meetings of the Governors was as follows:

Governor	Meetings attended	Out of a possible
E Hitch, Head Teacher and Accounting Officer (resigned 31 August 2017)	9	9
M J Atkinson, Deputy Head (appointed as Headeacher with effect from 1 September 2017)	8	9
B Austin	8	9
A A Battaglia (appointed 30 November 2016)	6	7
M R Cameron	7	9
A C Curran	6	7
C I Davies	8	9
A J Gray (appointed 29 September 2017)	0	0
A N Hall, Chair	9	9
H R Henry	7	9
C Hopkin (resigned 11 September 2017)	7	9
W I Johnston	9	9
G K Kellett	9	9
D A Lee	9	9
J McAlister	7	9
N S Moody (resigned 12 September 2016)	0	0
J Mountstevens (appointed 1 September 2017)	0	0
Y P Powdrell (appointed 1 September 2017)	0	0
R Prindiville (resigned 21 July 2017)	6	9
L J Sherwood	8	9
V M Stewart	7	9
K M Trounson (resigned 29 November 2016)	2	2
A Wallis	8	9

The membership of the Governing Body was stable throughout the financial year, and there were no notable challenges that arose, until the end of the year when Elizabeth Hitch ceased to the Headteacher and, following a rigorous recruitment and interview process, was replaced by Martin Atkinson, who had served as Deputy Headteacher for the previous 12 years. Two Deputy Headteachers were also appointed with effect from 1st September 2017 (one of whom had previously acted as an Assistant Headteacher in the school for 8 years, and one of whom was new to the school. Governors are confident that the Academy's new senior leadership team is appropriately skilled and experienced.

Review and self-evaluation of the Governing Body is conducted on a regular basis, and at least annually. It was

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GOVERNANCE STATEMENT (continued)

most recently reviewed at the Governors' Extended (Strategy) Meeting on 2nd March 2017 at which the Governing Body reviewed (i) its performance based on the DfE's Competency Framework for Governance published in January 2017, and (ii) compared the school's Self Evaluation Document with the grade descriptors for the Ofsted 'outstanding' grade as published in the School Inspections Handbook from August 2016. The Governors agreed that the Academy (and Governing Body) remains outstanding against the appropriate grade descriptors.

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, R Prindiville, who is a Fellow Chartered Management Accountant, was a member of the Resources Committee (and its Chair) and M R 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	3	5
E Hitch	5	5
M R Cameron	4	5
A C Curran (appointed 30 November 2016)	3	3
A Wallis	2	5
A N Hall	3	5
G K Kellett	5	5
W I Johnston	5	5
C I Davies	4	5
H R Henry	5	5
D A Lee	3	5
B Austin	5	5

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

Additionally, during the financial year 2016-17 there was a Community, Teaching and Learning Committee. There is also scope within the terms of reference agreed by the Governing Body 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 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 Academy's use of its resources has provided good value for money during each academic year, and reports to the Governors where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy 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;

BEAUMONT SCHOOL
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GOVERNANCE STATEMENT (continued)

- improved purchasing as a result of benchmarking and the robust challenge of spending decisions; and
- 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 further improvement, following completion of the new access road to the Academy site from Hatfield Road.

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 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Governors has 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 is 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 2016 to 31 August 2017 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 Resource Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The Governors has 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.

The internal auditor's role 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;

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GOVERNANCE STATEMENT (continued)

- Payroll;
- Fixed Assets;
- Management reporting;
- VAT;
- Contracts register; and
- Procurement.

On a bi-annual basis, the internal 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.

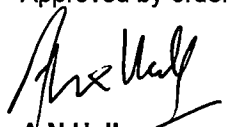
REVIEW OF EFFECTIVENESS

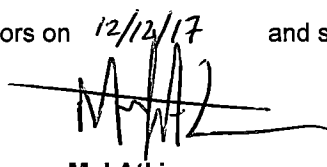
As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the external auditor;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Resources Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Governors on 12/12/17 and signed on their behalf, by:


A N Hall
Chair of Trustees


M J Atkinson
Accounting Officer

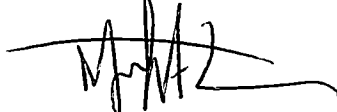
BEAUMONT SCHOOL
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Beaumont School I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

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 board of trustees and ESFA.



M J Atkinson
Accounting Officer

12/12/17

BEAUMONT SCHOOL
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STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2017

The Governors (who act as governors of Beaumont School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills 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 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Governors are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/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 *12/12/17* and signed on its behalf by:



A N Hall
Chair of Trustees

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

OPINION

We have audited the financial statements of Beaumont School for the year ended 31 August 2017 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills 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 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 and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2017 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, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

BASIS OF OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

OTHER INFORMATION

The Governors are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Governors' Report including the Strategic Report for which the financial statements are prepared is consistent with the financial statements.
- the Governors' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report including the Strategic Report.

We have nothing to report in respect of the following matters in relation to which 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' remunerations specified by law not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Governors' responsibilities, 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, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Governors are responsible for assessing the Academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going

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

concern basis of accounting unless the Governors either intend to liquidate the Academy's or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. The description forms part of our Auditor's report.



Alexander Bottom ACA (Senior statutory auditor)

for and on behalf of

Hillier Hopkins LLP

Chartered Accountants
Statutory Auditor

Radius House
51 Clarendon Road
Watford
Herts
WD17 1HP

Date: *19th December 2017*

BEAUMONT SCHOOL
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 5 October 2012 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, 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 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Beaumont School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Beaumont School and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Beaumont School and the ESFA, 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 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 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 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

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.

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 2016 to 31 August 2017 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

Chartered Accountants
Statutory Auditor

Radius House
51 Clarendon Road
Watford
Herts
WD17 1HP

Date: 19th December 2017

BEAUMONT SCHOOL
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
INCOME FROM:						
Donations and capital grants	2	104,705	-	1,249,283	1,353,988	6,668,803
Charitable activities	3	569,227	6,153,568	-	6,722,795	6,582,265
Other trading activities	4	100,921	-	-	100,921	74,001
Investments	5	1,040	-	-	1,040	1,379
TOTAL INCOME		775,893	6,153,568	1,249,283	8,178,744	13,326,448
EXPENDITURE ON:						
Raising funds	6	33,791	-	-	33,791	36,117
Charitable activities		526,542	6,388,579	546,656	7,461,777	6,972,465
TOTAL EXPENDITURE	9	560,333	6,388,579	546,656	7,495,568	7,008,582
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	20	215,560 (158,990)	(235,011) 77,557	702,627 81,433	683,176 -	6,317,866 -
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		56,570	(157,454)	784,060	683,176	6,317,866
Actuarial gains/(losses) on defined benefit pension schemes	24	-	770,000	-	770,000	(621,000)
NET MOVEMENT IN FUNDS		56,570	612,546	784,060	1,453,176	5,696,866
RECONCILIATION OF FUNDS:						
Total funds brought forward		776,362	(1,669,546)	25,917,682	25,024,498	19,327,632
TOTAL FUNDS CARRIED FORWARD		832,932	(1,057,000)	26,701,742	26,477,674	25,024,498

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

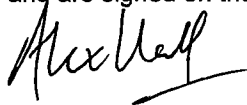
BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Intangible assets	15		5,828		-
Tangible assets	16		<u>26,322,227</u>		<u>25,839,263</u>
			26,328,055		25,839,263
CURRENT ASSETS					
Debtors	17	618,999		2,132,631	
Cash at bank and in hand		<u>1,447,279</u>		<u>442,451</u>	
		2,066,278		2,575,082	
CREDITORS: amounts falling due within one year	18	<u>(809,659)</u>		<u>(1,691,847)</u>	
NET CURRENT ASSETS			<u>1,256,619</u>		<u>883,235</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>27,584,674</u>		<u>26,722,498</u>
CREDITORS: amounts falling due after more than one year	19		<u>(50,000)</u>		<u>-</u>
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			<u>27,534,674</u>		<u>26,722,498</u>
Defined benefit pension scheme liability	24		<u>(1,057,000)</u>		<u>(1,698,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>26,477,674</u></u>		<u><u>25,024,498</u></u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	20	-		28,454	
Restricted fixed asset funds	20	<u>26,701,742</u>		<u>25,917,682</u>	
Restricted income funds excluding pension liability		<u>26,701,742</u>		<u>25,946,136</u>	
Pension reserve		<u>(1,057,000)</u>		<u>(1,698,000)</u>	
Total restricted income funds			<u>25,644,742</u>		<u>24,248,136</u>
Unrestricted income funds	20		<u>832,932</u>		<u>776,362</u>
TOTAL FUNDS			<u><u>26,477,674</u></u>		<u><u>25,024,498</u></u>

BEAUMONT SCHOOL
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BALANCE SHEET (continued)
AS AT 31 AUGUST 2017

The financial statements on pages 23 to 52 were approved by the Governors, and authorised for issue, on *12/12/17* and are signed on their behalf, by:



A N Hall
Chair of Governors

BEAUMONT SCHOOL
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	22	<u>932,419</u>	<u>(770,088)</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		1,040	1,379
Purchase of tangible fixed assets		(827,136)	(6,874,978)
Capital grants from DfE/ESFA		609,476	196,758
Capital funding received from sponsors and others		<u>239,029</u>	<u>6,416,336</u>
Net cash provided by/(used in) investing activities		<u>22,409</u>	<u>(260,505)</u>
Cash flows from financing activities:			
Cash inflows from new borrowing		<u>50,000</u>	-
Net cash provided by financing activities		<u>50,000</u>	-
Change in cash and cash equivalents in the year		1,004,828	(1,030,593)
Cash and cash equivalents brought forward		<u>442,451</u>	<u>1,473,044</u>
Cash and cash equivalents carried forward	23	<u><u>1,447,279</u></u>	<u><u>442,451</u></u>

BEAUMONT SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgments and key sources of estimation uncertainty, is set out below.

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Beaumont School constitutes a public benefit entity as defined by FRS 102.

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 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 at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

BEAUMONT SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.4 Income

All income is recognised once the Academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities incorporating income and expenditure account 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 Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised when there is entitlement 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 receipt is probable and the amount can be reliably measured.

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

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Academy to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities are costs incurred on the Academy's educational operations, including support costs and those costs relating to the governance of the Academy appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

BEAUMONT SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.6 Intangible fixed assets and amortisation

Intangible assets costing £2,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

1.7 Tangible fixed assets and depreciation

All assets costing more than £2,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property	-	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
Other fixed assets	-	20% straight line

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

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 incorporating income and expenditure account on a straight line basis over the lease term.

1.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.10 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.11 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.12 Financial instruments

The Academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 18 and 19. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

1.13 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.

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NOTES TO THE FINANCIAL STATEMENTS
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1. ACCOUNTING POLICIES (continued)

1.14 Pensions

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments Pension Scheme ("LGPS"). These are defined benefit schemes.

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 quadrennial valuations using a prospective unit credit method. As stated in note 24, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit 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 the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities incorporating income and expenditure account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.15 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder and include grants from the Department for Education.

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NOTES TO THE FINANCIAL STATEMENTS
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1. ACCOUNTING POLICIES (continued)

1.16 Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

Valuation of tangible fixed assets:

Trustees have considered the value of tangible fixed assets. Changes in the circumstances or expectations of future performance of an individual asset may be an indicator that the asset is impaired, which would require the book value to be written down to its recoverable amount. Impairments are reversed if conditions for impairment are no longer present. Due to their nature, evaluating whether an asset is impaired requires a significant degree of judgement and may to a large extent depend on the assumptions made in its evaluation. The trustees have concluded that the valuation of the tangible fixed assets as at the year end are appropriate.

Depreciation and residual values:

The Trustees have reviewed the asset lives and associated residual values of all fixed asset classes and have concluded that asset lives and residual values are appropriate.

1.17 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA 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 funds received and paid and any balances held are disclosed in note 28.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	<i>Total funds 2016 £</i>
Donations	104,705	-	208,312	313,017	55,709
Government grants	-	-	1,040,971	1,040,971	6,613,094
	<u>104,705</u>	<u>-</u>	<u>1,249,283</u>	<u>1,353,988</u>	<u>6,668,803</u>
<i>Total 2016</i>	<u>55,709</u>	<u>-</u>	<u>6,613,094</u>	<u>6,668,803</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	5,840,269	5,840,269	5,871,389
Pupil Premium	-	91,938	91,938	84,476
Other DfE grants	-	723	723	1,705
	<u>-</u>	<u>5,932,930</u>	<u>5,932,930</u>	<u>5,957,570</u>
Other government grants				
SEN funding	-	81,685	81,685	58,042
Other government grants	-	91,541	91,541	36,749
	<u>-</u>	<u>173,226</u>	<u>173,226</u>	<u>94,791</u>
Other funding				
Trip income	421,495	-	421,495	370,448
Music income	83,631	-	83,631	71,745
Catering income	10,000	-	10,000	10,070
Exam fee income	11,052	-	11,052	18,109
Other income	43,049	7,412	50,461	59,532
Other grant income	-	40,000	40,000	-
	<u>569,227</u>	<u>47,412</u>	<u>616,639</u>	<u>529,904</u>
	<u>569,227</u>	<u>6,153,568</u>	<u>6,722,795</u>	<u>6,582,265</u>
<i>Total 2016</i>	<u>513,464</u>	<u>6,068,801</u>	<u>6,582,265</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Rental income	42,873	-	42,873	8,351
Community income	46,635	-	46,635	56,389
Staff consultancy services	7,476	-	7,476	9,261
Feed-in tariff	3,937	-	3,937	-
	<u>100,921</u>	<u>-</u>	<u>100,921</u>	<u>74,001</u>
<i>Total 2016</i>	<u>74,001</u>	<u>-</u>	<u>74,001</u>	

5. INVESTMENT INCOME

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Investment income	1,040	-	1,040	1,379
	<u>1,040</u>	<u>-</u>	<u>1,040</u>	
<i>Total 2016</i>	<u>1,379</u>	<u>-</u>	<u>1,379</u>	

6. COSTS OF OTHER TRADING ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Trading activities expenditure	228	-	228	353
Trading activities staff costs	33,563	-	33,563	35,764
	<u>33,791</u>	<u>-</u>	<u>33,791</u>	<u>36,117</u>
<i>Total 2016</i>	<u>36,117</u>	<u>-</u>	<u>36,117</u>	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

7. DIRECT COSTS

	Educational activities £	Total 2017 £	<i>Total 2016 £</i>
Teaching and educational supplies	198,215	198,215	178,548
Examination fees	107,312	107,312	121,738
Staff development	19,673	19,673	17,632
Educational consultancy	3,185	3,185	12,907
Music services	87,605	87,605	89,499
Trip expenditure	405,497	405,497	356,138
Other direct costs	48,654	48,654	28,323
Technology costs (note A)	16,340	16,340	17,585
Wages and salaries	3,665,957	3,665,957	3,661,690
National insurance	357,418	357,418	308,679
Pension cost	603,605	603,605	581,029
	<u>5,513,461</u>	<u>5,513,461</u>	<u>5,373,768</u>
<i>At 31 August 2016</i>	<u>5,356,183</u>	<u>5,356,183</u>	

Note A: For the year ended 31 August 2016, it has been determined that £17,585 of technology costs that were previously classified as support costs, are considered to be direct costs. These costs have been re-analysed in the table above.

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NOTES TO THE FINANCIAL STATEMENTS
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8. SUPPORT COSTS

	Educational activities £	Total 2017 £	Total 2016 £
FRS102 pension cost	35,000	35,000	38,000
Travel expenditure	4,503	4,503	5,769
Recruitment	10,980	10,980	14,665
Premises maintenance costs	106,958	106,958	99,324
Rent and rates	50,801	50,801	39,818
Catering costs	26,279	26,279	18,926
Technology costs (note A)	72,108	72,108	54,927
Insurance costs	29,553	29,553	45,613
Heat and light costs	104,843	104,843	94,499
Printing, postage and stationery	12,602	12,602	14,770
Cleaning and caretaking costs	124,817	124,817	112,141
Professional fees	17,837	17,837	16,502
Other support costs	83,683	83,683	80,670
Governance costs	13,006	13,006	13,449
Wages and salaries	478,924	478,924	462,653
National insurance	32,866	32,866	27,379
Pension cost	196,900	196,900	102,282
Depreciation	546,656	546,656	357,309
	<u>1,948,316</u>	<u>1,948,316</u>	<u>1,598,696</u>
<i>At 31 August 2016</i>	<u>1,616,281</u>	<u>1,616,281</u>	

During the year ended 31 August 2017, the Academy incurred £13,006 (2016: £13,449) within Educational activities in relation to Governance costs.

9. EXPENDITURE

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Expenditure on raising voluntary income	33,563	-	228	33,791	36,117
Educational activities:					
Direct costs	4,626,980	-	886,481	5,513,461	5,356,183
Support costs	708,690	812,036	427,590	1,948,316	1,616,281
	<u>5,369,233</u>	<u>812,036</u>	<u>1,314,299</u>	<u>7,495,568</u>	<u>7,008,581</u>
<i>Total 2016</i>	<u>5,179,476</u>	<u>564,519</u>	<u>1,264,586</u>	<u>7,008,581</u>	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

10. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017	2016
	£	£
Amortisation of intangible fixed assets	167	-
Depreciation of tangible fixed assets:		
- owned by the charity	546,656	357,309
Auditor's remuneration - audit	7,000	6,950
Auditor's remuneration - other services	5,050	5,020
	<u>558,873</u>	<u>419,309</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

11. STAFF COSTS

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	4,147,358	4,125,054
Social security costs	390,769	336,954
Operating costs of defined benefit pension schemes	804,448	686,544
	<u>5,342,575</u>	<u>5,148,552</u>
Apprenticeship levy	2,342	-
Supply teacher costs	15,453	30,924
Non-teaching supply staff costs	8,863	-
	<u><u>5,369,233</u></u>	<u><u>5,179,476</u></u>

The average number of persons employed by the Academy during the year was as follows:

	2017 No.	2016 No.
Teachers	87	86
Administration and support	75	63
Management	7	7
	<u>169</u>	<u>156</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2017 No.	2016 No.
In the band £70,001 - £80,000	1	1
In the band £90,001 - £100,000	0	1
In the band £100,001 - £110,000	1	0

Of the above employees, 2 (2016: 2) participated in the Teachers' Pension Scheme. During the period ended 31 August 2017, pension contributions for these staff amounted to £28,972 (2016: £28,282).

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £714,349 (2016: £695,085).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

12. GOVERNORS' REMUNERATION AND EXPENSES

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:

		2017 £	2016 £
E Hitch, Head Teacher	Remuneration	100,000-105,000	95,000-100,000
	Pension contributions paid	15,000-20,000	15,000-20,000
M J Atkinson, Deputy Head	Remuneration	70,000-75,000	70,000-75,000
	Pension contributions paid	10,000-15,000	10,000-15,000
N S Moody	Remuneration	40,000-45,000	40,000-45,000
	Pension contributions paid	5,000-10,000	5,000-10,000
C Hopkin	Remuneration	20,000-25,000	25,000-30,000
	Pension contributions paid	0-5,000	5,000-10,000
C I Davies	Remuneration	30,000-35,000	30,000-35,000
	Pension contributions paid	5,000-10,000	5,000-10,000
V M Stewart	Remuneration	10,000-15,000	10,000-15,000
	Pension contributions paid	0-5,000	0-5,000
H Doan*	Remuneration	20,000-25,000	20,000-25,000
	Pension contributions paid	0-5,000	0-5,000
M Atkinson*	Remuneration	10,000-15,000	10,000-15,000
	Pension contributions paid	0-5,000	0-5,000
J P Moody*	Remuneration	0-5,000	0-5,000
	Pension contributions paid	n/a	0-5,000
B Austin	Remuneration	40,000-45,000	n/a
	Pension contributions paid	5,000-10,000	n/a

During the year ended 31 August 2017, no Governors received any reimbursement of expenses (2016 - £NIL to nil Governors).

* Those employees indicated are related parties by virtue of being close relatives of Governors.

13. GOVERNORS' AND OFFICERS' INSURANCE

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Governors and officers indemnity element from the overall cost of the RPA scheme.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

14. OTHER FINANCE INCOME

	2017 £	2016 £
Interest income on pension scheme assets	28,000	39,000
Interest on pension scheme liabilities	(63,000)	(77,000)
	(35,000)	(38,000)
	(35,000)	(38,000)

15. INTANGIBLE FIXED ASSETS

	Computer Software £
Cost	
At 1 September 2016	-
Additions	5,995
At 31 August 2017	5,995
Amortisation	
At 1 September 2016	-
Charge for the year	167
At 31 August 2017	167
Carrying amount	
At 31 August 2017	5,828
At 31 August 2016	-

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

16. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Assets under construction £	Total £
Cost						
At 1 September 2016	20,027,649	6,388	240,968	410,898	6,579,931	27,265,834
Additions	504,662	-	144,995	49,548	447,177	1,146,382
Disposals	(121,800)	-	-	-	-	(121,800)
Transfers	6,579,931	-	-	-	(6,579,931)	-
At 31 August 2017	26,990,442	6,388	385,963	460,446	447,177	28,290,416
Depreciation						
At 1 September 2016	1,117,368	6,263	60,530	242,410	-	1,426,571
Charge for the year	423,649	125	39,335	83,381	-	546,490
On disposals	(4,872)	-	-	-	-	(4,872)
At 31 August 2017	1,536,145	6,388	99,865	325,791	-	1,968,189
Net book value						
At 31 August 2017	25,454,297	-	286,098	134,655	447,177	26,322,227
<i>At 31 August 2016</i>	<i>18,910,281</i>	<i>125</i>	<i>180,438</i>	<i>168,488</i>	<i>6,579,931</i>	<i>25,839,263</i>

17. DEBTORS

	2017 £	2016 £
Trade debtors	14,046	1,344,990
Prepayments and accrued income	481,602	452,518
Tax recoverable	123,351	335,123
	618,999	2,132,631

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

	2017	2016
	£	£
Trade creditors	357,656	1,095,529
Other taxation and social security	95,530	90,387
Other creditors	115,577	99,769
Accruals and deferred income	240,896	406,162
	809,659	1,691,847
	809,659	1,691,847
	2017	2016
	£	£
Deferred income		
Deferred income at 1 September 2016	104,539	80,437
Resources deferred during the year	76,985	104,539
Amounts released from previous years	(104,539)	(80,437)
	76,985	104,539
	76,985	104,539

At the balance sheet date the academy trust was holding funds received in advance for trips booked for the 2017/18 academic year.

19. CREDITORS: Amounts falling due after more than one year

	2017	2016
	£	£
Other loans	50,000	-
	50,000	-
	50,000	-

Other loans amounting to £50,000 relate to two CIF capital projects. The loans are repayable within five years and accrue interest at the Public Works Loan Board rate of 1.55% p.a.

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**NOTES TO THE FINANCIAL STATEMENTS
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20. STATEMENT OF FUNDS

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Designated funds						
Performing Arts Centre redevelopment	-	-	-	63,906	-	63,906
General funds						
Unrestricted funds	776,362	775,893	(560,333)	(222,896)	-	769,026
Total Unrestricted funds	776,362	775,893	(560,333)	(158,990)	-	832,932
Restricted funds						
General Annual Grant (GAG)	16,640	5,840,269	(5,934,466)	77,557	-	-
Pupil Premium	-	91,938	(91,938)	-	-	-
SEN funding	-	81,685	(81,685)	-	-	-
Other DfE grants	11,814	723	(12,537)	-	-	-
Other government grants	-	91,541	(91,541)	-	-	-
Other Restricted Income	-	47,412	(47,412)	-	-	-
Pension reserve	(1,698,000)	-	(129,000)	-	770,000	(1,057,000)
	(1,669,546)	6,153,568	(6,388,579)	77,557	770,000	(1,057,000)
Restricted fixed asset funds						
Tangible fixed asset fund	25,839,263	-	(546,490)	1,029,454	-	26,322,227
Intangible fixed asset fund	-	-	(166)	5,994	-	5,828
ESFA capital grants	78,419	801,942	-	(506,674)	-	373,687
HCC capital grants	-	212,889	-	(212,889)	-	-
Devolved Capital grants	-	26,140	-	(26,140)	-	-
HCC long leasehold	-	208,312	-	(208,312)	-	-
	25,917,682	1,249,283	(546,656)	81,433	-	26,701,742
Total restricted funds	24,248,136	7,402,851	(6,935,235)	158,990	770,000	25,644,742
Total of funds	25,024,498	8,178,744	(7,495,568)	-	770,000	26,477,674

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

STATEMENT OF FUNDS - PRIOR YEAR

	<i>Balance at 1 September 2015</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2016</i>
	£	£	£	£	£	£
Designated funds	-	-	-	-	-	-
General funds						
Unrestricted funds	629,066	644,553	(497,257)	-	-	776,362
	<u>629,066</u>	<u>644,553</u>	<u>(497,257)</u>	<u>-</u>	<u>-</u>	<u>776,362</u>
Total Unrestricted funds	<u>629,066</u>	<u>644,553</u>	<u>(497,257)</u>	<u>-</u>	<u>-</u>	<u>776,362</u>
Restricted funds						
General Annual Grant (GAG)	50,802	5,871,389	(5,898,603)	(6,948)	-	16,640
Pupil Premium	-	84,476	(84,476)	-	-	-
SEN funding	-	58,042	(58,042)	-	-	-
Other DfE grants	11,814	1,705	(1,705)	-	-	11,814
Other government grants	6,000	36,749	(42,749)	-	-	-
Other Restricted Income	-	16,440	(16,440)	-	-	-
Pension reserve	(1,025,000)	-	(52,000)	(621,000)	-	(1,698,000)
	<u>(956,384)</u>	<u>6,068,801</u>	<u>(6,154,015)</u>	<u>(627,948)</u>	<u>-</u>	<u>(1,669,546)</u>
Restricted fixed asset funds						
Tangible fixed asset fund	19,321,594	-	(357,309)	6,874,978	-	25,839,263
ESFA capital grants	333,355	196,758	-	(451,694)	-	78,419
HCC capital grants	-	6,416,336	-	(6,416,336)	-	-
	<u>19,654,949</u>	<u>6,613,094</u>	<u>(357,309)</u>	<u>6,948</u>	<u>-</u>	<u>25,917,682</u>
Total restricted funds	<u>18,698,565</u>	<u>12,681,895</u>	<u>(6,511,324)</u>	<u>(621,000)</u>	<u>-</u>	<u>24,248,136</u>
Total of funds	<u>19,327,631</u>	<u>13,326,448</u>	<u>(7,008,581)</u>	<u>(621,000)</u>	<u>-</u>	<u>25,024,498</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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

20. STATEMENT OF FUNDS (continued)

Academy that has been provided via the Education & Skills Funding Agency (ESFA) 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 ESFA is expected to be sufficient to take the fund back into surplus.

The restricted fixed asset fund includes all significant items of fixed assets. Depreciation charged on the assets is allocated to the fund. The transfer of GAG funds to the fixed asset reserve fund represents the spending of GAG monies for fixed asset additions.

The designated fund relates to unrestricted funds allocated to the redevelopment of the Performing Arts Centre.

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 2017.

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Intangible fixed assets	-	-	5,828	5,828
Tangible fixed assets	-	-	26,322,226	26,322,226
Current assets	959,446	733,145	373,688	2,066,279
Creditors due within one year	(76,514)	(733,145)	-	(809,659)
Creditors due in more than one year	(50,000)	-	-	(50,000)
Provisions for liabilities and charges	-	(1,057,000)	-	(1,057,000)
	<u>832,932</u>	<u>(1,057,000)</u>	<u>26,701,742</u>	<u>26,477,674</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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21. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Restricted fixed asset funds</i>	<i>Total funds</i>
	2016	2016	2016	2016
	£	£	£	£
Tangible fixed assets	-	-	25,839,263	25,839,263
Current assets	880,901	1,615,761	78,419	2,575,081
Creditors due within one year	(104,539)	(1,587,307)	-	(1,691,846)
Provisions for liabilities and charges	-	(1,698,000)	-	(1,698,000)
	<u>776,362</u>	<u>(1,669,546)</u>	<u>25,917,682</u>	<u>25,024,498</u>

22. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2017 £	2016 £
Net income for the year (as per Statement of Financial Activities)	683,176	6,317,866
Adjustment for:		
Depreciation charges	546,656	357,309
Dividends, interest and rents from investments	(1,040)	(1,379)
Decrease/(increase) in debtors	1,513,632	(1,520,993)
(Decrease)/increase in creditors	(882,188)	638,203
Capital grants from DfE and other capital income	(848,505)	(6,613,094)
Defined benefit pension scheme cost less contributions payable	129,000	52,000
Non-cash capital donations from local government	(208,312)	-
Net cash provided by/(used in) operating activities	<u>932,419</u>	<u>(770,088)</u>

23. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash in hand	1,447,279	442,451
Total	<u>1,447,279</u>	<u>442,451</u>

24. 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 Multi-

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NOTES TO THE FINANCIAL STATEMENTS
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24. PENSION COMMITMENTS (continued)

employer defined benefit pension schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £87,673 were payable to the schemes at 31 August 2017 (2016 - £80,309) 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

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
- 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%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £522,678 (2016 - £516,357).

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

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NOTES TO THE FINANCIAL STATEMENTS
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24. PENSION COMMITMENTS (continued)

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust 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 2017 was £229,000 (2016 - £193,000), of which employer's contributions totalled £185,000 (2016 - £156,000) and employees' contributions totalled £44,000 (2016 - £37,000). 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.

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.50 %	2.00 %
Rate of increase in salaries	2.50 %	3.60 %
Rate of increase for pensions in payment / inflation	2.40 %	2.10 %

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

	2017	2016
Retiring today		
Males	22.5	22.3
Females	24.9	24.5
Retiring in 20 years		
Males	24.1	24.3
Females	26.7	26.7

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

The Academy's share of the assets in the scheme was:

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	1,098,500	829,080
Bonds	422,500	368,480
Property	118,300	92,120
Cash and other liquid assets	50,700	26,320
	<u>1,690,000</u>	<u>1,316,000</u>
Total market value of assets	<u>1,690,000</u>	<u>1,316,000</u>

The actual return on scheme assets was £175,000 (2016 - £167,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2017 £	2016 £
Current service cost	(279,000)	(170,000)
Interest income	28,000	39,000
Interest cost	(63,000)	(77,000)
	<u>(314,000)</u>	<u>(208,000)</u>
Total	<u>(314,000)</u>	<u>(208,000)</u>

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

	2017 £	2016 £
Opening defined benefit obligation	3,014,000	1,996,000
Current service cost	279,000	170,000
Interest cost	63,000	77,000
Employee contributions	44,000	37,000
Actuarial (gains)/losses	(623,000)	749,000
Benefits paid	(30,000)	(15,000)
	<u>2,747,000</u>	<u>3,014,000</u>
Closing defined benefit obligation	<u>2,747,000</u>	<u>3,014,000</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

24. PENSION COMMITMENTS (continued)

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

	2017 £	2016 £
Opening fair value of scheme assets	1,316,000	971,000
Interest income	28,000	39,000
Actuarial gains	147,000	128,000
Employer contributions	185,000	156,000
Employee contributions	44,000	37,000
Benefits paid	(30,000)	(15,000)
	<hr/>	<hr/>
Closing fair value of scheme assets	<u>1,690,000</u>	<u>1,316,000</u>

25. OPERATING LEASE COMMITMENTS

At 31 August 2017 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
Amounts payable:		
Within 1 year	8,263	10,878
Between 1 and 5 years	6,660	5,426
	<hr/>	<hr/>
Total	<u>14,923</u>	<u>16,304</u>

26. MEMBERS' LIABILITY

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

27. RELATED PARTY TRANSACTIONS

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 12.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

28. AGENCY ARRANGEMENTS

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2017 the trust received £14,467 (2016: £12,561) and disbursed £6,932 (2016: £3,602) from the fund. The trust used 5% of the income £723 (2016: £628) towards the cost of administering the fund. An amount of £25,228 (2016: £18,416) is included in other creditors relating to undistributed funds that is repayable to ESFA.

29. CONTROLLING PARTY

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