

**Company Registration No. 07379768 (England and Wales)**

**BETHS GRAMMAR SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNORS' REPORT AND AUDITED ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

# BETHS GRAMMAR SCHOOL

## CONTENTS

---

	<b>Page</b>
Reference and administrative details	1 – 2
Governors' report	3 – 11
Governance statement	12 – 15
Statement on regularity, propriety and compliance	16
Statement of Governors' responsibilities	17
Independent auditor's report on the accounts	18 – 20
Independent reporting accountant's report on regularity	21– 22
Statement of financial activities	23 – 24
Balance sheet	25
Cash flow statement	26
Notes to the accounts	27 - 46

# BETHS GRAMMAR SCHOOL

## REFERENCE AND ADMINISTRATIVE DETAILS

---

### Governors

Mr C Kirk Chair of Governors (until 18 September 2018) (resigned 31 December 2018 )\*

Mr C Hares Chair of Governors (from 19 September 2018)\*

Mr M Appleby \*

Rev. J Bowen

Mrs T Espindola \*

Mr O Obafaiye

Mr S Mulvaney

Mr M Pack (Co-opted Governor) \*

Dr M Pack (Co-opted Governor)

Mrs K Sangster

Mr A Slonecki (resigned 31 December 2018)

Mr R Blyghton (Accounting Officer)

Ms C Guest

Mrs T Tolhurst (appointed 8 October 2018)

Mr J Brock (appointed 1 January 2019)

Mrs C Palmer (appointed 1 January 2019)

Mr R Ramsay (appointed 1 January 2019)

\* members of the Finance Committee

### Members

Mr C Hares (from 1 January 2018)

Mr C Kirk (resigned 31 December 2018)

Mr M Appleby

Mr S Mulvaney

Mr A Slonecki (resigned 31 December 2018)

Rev J Bowen (from 1 January 2018)

### Senior Leadership Team

Headteacher	Mr R Blyghton
Deputy Headteacher	Mr M Neylan
Deputy Headteacher	Mr V Gukhool
Deputy Headteacher	Mr D O'Regan
School Business Manager	Mrs L Gibson
Assistant Headteacher	Mr T Beaney
Assistant Headteacher	Mrs S King
Assistant Headteacher (1 September 2018)	Mr K O'Brien

### Company Secretary

Mrs L Gibson

### Company registration number

07379768 (England and Wales)

### Registered office

Hartford Road  
Bexley  
Kent  
DA5 1NE  
United Kingdom

# BETHS GRAMMAR SCHOOL

## REFERENCE AND ADMINISTRATIVE DETAILS

---

### **Independent auditor**

Baxter & Co  
Lynwood House  
Crofton Road  
Orpington  
Kent  
BR6 8QE

### **Bankers**

National Westminster Bank plc  
1 Townley Road  
Bexleyheath  
Kent  
DA6 7JG

Lloyds Bank PLC  
13 The Broadway  
Bexleyheath  
Kent  
DA6 7DP

### **Solicitors**

Stone King LLP  
Boundary House  
91 Charterhouse Road  
London  
EC1M 6HR

# BETHS GRAMMAR SCHOOL

## GOVERNORS' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2019

---

The Governors present their Annual Report together with the Financial Statements and Auditor's Report of the charitable company for the year ended 31 August 2019. The annual report serves the purposes of both a Governors' Report, and a Directors' Report under company law.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2006, the Statement of Recommended Practice 2015, "Accounting and Reporting by Charities", and the Academies' Accounts Direction 2018/19 issued by the ESFA.

The principal activity of Beths Grammar School is to provide a state education to boys between the ages of 11 to 19 and to girls in the Sixth Form. There is an emphasis on Design and Technology, Mathematics, Science, Languages and Leadership. Funding is obtained from the Department for Education (DfE) through the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. It has a student capacity of 1378 and had a roll of 1495 in the school census on 17th January 2019.

#### **Structure, Governance and Management**

The Charitable Company is a company limited by guarantee incorporated on 17 September 2010 and the predecessor school converted to academy status on 1 October 2010. The Governors (Trustees) who are also the Directors for the purpose of company law, and who served during the year are listed on page 1.

#### Constitution and Members' Liability

Beths Grammar School is registered under the Companies Act 2006, as a company limited by guarantee without a share capital. Each member of the company undertakes to contribute to the assets of the company in the event of the company being wound up while they are a member, or within one year after they cease to be a member. The liability of the members is limited to £10 each for the debts and liabilities contracted before they ceased to be a member. The Academy is an exempt charity. The company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The Governors act as the trustees for the charitable activities of Beths Grammar School and are also the directors of the company for the purposes of company law. The Board of Governors meet as the Governing Body at least four times each year. The Beths Grammar School Academy Trust holds an Annual General Meeting (usually in December) to consider the Governors' Report and Audited Accounts. General Meetings are held as required (usually to consider the appointment of Appointed Governors). All Governors can attend the Annual General Meeting / General Meetings although only the Members of the Academy Trust can vote.

#### Governors' Indemnities

No qualifying third party indemnities have been given by the Charitable Company to or on behalf of its Governors.

#### Method of Recruitment and Appointment or Election of Governors

The Board of Governors comprises the following Governors;

- a) Up to ten Governors appointed by the Members;
- b) Up to one third of the total number of Governors may be elected Staff Governors by the staff;
- c) A minimum of two Parent Governors elected by parents;
- d) Up to one Local Authority appointed Governor;
- e) The Headteacher is an ex-officio Governor;
- f) Further Governors may be appointed by the Secretary of State;
- g) Up to three Co-opted Governors appointed by the Governors (excluding those already Co-opted).

#### Policies and Procedures Adopted for the Induction and Training of Governors

The training and induction provided for new Governors will depend on their existing experience. Where necessary, induction will provide training in charity and educational legal and financial matters. All Governors are provided with the information needed (including policies, minutes, budgets, etc) to undertake their role as Governors. The Academy also purchases the Governor Training Scheme run by the local authority.

# BETHS GRAMMAR SCHOOL

## GOVERNORS' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2019

---

#### Organisational Structure

The Board of Governors, the majority of whom are non-executive, comprises those persons appointed under the Articles of Association. The Board meets at least four times a year and has several committees, including a Finance and Asset Management Committee, Students and Human Resources Committees. All of these Committees are formally constituted with terms of reference and comprise appropriately qualified and experienced members.

The Finance and Asset Management Committee also fulfils the function of an Audit Committee.

Governors delegate specific responsibilities to its Committees, the activities of which are reported to and discussed at full Board of Governors Meetings. Day to day management of the Academy is undertaken by the Headteacher, supported by the Senior Leadership Team. The Headteacher is the Accounting Officer and the Business Manager is the Deputy Accounting Officer.

#### **Arrangements for setting pay and remuneration of key management personnel**

The senior management team (SLT) are the key management personnel of the trust. Trustees are also senior management although they receive no pay or other remuneration in respect of their role as trustees. Where staff trustees are in place, they receive remuneration for their role as staff and their pay is determined in the same way as applicable to all other staff. Further details of remuneration paid to staff who are trustees is set out within the notes to the accounts.

The pay of the Headteacher is set annually by the Pay Committee, having regards to performance against objectives set the previous year. Pay of other SLT members is also set by the Pay Committee again having regard to performance against previously agreed objectives and any recommendations made by the Headteacher.

#### **Trade Union Facility Time**

##### **Relevant union officials**

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
	1

##### **Percentage of time spent on facility time**

Percentage of time	Number of Employees
0%	
1% - 50%	3%
51% - 99%	
100%	

##### **Percentage of pay bill spent on facility time**

Total Cost of facility time	£ 1450
Total Pay bill	£ 5,807,800
Percentage of the total pay bill spent on facility time	0.25 %

##### **Paid trade union activities**

Time spent on paid trade union activities as a percentage of total paid facility time hours.	100%
--	------

# **BETHS GRAMMAR SCHOOL**

## **GOVERNORS' REPORT**

### ***FOR THE YEAR ENDED 31 AUGUST 2019***

---

#### Related Parties and other Connected Charities and Organisations

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

The school maintains a register of pecuniary interests of the Board of Governors which is regularly reviewed and updated. One Governor has provided self-employed services in teaching. This would have been a connected party transaction but has been reviewed to ensure that no limits have been breached. Details of Related Party Transactions are set out in the relevant note to the accounts.

#### **Objectives and Activities**

##### Objects and Aims

The principal object of the company is to advance for the public benefit, education in the United Kingdom.

It achieves this object through the operation of Beths Grammar School, providing a state education, free of charge, to students aged 11 to 19.

Beths Grammar School is an equal opportunities employer, and strives to treat all applicants for employment, training and promotions equitably.

In exercising their powers, the Governors have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

##### Objectives, Strategies and Activities

The principal task for the year was to maintain the excellent educational standards achieved by the school.

The school aims to achieve its objective by providing a stimulating yet demanding approach to teaching and learning. There are many facets to the opportunities that the school provides to broaden horizons and develop well rounded leaders of the future. Beths is renowned for its enviable co-curricular enrichment programme that, through sport, the arts, the Duke of Edinburgh Award, clubs and societies, nurtures the whole child.

The school's main priorities for 2018-2019 were:

To provide a first class education to all students, delivering outstanding academic and personal achievement.

Foster a physical and cultural environment that reflects a modern and intelligent approach to learning, is inclusive of every student and positively considers the well-being and mental health of all as a priority.

Be a collaborative school, which is at the heart of the community and builds relationships.

Encourage improvement by continuously evaluating what we do and by embracing best practice.

##### Public benefit

In setting the objectives and planning the associated activities, Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

# BETHS GRAMMAR SCHOOL

## GOVERNORS' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2019

---

#### Strategic report

##### Achievements and Performance

The major shake-up in both A Level and GCSE's examinations is now complete and there are no further changes to the style of examinations planned for the future. Moving forward, a degree of certainty should take over and predictions should show more consistency. However, the school has enjoyed another successful year with good academic results.

Year 13 achieved overall 51% A\*-B grades, a slight drop on last year. However, when taking into consideration the increase in unconditional offers made by universities to students, the percentage would increase to 54%, an increase on 2017 and 2018 results.

At GCSE our results were very successful. 99% of our Year 11s achieved 5 or more grades 9 to 4 (including Maths and English) or the equivalent or A\*-C in the old legacy system. The four year upward trend in top grades 9-8 continued and was also the case for grades 9-7 and 9-6. Our pupil premium boys performed better at the top grades and there were insufficient numbers of SEND students to make comparison statistically valid.

Progress 8 (P8) is now the key measure at GCSE. It measures not only the results the students achieve, but on how much progress they have made since they started secondary school. P8 is positive 0.23 which shows that our students have made more than expected progress since the beginning of Key Stage 3 in 2018/19. P8 figures include the legacy results from early entry examinations taken in Year 10. Due to the introduction of the new style GCSE's and the change to the grading system, the impressive results achieved by our students at the end of Year 10 will not be reflected in this year's DfE published P8. This is due to the grades being alphabetical and not numerical. This has resulted in our published P8 for 2018/19 being lower than it should be as it has not been possible to use the best results over the eight subjects. This will be the last year that P8 will be negatively affected by the old legacy examinations.

There were 206 UCAS applications, with 20% of the students securing a place at a Russell Group University. 51% of applicants secured a place at a Russell Group or one of the more selective Universities that are not actually members of the Russell Group. With the increasing costs for students to attend university, we have seen a rise this year to 13% of students choosing to seek apprenticeships or employment, which is in line with national statistics.

The school's expansion to six forms of entry in KS3 in 2013 has had the knock on effect of an increase to the numbers in the sixth form. There were over 530 boys and girls in Years 12 and 13. The introduction of seven taught periods per week per subject in the sixth form has continued and the results from the increase should be seen next summer when the first cohort, who have benefited from the increase, take their exams. This initiative is unique to Beths in the local area and underpins our commitment to improving outcomes for students.

There were many successful school trips linked to, and extending, the curriculum both at home and abroad. Overseas trips were made to China, Spain and France. The school successfully applied for places on "Lessons from Auschwitz" project and two sixth form students and a teacher were able to visit Auschwitz in Poland and share the experience with their classmates. Following on from the very successful trip to St Malo in France last year, the MFL department took a group of boys to stay with host families in Salamanca, Spain. The trip gave them the opportunity to practice their Spanish and sample local hospitality whilst enjoying the cultural delights of Spain. Due to the popularity of the trip, it is intended that it will now run bi-annually to Spain and France on alternate years. More trips are planned for the coming years with a football trip to Barcelona in early 2020, a ski trip to Panama in 20/21 and a Computer Studies trip to Silicon Valley, California, also in 20/21.

The co-curricular programme at Beths greatly enhances the students' educational experience, helping them to grow as well-rounded young people. A selection of achievements in sporting activities and other aspects of school life are mentioned below.

The autumn term saw the start of the OAP afternoon teas, with half termly themed events. Our guests enjoyed themes such as Christmas, Easter, St Patrick's Day and a summer fish and chips afternoon. Local businesses agreed to sponsor these community events and contributed prizes for our guests. Students helped at the events and musical performances such as the percussion group, a capella singers, big band, Jazz performance and even some Salsa dancing, was enjoyed by our OAP guests.

There was some very enjoyable music-making during the year, with the Christmas Carol Service being the highlight. There were also termly music concerts enjoyed by students, parents and staff alike. The Big Band were invited to perform at a restaurant in Maidstone and diners thoroughly enjoyed the evening. Whole class violin lessons were provided for all of Year 7, which exposed students to a high level of ambitious learning.

The annual Art Exhibition was held in the summer to celebrate our talented young artists. We were also invited to display our students' art work at Bexley Station, Hall Place and Crayford High Street, enabling an even bigger audience to enjoy our students' impressive art talents.

---



# **BETHS GRAMMAR SCHOOL**

## **GOVERNORS' REPORT**

### ***FOR THE YEAR ENDED 31 AUGUST 2019***

---

Rehearsal for the school production of "Oliver" began in October and, after much hard work from all involved, resulted in three very successful performances in March, with the last being a complete sell out. Students, parents and staff alike enjoyed excellent performances by our actors along with the best sets we have had for a school production, so far. Auditions have already taken place and rehearsals begun for next year's production of "the Wizard of Oz".

Each week students across the school are involved in many clubs and societies as participants and also leaders. These clubs enable students to enjoy and develop their hobbies and interests. Students can participate in a variety of clubs including Law, Debating, PPE, Robotics, Warhammer, Film Club, Chess and Choir, to name a few. Leadership skills are embedded in our school life. From groups of students taking part in the Duke of Edinburgh Awards to our annual Year 8 camp, great importance is placed on personal responsibility and engagement with the wider world. This year there were successful Duke of Edinburgh expeditions to Hope Hill for the Bronze Award and the Wye Valley for the Silver Award. With increasing numbers of students achieving their Silver Award, there are plans to introduce the rigorous Gold Award for those students wishing to participate.

Wellbeing Week was held in December to highlight the importance of strong mental health, resilience and overall happiness. The focus of the week was to teach students about the "five ways to wellbeing" (Connect, Be Active, Take Notice, Keep Learning and Give) and embedding them within the community at Beths. Whole school events that took place during the week were: no phones for 24 hours, photography competition, fundraising for charity, additional sports sessions and a connect day. Some sixth form students trained to be the first Beths Mental Health Ambassadors who work with the school's two counsellors to support students.

Honours ties were introduced at Key Stage 4 and awarded to those students who demonstrated a significant commitment to serving the school or wider community. The ties are a clear endorsement of the school's values – Excellence, Respect, Nurture and Community.

Sport has always played an important role in the life of Beths students, both on an individual and team basis. There were numerous opportunities for students to gain new sporting experiences both within and outside the curriculum. There were teams in football, rugby, cricket, athletics, basketball, tennis and volleyball. Team successes included, in Athletics, Bexley Junior Athletics Championships saw Year 8 come first and Year 7 second. In Basketball, Year 7 qualified for the Dynamik National Schools Competition in Manchester, finishing 3<sup>rd</sup> in their group. The under 14's qualified for the Regional Round of England Schools, making it to the last 16. In the Basketball Kent Cup, Years 7, 8 and 9 were all champions. In football, the Under 12's won the North Kent Cup and only lost once during their season. The Under 16's also made it through to the final. Individual successes saw a Beths student become an England Karate Champion, a national level event at Shinwa Karate Kai England Championships, demonstrating how top sporting dedication can inspire students to the very best inside the classroom and in the sporting arena. A number of individuals are attending prestigious footballing, rugby and cricketing academies such as Brighton, Chelsea, Charlton, London Welsh and Kent. Two Year 11 students were picked to play for the England Under 16 Football Team and one Year 11 student was signed to Manchester City after completing his GCSE's. We look forward to seeing him playing for the first team very soon.

# BETHS GRAMMAR SCHOOL

## GOVERNORS' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2019

---

#### Key Performance Indicators

The school exam targets for 2019 were discussed by the Governors Students Committee and ratified by the Full Board of Governors

	2019 Target	2019 Actual
Year 11		
GCSE 5+ 9-5(A**-C) incl English Language/Literature and Maths	92%	94%
GCSE A*/A	50%	51%
GCSE 5+A*/A incl English Language/Literature and Maths	37%	40%
English GCSE 9-7		38%
English GCSE 9-5		89%
Maths GCSE 9-7		71%
Maths GCSE 9-5		97%
Year 13		
A Level (A*-B)	55%	51%
A Level (A*-E)	100%	98%
APS	300	270

Attendance figures up to 31st May were as follows:

Year	Target	Actual
7	95%	98.3%
8	95%	97.6%
9	95%	97.4%
10	95%	97.2%
11	95%	96.3%

Staffing ratio – The cost of staffing salaries as a proportion of total income (excluding capital) is 79.5%

Utility costs per pupil was £192

#### Going Concern

After making appropriate enquiries, the Board of Governors has 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 accounts.

#### **Financial Review**

We receive our income from a number of different sources. The greater part of our income comes from central government via the Education and Skills Funding Agency who provides us with a grant, based largely on our student numbers to cover our staffing and other general running costs (General Annual Grant - GAG). The ESFA may provide us with additional grants which are earmarked for specific purposes (such as Pupil Premium which must be used to raise the attainment of disadvantaged pupils). These appear in the accounts as DfE/ESFA grants. Where we receive grant or other funding from the Local Authority (such as where we undertake responsibilities on their behalf in respect of our students) this appears in the accounts as Other government grants. Such income is collectively referred to as "Restricted Funds". Other income is received from parents (for example as contributions to trip or other costs) and from third parties (for example from our bank for interest on our account balances or from others who are charged for their use of our facilities). Such other income may be restricted or unrestricted, depending on whether it comes to us with conditions as to its use or whether it is available for spending at the discretion of the trustees.

We hold funds in two broad categories, funds which are available for spending and other funds which are not available for spending.

Spendable funds are in turn sub-categorised between those which are available for spending at the discretion of trustees ("Unrestricted Funds") and those which are subject to condition or restriction, ("Restricted Funds").

# BETHS GRAMMAR SCHOOL

## GOVERNORS' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2019

Funds not available for spending include the book value of fixed assets such as land, buildings and equipment. These have a value and are therefore included as assets in the accounts but clearly, we cannot spend this value. In common with all academies and Local Authorities, our share of the Local Government Pension Scheme deficit must also be reflected in our accounts, but as this is not a conventional liability, it does not need to be deducted from spendable funds. We meet our obligations in respect of the LGPS by paying over pension contributions due as calculated by the scheme's actuaries. The following balances were held at 31 August:

<b>Fund</b>	<b>Category</b>	<b>2019 £'000</b>	<b>2018 £'000</b>
GAG	Restricted General Funds	1,274	1,330
Other DfE/ESFA Grants	Restricted General Funds	8	24
Other Income	Restricted General Funds	214	228
<b>Sub-total General Restricted Funds</b>		<b>1,496</b>	<b>1,582</b>
Unspent Capital Grants	Restricted Fixed Asset Fund	133	29
Other Income	Unrestricted General Fund	648	492
<b>Sub-Total Spendable Funds</b>		<b>2,277</b>	<b>2,103</b>
Net Book Value of Fixed Assets (net of Salix Loan)	Restricted Fixed Asset Fund	12,951	13,499
Share of LGPS Deficit	Restricted Pension Reserve	(2,556)	(1,328)
<b>Total All Funds</b>		<b>12,672</b>	<b>14,274</b>

During the year under review, there was a surplus / (deficit) of £(86k) (2018: £83k) on general restricted funds, a surplus of £156k (2018: £54k) on unrestricted funds and after LGPS valuation adjustments, depreciation and capital income and expenditure, an overall surplus / (deficit) of £(1,602k) (2018: £344k).

#### Reserves Policy

Beths Grammar School aims to carry forward a prudent level of resources to cover short, medium and long term needs such as funding constraints, needs for renewal and replacement, major unforeseen contingencies and to contribute to major capital developments.

The reserve balance will be reviewed and projections on future balances will be made at key points during the financial year, namely as part of the budget setting process and update of the SIP.

Details of all reserves and year-end balances are contained in the School's annual Statement of Accounts.

#### Investment Policy and Powers

There are no investments held beyond cash deposits retained with the major UK clearing banks. Speculative investments are not permitted.

#### Employee Involvement

Academy staff are empowered to elect colleagues to sit and serve as Governors.

#### Disabled Persons

Ramps and disabled toilets are installed and door widths are adequate to enable wheelchair access to all the main areas of the School. The policy of the School is to support recruitment and retention of students and employees with disabilities. The Academy does this by adapting the physical environment, by making support resources available and through training and career development.

# BETHS GRAMMAR SCHOOL

## GOVERNORS' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2019

---

#### Principal Risks and Uncertainties

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to academic performance, finances, staffing, health & safety and safeguarding our students. The governors have implemented a number of systems to assess risks that the Academy faces, and have developed policies and procedures to mitigate those risks. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the Statement on Internal Control.

The risk management process has been codified in a risk register implemented by the Senior Leadership Team and overseen by Governors.

#### Principal risks (including financial and risk management) and uncertainties

##### Financial

The Governors keep spendable reserves under constant review to ensure that they have sufficient income to run the Academy on an efficient basis without affecting the quality of teaching and learning.

##### Governance

The Governors ensure that they have an effective system of control to mitigate risks.

##### Reputational

The Governors give consideration to all aspects of the academy trusts activities in order to maintain its reputation.

##### Child Protection

The Governors ensure that the highest standards of child protection are maintained in order to protect the young people in the academy trust's care.

##### Staff

Risk resulting from major changes in staff is minimised by continually monitoring the arrangements for recruitment and development of staff

#### **Our fundraising practices**

The academy trust organises fundraising events and appeals and co-ordinate the activities of our supporters both in Beths and in the wider community on behalf of the trust.

The trust does not use professional fundraisers or involve commercial participators.

There have been no complaints about fundraising activity this year.

The trust complies with the Fundraising Regulator's Code of Fundraising Practice.

All fundraising is undertaken by the trust in a manner that seeks to ensure that it is not unreasonably intrusive or persistent. Contact is made through email, academy newsletters, school blog, our websites and via students. All fundraising material contains clear instructions on how a person can be removed from mailing lists.

#### **Plans for Future Periods**

The principal task facing Beths is to maintain the excellent educational standards achieved by the school.

The School's main priorities for 2019-2020 are:

To narrow the gap between different groups of students and subjects at GCSE and A Level  
Promote excellent behaviour and attitudes

Promote the best climate for personal development and social responsibility

Build leadership and management capacity across all levels of the school

---

# **BETHS GRAMMAR SCHOOL**

## **GOVERNORS' REPORT**

***FOR THE YEAR ENDED 31 AUGUST 2019***

---

### **Funds Held as Custodian Trustee on Behalf of Others**

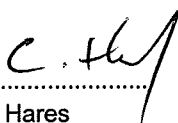
The school acts as a custodian trustee on behalf of funds received from 16-19 Bursary Fund Scheme before payment is made to eligible students.

### **Auditor**

In so far as the Governors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Governors' report, incorporating a strategic report, was approved by order of the Board of Governors, as the company directors, on 04 December 2019 and signed on its behalf by:

  
.....  
Mr C Hares  
Chair of Governors

# BETHS GRAMMAR SCHOOL

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2019**

---

### Scope of Responsibility

As Governors we acknowledge we have overall responsibility for ensuring that Beths Grammar 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 Board of 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 Beths Grammar School and the Secretary of State for Education. The Accounting Officer is also responsible for reporting to the Board of 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 board of governors has formally met 4 times during the year. Attendance during the year at meetings of the Board of Governors was as follows:

Governors	Meetings attended	Out of possible
Mr C Kirk (Chair of Governors until 18 September 2018)	2	2
Mr C Hares (Chair of Governors from 19 September 2018)	4	4
Mr R Blyghton ( Headteacher)	4	4
Mr M Appleby	3	4
Rev. J Bowen (Deputy Chair of Governors until 18 September 2018)	4	4
Mr R Ramsay	2	2
Mrs T Espindola(Deputy Chair of Governors from 19 September 2018)	4	4
Mr J Brock	1	2
Mrs T Tolhurst	2	3
Mr S Mulvaney	3	4
Mr M Pack	4	4
Dr M Pack	3	4
Mrs C Palmer	1	2
Mr O Obafaiye	4	4
Mrs K Sangster	3	4
Mr A Slonecki	1	2
Mrs C Guest (Deputy chair of Governors from 19 September 2018)	4	4

The Board of Trustees (Governing Body) meets four times each year. Individual Trustees meet additionally on three other occasions during the year at meetings of the three Committees that have been established by the Governing Body. Each Committee meets three times a year and each meeting is attended by a minimum of three Trustees. In addition to the meetings of Trustees, Members of the Beths Grammar School Trust meet at least once each year. Additional meetings of the Trust will be held according to business needs e.g. Trustee appointments / Headteacher recruitment and appointments.

The composition of the Trust will be discussed by Trust Members at its AGM in December 2019. Issues that will be considered, include increasing the number of Trust Members (currently four), making accountability more robust by introducing some separation between the Trust and Trustees through the appointment of some Trust Members who are not Trustees.

# BETHS GRAMMAR SCHOOL

## GOVERNANCE STATEMENT

### FOR THE YEAR ENDED 31 AUGUST 2019

---

Governance review:

The Board of Governors has now implemented the recommendations flowing from the external review to consider the Governing Body's efficiency and effectiveness undertaken in November 2016. The Board of Governors is now more clearly focused on strategic issues and is working with the school's Senior Leaders to ensure that the School Improvement Plan is closely aligned with the Board of Governor's strategic vision for the school.

The Board of Governors undertook a detailed skills audit in September 2018 using the matrix recommended by the National Governors Association. Governors reviewed and updated (as appropriate) their skills.

The Finance and Asset Management Committee is a sub-committee of the main board of governors. Its purpose is to assist and support the Board of Governors, ensuring sound oversight is exercised over the management of the Academy's finances and Resources. Attendance at meetings during the year was as follows:

Governors	Meetings attended	Out of possible
Mr M Appleby (Chair of Committee)	2	3
Mr R Blyghton	2	3
Mr M Pack	2	3
Mrs T Espindola	3	3
Mr R Ramsay	2	2

The purpose of an Audit Committee is to provide assurance that risks are being adequately identified and managed. The functions of the Audit Committee are included within the Finance and Asset Management Committee.

#### Review of Value for Money

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

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

- Developing and implementing a programme of Good to Outstanding teaching.
- Developing a model of providing professional development from within.
- Reporting termly to Governors Finance and Asset Management Committee.
- Providing monthly Management Accounts to the Chair of governors
- Implementing a new accounting software for improved financial reporting
- Regular review of contracts and competitive tenders required for all contracts over £50,000
- Reviewing controls and managing risks.
- Annual review of staffing structure.
- Checking and reviewing all costs over £10,000.
- Increasing outreach programmes for both primary and secondary students to include more disadvantaged children
- Implementing enrichment for all students in Year 12 including a variety of community service, games and younger student mentoring.
- Implementing an increase in lessons per subject in the sixth form to strengthen and consolidate student learning across the whole sixth form.
- Implementing preparation for young people about to embark on the next phase of their learning journey by introducing food tech and life skills.

# **BETHS GRAMMAR SCHOOL**

## **GOVERNANCE STATEMENT**

### **FOR THE YEAR ENDED 31 AUGUST 2019**

---

#### **The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Beths Grammar School for the year ended 31 August 2019 and up to the date of approval of the Annual Report and Financial Statements.

#### **Capacity to Handle Risk**

The Board of Governors has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Governors is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ended 31 August 2019 and up to the date of approval of the Annual Report and Financial Statements. This process is regularly reviewed by the Board of Governors.

#### **The Risk and Control Framework**

The Academy Trust'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 Board of Governors;
- regular reviews by the Finance and Asset Management 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 Board of 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 a Responsible Officer from the Governing Body, Mr R Ramsay

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

The Responsible Officer visited once during the year. Checks carried out included:

- The purchase ledger system was checked. Purchase orders that had been pending during the previous visit were checked for correct authorisation and invoice posting. The PO's were checked all the way through to cheques being raised and reconciled.
- Payroll systems were checked to ensure correct authorisations
- To ensure that controls set out in the AFH are in place and operating effectively
- To ensure that bank reconciliations are being correctly processed and authorised. Purchase orders were tracked from source right through to cheques being reconciled against bank statements.
- Control accounts were checked to ensure that they were properly reconciled
- Orders over £10,000 were viewed to ensure that financial regulations had been followed correctly. Quotes had been obtained and value for money had been applied.
- School trip costings were examined. Fees for income and insurance were discussed to ensure correct treatment.
- Future visits would look at hospitality and personal benefit procedures and assurance systems.



# BETHS GRAMMAR SCHOOL

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2019**

---

The RO's view is that the correct processes were followed and that staff were highly competent in explaining the processes. No material control weaknesses have been identified and all findings have been reported to Governors. Governors are satisfied that the role has been delivered effectively.

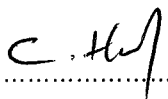
### **Review of Effectiveness**

As Accounting Officer, R Blyghton had responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review was informed by:

- the work of the Responsible Officer;
- the work of the External Auditor;
- the financial management and governance self-assessment process;
- the work of the Executive Managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer was advised of the implications of the result of their review of the system of internal control by the finance and asset management committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Board of Governors on 04 December 2019 and signed on its behalf by:



**Mr C Hares**

Chair of Governors



**R Blyghton**

Accounting Officer

# **BETHS GRAMMAR SCHOOL**

## **STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE**

***FOR THE YEAR ENDED 31 AUGUST 2019***

---

As accounting officer of Beths Grammar School I have considered my responsibility to notify the Academy Trust Board of Governors and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, 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 2018.

I confirm that I and the Academy Trust's Board of Governors 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 2018.

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 Governors and ESFA.

RJBlyghton

R Blyghton  
**Accounting Officer**

04 December 2019

# **BETHS GRAMMAR SCHOOL**

## **STATEMENT OF GOVERNORS' RESPONSIBILITIES**

**FOR THE YEAR ENDED 31 AUGUST 2019**

---

The Governors (who act as Trustees for Beths Grammar School and are also the Directors of Beths Grammar School for the purposes of company law) are responsible for preparing the Governors' Report and the Financial Statements in accordance with the Academies Accounts Direction 2018 to 2019 published by the Education & 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:

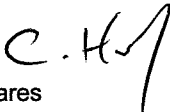
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The 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 that 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 Board of Governors on 04 December 2019 and signed on its behalf by:

  
Mr C Hares  
Chair of Governors

# **BETHS GRAMMAR SCHOOL**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BETHS GRAMMAR SCHOOL**

***FOR THE YEAR ENDED 31 AUGUST 2019***

---

### **Opinion**

We have audited the Financial Statements of Beths Grammar School for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the Financial Statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2019 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019.

### **Basis for 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 Trust in accordance with the ethical requirements that are relevant to our audit of the Financial Statements in the UK, including the FRC'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 Trust'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.

### **Other information**

The Governors are responsible for the other information, which 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 other 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.

# **BETHS GRAMMAR SCHOOL**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BETHS GRAMMAR SCHOOL (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2019**

---

### **Opinions 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 incorporated Strategic Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and
- the Governors' Report including the incorporated 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 the knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report, including the incorporated 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' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of Governors**

As explained more fully in the statement of Governors' responsibilities, the Governors 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 Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the charitable company, 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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# **BETHS GRAMMAR SCHOOL**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BETHS GRAMMAR SCHOOL (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2019**

---

### **Use of our report**

This report is made solely to the charitable company'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 charitable company'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 charitable company and the charitable company's Members as a body, for our audit work, for this report, or for the opinions we have formed.



**David John Walsh FCCA (Senior Statutory Auditor)**

**For and on behalf of Baxter & Co**

**Statutory Auditor**

**Chartered Certified Accountants**

Lynwood House

Crofton Road

Orpington

Kent

BR6 8QE

Dated: 11 December 2019

# **BETHS GRAMMAR SCHOOL**

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BETHS GRAMMAR SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY**

***FOR THE YEAR ENDED 31 AUGUST 2019***

---

In accordance with the terms of our engagement letter dated 1 November 2012 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Beths Grammar School during the period 1 September 2018 to 31 August 2019 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 Beths Grammar School and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Beths Grammar School and 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 Beths Grammar School and ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Beths Grammar School's Accounting Officer and the Reporting Accountant**

The Accounting Officer is responsible, under the requirements of Beths Grammar School's funding agreement with the Secretary of State for Education dated 21 September 2010 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 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 2018 to 2019 issued by 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 Trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- Review of payments to staff;
- Review of payments to suppliers and other third parties;
- Review of grant and other income streams;
- Review of some key financial control procedures;
- Discussions with finance staff;
- Consideration of the record maintained by the Accounting Officer of the oversight they have exercised;
- Consideration of the programme of risk review and checking of financial controls implemented by the Academy Trust in order to comply with its obligations under 2.9.6 of the Academies Financial Handbook 2018, issued by the ESFA.

# **BETHS GRAMMAR SCHOOL**

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BETHS GRAMMAR SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2019***

---

### **Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



**Baxter & Co**  
**Independent Reporting Accountants**  
**Chartered Certified Accountants**  
Lynwood House  
Crofton Road  
Orpington  
Kent  
BR6 8QE

Dated: 11 December 2019



# BETHS GRAMMAR SCHOOL

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2019 £'000	Total 2018 £'000
<b>Income and endowments from:</b>						
Donations and capital grants	3	16	-	105	121	80
Charitable activities:						
- Funding for educational operations	4	516	7,310	-	7,826	7,290
Other trading activities	5	28	-	-	28	29
Investments	6	12	-	-	12	9
<b>Total</b>		<b>572</b>	<b>7,310</b>	<b>105</b>	<b>7,987</b>	<b>7,408</b>
<b>Expenditure on:</b>						
Raising funds	7	19	-	-	19	7
Charitable activities:						
- Educational operations	8	397	7,529	724	8,650	8,271
<b>Total</b>	<b>7</b>	<b>416</b>	<b>7,529</b>	<b>724</b>	<b>8,669</b>	<b>8,278</b>
<b>Net income/(expenditure)</b>		<b>156</b>	<b>(219)</b>	<b>(619)</b>	<b>(682)</b>	<b>(870)</b>
Transfers between funds	17	-	(175)	175	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial (losses)/gains on defined benefit pension schemes	19	-	(920)	-	(920)	526
<b>Net movement in funds</b>		<b>156</b>	<b>(1,314)</b>	<b>(444)</b>	<b>(1,602)</b>	<b>(344)</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		492	254	13,528	14,274	14,618
Total funds carried forward		648	(1,060)	13,084	12,672	14,274

# BETHS GRAMMAR SCHOOL

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

SUPPLEMENTARY NOTE:  
COMPARATIVE INFORMATION FOR THE  
YEAR ENDED 31 AUGUST 2018

	Notes	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2018 £'000
<b>Income and endowments from:</b>					
Donations and capital grants	3	21	30	29	80
Charitable activities:					
- Funding for educational operations	4	413	6,877	-	7,290
Other trading activities	5	29	-	-	29
Investments	6	9	-	-	9
<b>Total</b>		<b>472</b>	<b>6,907</b>	<b>29</b>	<b>7,408</b>
<b>Expenditure on:</b>					
Raising funds	7	7	-	-	7
Charitable activities:					
- Educational operations	8	411	6,990	870	8,271
<b>Total</b>	<b>7</b>	<b>418</b>	<b>6,990</b>	<b>870</b>	<b>8,278</b>
<b>Net income/(expenditure)</b>		<b>54</b>	<b>(83)</b>	<b>(841)</b>	<b>(870)</b>
Transfers between funds	17	-	(25)	25	-
<b>Other recognised gains/(losses)</b>					
Actuarial gains on defined benefit pension schemes	19	-	526	-	526
<b>Net movement in funds</b>		<b>54</b>	<b>418</b>	<b>(816)</b>	<b>(344)</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		438	(164)	14,344	14,618
Total funds carried forward		492	254	13,528	14,274

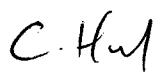
# BETHS GRAMMAR SCHOOL

## BALANCE SHEET

AS AT 31 AUGUST 2019

		2019	2018
	Notes	£'000	£'000
<b>Fixed assets</b>			
Tangible assets	12	12,970	13,519
<b>Current assets</b>			
Debtors	13	72	112
Cash at bank and in hand		2,725	2,243
		2,797	2,355
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	14	(521)	(254)
<b>Net current assets</b>		2,276	2,101
<b>Total assets less current liabilities</b>		15,246	15,620
Creditors: amounts falling due after more than one year	15	(18)	(18)
<b>Net assets before defined benefit pension scheme liability</b>		15,228	15,602
Defined benefit pension scheme liability	19	(2,556)	(1,328)
<b>Total net assets</b>		12,672	14,274
<b>Funds of the Academy Trust:</b>			
<b>Restricted funds</b>	17		
- Fixed asset funds		13,084	13,528
- Restricted income funds		1,496	1,582
- Pension reserve		(2,556)	(1,328)
<b>Total restricted funds</b>		12,024	13,782
<b>Unrestricted income funds</b>	17	648	492
<b>Total funds</b>		12,672	14,274

The Financial Statements on pages 23 to 46 were approved by the Governors and authorised for issue on 04 December 2019 and are signed on their behalf by:



Mr C Hares  
Chair of Governors

Company Number 07379768

# BETHS GRAMMAR SCHOOL

## STATEMENT OF CASH FLOWS

**FOR THE YEAR ENDED 31 AUGUST 2019**

---

	Notes	2019 £'000	2018 £'000
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	20	541	(114)
<b>Cash flows from investing activities</b>			
Dividends, interest and rents from investments		12	9
Capital grants from DfE Group		105	29
Purchase of tangible fixed assets		(175)	(367)
<b>Net cash used in investing activities</b>		(58)	(329)
<b>Cash flows from financing activities</b>			
Repayment of long term bank loan		(1)	20
<b>Net cash (used in)/provided by financing activities</b>		(1)	20
<b>Net increase/(decrease) in cash and cash equivalents in the reporting period</b>		482	(423)
Cash and cash equivalents at beginning of the year		2,243	2,666
<b>Cash and cash equivalents at end of the year</b>		2,725	2,243

---

# BETHS GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2019

---

#### 1 Accounting policies

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

##### 1.1 Basis of preparation

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 Financial Statements 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Beths Grammar School meets the definition of a public benefit entity under FRS 102.

##### 1.2 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 charitable company 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.

##### 1.3 Income

All incoming resources are recognised when the Academy Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

###### Grants

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the period 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 in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the Balance Sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

###### Sponsorship income

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

###### Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

# BETHS GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

---

#### 1 Accounting policies

##### Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the Academy Trust has provided the goods or services.

##### Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the Financial Statements until they are sold. This income is recognised within 'Income from other trading activities'.

##### Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

#### 1.4 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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

##### Expenditure on raising funds

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

##### Charitable activities

These are costs incurred on the Academy Trust's educational operations, including support costs and costs relating to the governance of the Academy Trust apportioned to charitable activities.

#### 1.5 Tangible fixed assets and depreciation

Assets costing £5,000 or more per item (or less if they form part of a larger purchase or project where the total cost exceeds £25,000) are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Where tangible fixed assets have been acquired / funded by other income, the fixed asset fund is also credited. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities.

# BETHS GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

---

#### 1 Accounting policies

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

Freehold land and buildings	2 - 5% Straight Line
Computer equipment	20% Straight Line
Fixtures, fittings & equipment	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.

#### 1.6 Liabilities

Liabilities 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 Trust 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.

#### 1.7 Leased assets

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

#### 1.8 Financial instruments

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust 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. Prepayments are not financial instruments.

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 cost. 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 instrument.

#### 1.9 Taxation

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

# BETHS GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

---

### **1 Accounting policies**

#### **1.10 Pensions benefits**

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the Academy Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially 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. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

The LGPS is a funded multi-employer 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 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.

#### **1.11 Fund accounting**

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

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

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

#### **1.12 Agency Arrangement**

Where the Academy Trust acts as agent in collecting and / or distributing from the ESFA or others, and subsequent disbursements are excluded from the Statement of Financial Activities as the Trust does not have control over charitable application of the funds. The funds received and paid, and any balances held are disclosed in note 24.

### **2 Critical accounting estimates and areas of judgement**

Accounting estimates and judgements 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.



# BETHS GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

### **2 Critical accounting estimates and areas of judgement**

#### 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, 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 2019. 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 judgement

In preparing these Financial Statements, the Governors have not needed to exercise any subjective judgements that would be critical to the Academy Trust's Financial Statements.

### **3 Donations and capital grants**

	<b>Unrestricted funds £'000</b>	<b>Restricted funds £'000</b>	<b>Total 2019 £'000</b>	<b>Total 2018 £'000</b>
Donations	-	-	-	18
Capital grants	-	105	105	29
Other donations	16	-	16	33
	<u>16</u>	<u>105</u>	<u>121</u>	<u>80</u>

# BETHS GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 4 Funding for the Academy Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	6,916	6,916	6,401
Other DfE group grants	-	195	195	122
	<u>-</u>	<u>7,111</u>	<u>7,111</u>	<u>6,523</u>
<b>Other government grants</b>				
Local authority grants	-	13	13	14
	<u>-</u>	<u>13</u>	<u>13</u>	<u>14</u>
<b>Other funding</b>				
Trips and activities	-	186	186	311
Catering income	412	-	412	393
Other incoming resources	104	-	104	49
	<u>516</u>	<u>186</u>	<u>702</u>	<u>753</u>
<b>Total funding</b>	<u>516</u>	<u>7,310</u>	<u>7,826</u>	<u>7,290</u>

### 5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
Hire of facilities	<u>28</u>	<u>-</u>	<u>28</u>	<u>29</u>

### 6 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
Short term deposits	<u>12</u>	<u>-</u>	<u>12</u>	<u>9</u>

# BETHS GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 7 Expenditure

	Staff costs £'000	Non Pay Expenditure Premises £'000	Other £'000	Total 2019 £'000	Total 2018 £'000
Expenditure on raising funds					
- Direct costs	14	-	5	19	7
Academy's educational operations					
- Direct costs	5,020	579	750	6,349	5,947
- Allocated support costs	1,060	596	645	2,301	2,324
	<u>6,094</u>	<u>1,175</u>	<u>1,400</u>	<u>8,669</u>	<u>8,278</u>

Net income/(expenditure) for the year includes:

	2019 £'000	2018 £'000
Fees payable to auditor for:		
- Audit	8	8
- Other services	15	14
Operating lease rentals	9	9
Depreciation of tangible fixed assets	724	767
Net interest on defined benefit pension liability	34	38
	<u></u>	<u></u>

Included within expenditure are the following transactions:

	2019 £
Gifts made by the Academy Trust - total	<u>130</u>

Clarification - While the majority of disclosures in these accounts are rounded to £'000, disclosure of gifts made is not. The value of the gifts for the year is £130 (and not £130k).

# BETHS GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 8 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
<b>Direct costs</b>				
Educational operations	397	5,952	6,349	5,947
<b>Support costs</b>				
Educational operations	-	2,301	2,301	2,324
	<u>397</u>	<u>8,253</u>	<u>8,650</u>	<u>8,271</u>

### Analysis of costs

	2019 £'000	2018 £'000
<b>Direct costs</b>		
Teaching and educational support staff costs	5,020	4,559
Staff development	37	19
Depreciation	579	613
Technology costs	144	165
Educational supplies and services	188	143
Examination fees	162	136
Educational consultancy	31	16
Other direct costs	188	296
	<u>6,349</u>	<u>5,947</u>

### Support costs

Support staff costs	786	792
Defined benefit pension scheme - staff costs (FRS102 adjustment)	274	164
Depreciation	145	154
Technology costs	20	-
Maintenance of premises and equipment	170	251
Cleaning	14	17
Energy costs	87	102
Rent, rates and other occupancy costs	65	62
Insurance	40	43
Security and transport	75	63
Catering	441	420
Defined benefit pension scheme - finance costs (FRS102 adjustment)	34	38
Other support costs	89	96
Governance costs	61	122
	<u>2,301</u>	<u>2,324</u>

# BETHS GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 9 Staff

#### Staff costs

Staff costs during the year were:

	2019 £'000	2018 £'000
Wages and salaries	4,581	4,033
Social security costs	456	402
Pension costs	739	655
Defined benefit pension scheme - staff costs (FRS102 adjustment)	274	164
	<u>6,050</u>	<u>5,254</u>
Agency staff costs	44	261
	<u>6,094</u>	<u>5,515</u>

#### Staff numbers

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

	2019 Number	2018 Number
Teachers	77	71
Administration and support	54	54
Management	8	7
	<u>139</u>	<u>132</u>

The number of persons employed, expressed as a full time equivalent, was as follows:

	2019 Number	2018 Number
Teachers	73	68
Administration and support	43	37
Management	8	7
	<u>124</u>	<u>112</u>

#### Higher paid staff

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

	2019 Number	2018 Number
£60,000 - £70,000	1	1
£70,001 - £80,000	3	2
£80,001 - £90,000	1	1
	<u>5</u>	<u>4</u>

# BETHS GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

---

#### 9 Staff

##### Key management personnel

The key management personnel of the Academy Trust comprise the Governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £793,782 (2018: £708,860.)

#### 10 Governors' remuneration and expenses

One or more of the Governors has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Headteacher and other Staff Governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff members under their contracts of employment, and not in respect of their services as Governors.

The value of Governors' remuneration and other benefits was as follows:

R Blyghton (Headteacher):

- Remuneration £85,000 - £90,000 (2018: £80,000 - £85,000)
- Employer's pension contributions £10,000 - £15,000 (2018: £10,000 - £15,000)

K Sangster (Staff Governor):

- Remuneration £30,000 - £35,000 (2018: £30,000 - £35,000)
- Employer's pension contributions £5,000 - £10,000 (2018: £5,000 - £10,000)

J Parsons (Staff Governor - resigned 31 August 2018):

- Remuneration - Not appointed (2018: £50,000 - £55,000)
- Employer's pension contributions - Not appointed (2018: £5,000 - £10,000)

T Tolhurst (Staff Governor - appointed 08 October 2018):

- Remuneration £45,000 - £50,000 (2018: Not appointed)
- Employer's pension contributions £5,000 - £10,000 (2018: Not appointed)

M Pack (Co-opted Governor)

- Remuneration £0 - £5,000 (2018: £0 - £5,000)
- Employer's pension contributions £nil (2018: £nil)

During the year, expense payments totalling £2,895 (2018: £2,621) were reimbursed or paid directly to 1 Governor (2018: 1 Governor). Reimbursements were made for expenses incurred in the normal course of employment.

Other related party transactions involving the Governors are set out within the related parties note.

#### 11 Governors and officers insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2019 was £249 (2018: £312). The cost of this insurance is included in the total insurance cost.

# BETHS GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 12 Tangible fixed assets

	Freehold land and buildings £'000	Computer equipment £'000	Fixtures, fittings & equipment £'000	Total £'000
<b>Cost</b>				
At 1 September 2018	18,610	93	295	18,998
Additions	102	-	73	175
At 31 August 2019	18,712	93	368	19,173
<b>Depreciation</b>				
At 1 September 2018	5,318	74	87	5,479
Charge for the year	658	6	60	724
At 31 August 2019	5,976	80	147	6,203
<b>Net book value</b>				
At 31 August 2019	12,736	13	221	12,970
At 31 August 2018	13,292	19	208	13,519

Freehold land is included above at a nominal value of £1, reflecting legal restrictions as to its use.

### 13 Debtors

	2019 £'000	2018 £'000
Trade debtors	7	5
VAT recoverable	30	26
Other debtors	3	-
Prepayments and accrued income	32	81
	72	112

# BETHS GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

<b>14</b>	<b>Creditors: amounts falling due within one year</b>	<b>2019 £'000</b>	<b>2018 £'000</b>
	Loans	1	2
	Trade creditors	167	-
	Other taxation and social security	119	110
	Accruals and deferred income	234	142
		<u>521</u>	<u>254</u>
<b>15</b>	<b>Creditors: amounts falling due after more than one year</b>	<b>2019 £'000</b>	<b>2018 £'000</b>
	Loans	<u>18</u>	<u>18</u>
	<b>Analysis of loans</b>		
	Wholly repayable within five years	19	20
	Less: included in current liabilities	<u>(1)</u>	<u>(2)</u>
	Amounts included above	<u>18</u>	<u>18</u>
	<b>Loan maturity</b>		
	Debt due in one year or less	1	2
	Due in more than one year but not more than two years	10	10
	Due in more than two years but not more than five years	<u>7</u>	<u>8</u>
		<u>18</u>	<u>20</u>

The loan relates to an interest free Salix Loan and is repayable over 8 years.



# BETHS GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

16	Deferred income	2019 £'000	2018 £'000
	Deferred income is included within:		
	Creditors due within one year	48	25
	Deferred income at 1 September 2018	25	35
	Released from previous years	(25)	(35)
	Resources deferred in the year	48	25
	<b>Deferred income at 31 August 2019</b>	<b>48</b>	<b>25</b>

Deferred income of £6k (2018; £nil) relates to bursary, £29k (2018: £25k) relates to balances on trips/activities and £13k (2018:nil) relates to sundry voluntary fund income occurring in the next financial year.

17	Funds	Balance at 1 September 2018 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2019 £'000
	<b>Restricted general funds</b>					
	General Annual Grant (GAG)	1,330	6,916	(6,797)	(175)	1,274
	Other DfE / ESFA grants	10	106	(108)	-	8
	Pupil premium	14	89	(103)	-	-
	Other government grants	-	13	(13)	-	-
	Other restricted funds	228	186	(200)	-	214
	Pension reserve	(1,328)	-	(308)	(920)	(2,556)
		<u>254</u>	<u>7,310</u>	<u>(7,529)</u>	<u>(1,095)</u>	<u>(1,060)</u>
	<b>Restricted fixed asset funds</b>					
	Inherited on conversion	11,596	-	(642)	-	10,954
	DfE group capital grants	1,070	105	(40)	-	1,135
	Capital expenditure from GAG and other funds	862	-	(42)	175	995
		<u>13,528</u>	<u>105</u>	<u>(724)</u>	<u>175</u>	<u>13,084</u>
	<b>Total restricted funds</b>	<u>13,782</u>	<u>7,415</u>	<u>(8,396)</u>	<u>(920)</u>	<u>11,881</u>
	<b>Unrestricted funds</b>					
	General funds	<u>492</u>	<u>572</u>	<u>(416)</u>	<u>-</u>	<u>648</u>
	<b>Total funds</b>	<u>14,274</u>	<u>7,987</u>	<u>(8,669)</u>	<u>(920)</u>	<u>12,672</u>

# BETHS GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

#### 17 Funds

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

The Restricted General Funds are used to fund the general operating costs of the Academy.

The Restricted LGPS Fund represents the Academy's share of the LGPS Pension Fund deficit.

The Restricted Fixed Asset Fund represents the net book value of fixed assets £12,970k (2018: £13,519k) plus the unspent element of Capital funds £133k (2018: £29k) and Salix loan of £19k (2018: £20k). When assets are purchased the fund is increased and depreciation charges reduce the fund.

Unrestricted Funds represent balances held at period end that can be applied at the discretion of the Governors, to support any of the Academy's charitable purposes.

Comparative information in respect of the preceding period is as follows:

	Balance at 1 September 2017 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2018 £'000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	1,277	6,401	(6,323)	(25)	1,330
Other DfE / ESFA grants	10	37	(37)	-	10
Pupil premium	14	85	(85)	-	14
Other government grants	-	14	(14)	-	-
Other restricted funds	187	370	(329)	-	228
Pension reserve	(1,652)	-	(202)	526	(1,328)
	<u>(164)</u>	<u>6,907</u>	<u>(6,990)</u>	<u>501</u>	<u>254</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	12,238	-	(642)	-	11,596
DfE group capital grants	1,231	29	(190)	-	1,070
Capital expenditure from GAG and other funds	875	-	(38)	25	862
	<u>14,344</u>	<u>29</u>	<u>(870)</u>	<u>25</u>	<u>13,528</u>
<b>Total restricted funds</b>	<u>14,180</u>	<u>6,936</u>	<u>(7,860)</u>	<u>526</u>	<u>13,782</u>
<b>Unrestricted funds</b>					
General funds	<u>438</u>	<u>472</u>	<u>(418)</u>	<u>-</u>	<u>492</u>
<b>Total funds</b>	<u>14,618</u>	<u>7,408</u>	<u>(8,278)</u>	<u>526</u>	<u>14,274</u>

# BETHS GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

#### 18 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
<b>Fund balances at 31 August 2019 are represented by:</b>				
Tangible fixed assets	-	-	12,970	12,970
Current assets	648	2,016	133	2,797
Creditors falling due within one year	-	(520)	(1)	(521)
Creditors falling due after one year	-	-	(18)	(18)
Defined benefit pension liability	-	(2,556)	-	(2,556)
<b>Total net assets</b>	<b>648</b>	<b>(1,060)</b>	<b>13,084</b>	<b>12,672</b>

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
<b>Fund balances at 31 August 2018 are represented by:</b>				
Tangible fixed assets	-	-	13,519	13,519
Current assets	492	1,834	29	2,355
Creditors falling due within one year	-	(252)	(2)	(254)
Creditors falling due after one year	-	-	(18)	(18)
Defined benefit pension liability	-	(1,328)	-	(1,328)
<b>Total net assets</b>	<b>492</b>	<b>254</b>	<b>13,528</b>	<b>14,274</b>

#### 19 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2016.

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

#### Teachers' Pension Scheme

##### Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed 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.

# BETHS GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

---

#### 19 Pension and similar obligations

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 September 2019.

The employer's pension costs paid to the TPS in the period amounted to £560k (2018: £490k).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Academy Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy Trust has set out above the information available on the scheme.

##### **Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 18% for employers and a range from 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 Trust closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

# BETHS GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 19 Pension and similar obligations

Total contributions made	2019 £'000	2018 £'000
Employer's contributions	179	164
Employees' contributions	64	60
Total contributions	243	224

Principal actuarial assumptions	2019 %	2018 %
Rate of increase in salaries	3.60	3.60
Rate of increase for pensions in payment/inflation	2.20	2.20
Discount rate for scheme liabilities	1.80	2.80
Rate of CPI Inflation	2.10	2.10

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

	2019 Years	2018 Years
Retiring today		
- Males	23.2	23.1
- Females	26.2	26.1
Retiring in 20 years		
- Males	25.4	25.3
- Females	28.5	28.4

Scheme liabilities would have been affected by changes in assumptions as follows:

	2019 £'000	2018 £'000
Discount rate + 0.1%	6,567	4,861
Discount rate - 0.1%	6,828	5,053
Mortality assumption + 1 year	6,819	5,048
Mortality assumption - 1 year	6,575	4,866

#### Defined benefit pension scheme net liability

Scheme assets	4,140	3,614
Scheme obligations	(6,696)	(4,942)
Net liability	(2,556)	(1,328)

# BETHS GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

#### 19 Pension and similar obligations

The Academy Trust's share of the assets in the scheme	2019 Fair value £'000	2018 Fair value £'000
Equities	1,917	1,470
Government Bonds	443	510
Other Bonds	468	177
Cash / Equity	87	4
Property	414	405
Other assets	811	1,048
Total market value of assets	<u>4,140</u>	<u>3,614</u>

The actual return on scheme assets was £338,000 (2018: £152,000).

Amount recognised in the Statement of Financial Activities	2019 £'000	2018 £'000
Current service cost	318	328
Past service cost	135	-
Interest income	(104)	(81)
Interest cost	138	119
Total operating charge	<u>487</u>	<u>366</u>

Changes in the present value of defined benefit obligations	2019 £'000
At 1 September 2018	4,942
Current service cost	310
Interest cost	138
Employee contributions	64
Actuarial loss/(gain)	1,162
Benefits paid	(55)
Past service cost	135
At 31 August 2019	<u>6,696</u>

# BETHS GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

#### 19 Pension and similar obligations

##### Changes in the fair value of the Academy Trust's share of scheme assets

	2019 £'000
At 1 September 2018	3,614
Interest income	96
Actuarial gain	242
Employer contributions	179
Employee contributions	64
Benefits paid	(55)
	<u>4,140</u>
At 31 August 2019	<u>4,140</u>

#### 20 Reconciliation of net expenditure to net cash flow from operating activities

	2019 £'000	2018 £'000
Net expenditure for the reporting period (as per the statement of financial activities)	(682)	(870)
Adjusted for:		
Capital grants from DfE and other capital income	(105)	(29)
Investment income receivable	(12)	(9)
Defined benefit pension costs less contributions payable	274	164
Defined benefit pension scheme finance cost	34	38
Depreciation of tangible fixed assets	724	767
Decrease/(increase) in debtors	40	(37)
Increase/(decrease) in creditors	268	(138)
	<u>541</u>	<u>(114)</u>
<b>Net cash provided by/(used in) operating activities</b>	<u>541</u>	<u>(114)</u>

#### 21 Commitments under operating leases

At 31 August 2019 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £'000	2018 £'000
Amounts due within one year	5	10
Amounts due in two and five years	1	7
	<u>6</u>	<u>17</u>

# **BETHS GRAMMAR SCHOOL**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2019**

---

#### **22 Related party transactions**

Owing to the nature of the Academy Trust and the composition of the Board of Governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the Governors have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and in accordance with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

The academy purchased additional tuition services from Maria Pack for £953 (2018: £779). Maria Pack is a related party by the virtue of the fact that she is a governor. The fees the school agreed to be paid to Maria were for travel time/expenses only and did not include any element of profit. There were no amounts outstanding at the year end.

The value of services purchased during the year from P Slonecki were £nil (2018: £750). P Slonecki is a related party by virtue of the fact that she is the wife of a governor. There were no amounts outstanding at the year end. During the year T Slonecki resigned from being a governor and therefore is no longer a related party.

In entering into these transactions, the Academy Trust has complied with the requirements of the Academies Financial Handbook 2018.

#### **23 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

#### **24 Agency arrangements**

The academy trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2019 the trust received £30,013 (2018: £24,871) and disbursed £24,949 (2018: £24,871) from the fund. The unspent balance at 31 August 2019 was £6,063 (2018: £nil) and is included in deferred income.