

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 2020**

# BETHS GRAMMAR SCHOOL

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# BETHS GRAMMAR SCHOOL

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Governors

Mr C Hares Chair of Governors\*  
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 R Blyghton (Accounting Officer)  
Ms C Guest  
Mrs T Tolhurst  
Mr J Brock  
Mrs C Palmer  
Mr R Ramsay \*

\* members of the Finance Committee

### Members

Mr C Hares  
Mr M Appleby  
Mr S Mulvaney  
Rev J Bowen

### Senior Leadership Team

Headteacher  
Deputy Headteacher  
Deputy Headteacher  
Deputy Headteacher  
School Business Manager  
Assistant Headteacher  
Assistant Headteacher  
Assistant Headteacher

Mr R Blyghton  
Mr M Neylan  
Mr V Gukhool  
Mr D O'Regan  
Mrs L Gibson  
Mr T Beaney  
Mrs S King  
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

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### 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 2020

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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 2020. 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 2019/20 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 1603 in the school census on 16th January 2020.

#### 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 2020**

### 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	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	£1500
Total Pay bill	£6,523,000
Percentage of the total pay bill spent on facility time	0.2%

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

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

## GOVERNORS' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2020

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#### 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. The academy purchased a coach from a Governor. The transaction was reported to the ESFA before purchase and as limits had not been breached, no permission was necessary. 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 2019-2020 were:

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

##### 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 2020

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#### Strategic report

##### Achievements and Performance

The Academic Year 2019/20 was truly an exceptional one and certainly a year that no one could have envisaged or pre planned. However, Beths has proudly emerged from the year stronger, more prepared for the 21<sup>st</sup> Century and with a strong sense of community.

On 18<sup>th</sup> March 2020, the Prime Minister announced a national lockdown and that all schools would close their doors to students and staff on 20<sup>th</sup> March until further notice due to the Covid 19 pandemic. It had been announced previously that all foreign and overnight school trips should not take place. Further announcements included that all school public examinations would not go ahead in Summer 2020 and it was eventually decided that students would instead be awarded their grades through teacher assessments.

Achievements and performance can therefore be split into two distinct parts of the year.

#### **September to March**

There were many trips planned for the year and during the first part of the year, students enjoyed several theatre/opera trips and a trip to the Houses of Parliament. In October, there was an inaugural trip to the World Schools Football Cup in Barcelona. Beths entered 3 teams in the competition, where the boys not only enjoyed playing games with schools from throughout the world, but also a tour of the world renowned Nou Camp Stadium. All three teams, U15, U13A and U13B progressed through the group stages to the semifinals. Unfortunately, the two U13 teams met in the semifinal with the A team being victorious and progressing onto the final where they lost to a strong team from North East of England. One consolation was that the Golden Boot trophy was awarded to a player from the U13A team, for scoring the most goals in the competition. The U15's team played a strong team from Scotland in the final and won the cup with a one nil victory. An amazing achievement from the team who won the whole tournament without conceding a single goal. All three teams did exceptionally well and were a credit to the school. The trip proved so popular that a return trip was planned for Autumn 2020. Unfortunately, due to the pandemic, the trip has been postponed but will become a regular trip, when possible.

The popular afternoon teas for the elderly continued with a poetry theme in October and Chinese New Year in February. News of the successful teas was obviously spreading, as a waiting list for guests was introduced for the February event, which had to be closed when it reached 25 people. Guests enjoyed musical, drama and creative activities, with guests encouraged to learn a poem to recite together and to write their own in October. Feedback from a relative of one guest said that the afternoons provided a forum for the elderly to connect with school children through music and creativity within a familiar afternoon tea setting, providing a place to combat the sense of isolation for the elderly.

Sport plays a very important part of life at Beths. The Autumn and Spring terms saw students engage in numerous matches, including rugby, football, basketball and volleyball. Several individuals are attending prestigious footballing, rugby and cricketering academies such as Brighton, Chelsea, Charlton, London Welsh and Kent. A student in Year 9 won a team silver medal at the Scottish Taekwondo Poomsue Championships and a Year 12 student was invited to train with the Badminton National Squad in Birmingham.

The ever-popular Christmas Carol Service took place on the last day of term in December and a Christmas music concert was enjoyed in early December. Beths musicians were invited to perform at the London Jazz Festival in November. Four students were also selected to compete in the Bexley Young Musician of the Year Competition.

Primary Outreach work continued with Year 5 students from local primary schools being invited into school to enjoy speciality lessons including Science, Maths and English. Our Year 10 and 12 students also visited local primary schools and took part in activities with the children such as a French market and musical assembly.



# BETHS GRAMMAR SCHOOL

## GOVERNORS' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2020

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The 7<sup>th</sup> December saw the school host the first ever Christmas Fair. There were over 40 stalls/activities with a variety of products including cards, crafts, beauty products, chocolates, Christmas decorations, face painting, raffles and many more. Father Christmas, at his busiest time of the year joined us in his Grotto and handed out gifts to our younger guests. The fair was a resounding success raising money for school causes and many local traders who hosted a stall. Following on from the success, a summer fair was planned for July 2020, which had to be cancelled due to the pandemic. More fairs are planned as it is a great way of celebrating Beths with our school community, past, present and future, along with our local community.

Wellbeing Week was held in November 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. Assemblies, form time, activities and events took place during the week including: no phones for 24 hours, fundraising for charity and additional sports sessions. Beths Wellbeing Champions held a #HelloYellow day where the whole school community were given yellow stickers to wear to raise the importance of mental health. The Student Wellbeing Champions have also set up a lunchtime Connect Club, to help students socialise with different people and to make new friends.

The school commenced a programme for mentoring alumni and introducing them to careers in the education sector. Four graduates were employed by the school in pastoral positions and the school is proud that 3 of them have gone on to start teacher training in September 2020, with the fourth deciding to stay in their current role at the school. The school has also sponsored two ex-students to study for degree apprenticeships. Two more graduates have been employed from September 2020 and the school is proud to see them developing their careers.

#### **March to August**

From 23<sup>rd</sup> March 2020, the school was closed to all students, except those from key worker families and all staff except those supervising the key worker children. All lessons were provided remotely, and many different platforms were used to ensure that students continued to learn. Many departments utilised the different learning environments with geography, for example, researching different recipes from around the world and then cooking the recipes from home. The MFL department made rainbows with different language annotations.

Weekly communications between the school with students and staff continued with the blog and bulletin. A regular item showed the different ways that staff and students were working from home. Mr Blyghton included a weekly "dice football" commentary for the Premiership teams to compensate for the cancelled football programme.

As the school was closed for lessons, Beths decided to donate all its PPE to local hospitals and care homes, to help with the national shortage. Staff and students also utilised school equipment to make PPE from home to be used in the health service.

Wellbeing played a very vital role during lockdown and form tutors ensured that they were in contact with their forms using the variety of online methods available. Our school counsellors continued to work from home and met with students remotely. Regular whole school staff meetings took place online to ensure that all staff were still involved in the school activities whilst working from home. Wellbeing information was included in the school's weekly communications with contact details provided for those that may need support. Regular surveys for students and staff's wellbeing were conducted to ensure that communication was achieved in both directions. Sixth form students created a student and staff running league, to promote healthy living and improve wellbeing. The school community was invited to sponsor runners, with all proceeds being donated to charity.

Induction for new students to the school went ahead with a series of weekly inductions. This enabled new students to familiarise themselves with the school surroundings and "meet" members of staff.

Following on from feedback received from parents and prospective parents to the school, a school coach was arranged from the Orpington area, to enable easier access to school. The uptake for a place was very good and it is hoped that more routes can be added for those students traveling from areas difficult to access the school by public transport.

From the middle of June onwards, the school began to welcome back Year 10 and 12 students weekly with each student receiving lessons in all their subjects until the summer holidays.

# **BETHS GRAMMAR SCHOOL**

## **GOVERNORS' REPORT**

### ***FOR THE YEAR ENDED 31 AUGUST 2020***

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#### **Covid 19 impact**

All summer exams were cancelled, and grades were awarded to GCSE and A Level students using Centre Assessed Grades. It was a difficult and different year for students and grades had been awarded lacking the personal input of each individual in the exam room. The school was proud of all its students' achievements with some outstanding results. A number of A Level students achieved 3 A\*'s, with two students being accepted at Oxbridge and a further 15 Medics taking up university offers. There were 263 UCAS applications, with 25% of the students securing a place at a Russell Group University. 43% 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. At GCSE, the results continued a four year up trend in students obtaining top grades 9-8, with 8 students obtaining at least 8 grade 9's. Predicted grades followed the year group obtaining the best trial examinations grades in March. The last year of early entry GCSE grades for Year 10, resulted in 73% of grades 9-7 being awarded to students.

All trips from March 2020 onwards were cancelled due to the pandemic and this included the renowned Year 8 camp for the first time in over 40 years. Rehearsals had taken place from October 2019 for the eagerly awaited production of, The Wizard of Oz, with many hours also spent on producing amazing scenery, but unfortunately the production was forced to cancel at the last minute due to lockdown. All sporting fixtures were cancelled, and our second sports day, planned for Erith Stadium, in the summer could not take place. Meetings and Inductions all took place online from March onwards.

The virus control measures did not have a major impact on the school's financial position, however, the governors decided to invest over £350,000 from reserves in technology to enable the school to be able to provide remote learning worthy of the 21<sup>st</sup> century. An upgrade to the school's systems, along with improved wifi and portable devices for all students and staff were ordered in the summer, but delivery was delayed until Autumn 2020 due to pandemic manufacturing issues. The governors considered the expense necessary to expand the schools online learning capacity so that students are given a wraparound provision.

Throughout lockdown, the school remained open for children of keyworkers. Staff were asked to volunteer to supervise key worker students, and this enabled the school to provide the necessary care during term time and school holiday periods.

The school buildings are available to let by 3<sup>rd</sup> party clubs and individuals. Proceeds from such lettings raise additional funds for the school. All lettings were cancelled from March onwards, resulting in the school only receiving half of its projected lettings income. However, savings on utility costs during the school closure period, meant that the overall reduction of funds was minimal.

The virus outbreak caused major challenges, for staff, volunteers and students alike, however, the school continued to provide lessons for students remotely, utilising many different platforms and forms. The school counsellors continued to see students, where form tutors identified concerns and they regularly provided students with wellbeing advice and surveys. The school subscribes to a wellbeing service for staff and ensured that regular meetings took place online along with surveys to aid staff wellbeing. Our Open Events for prospective Year 7 and 12 students, will this year take place online, as is the case with all other schools.

The staff and students continue to face a major challenge in the year ahead, in developing resilience to increasingly difficult and unpredictable examinations, gaps in learning due to lockdown and uncertainty over whether the whole school will remain open throughout the year. By investing in technology, the school intends to be able to meet the challenges in the coming months.

# BETHS GRAMMAR SCHOOL

## GOVERNORS' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2020

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#### Key Performance Indicators

The school exam targets for 2020 were discussed by the Governors Students Committee and ratified by the Full Board of Governors

	2019/20 Target	Actual
Year 11		
Progress 8 0.35 0.48		
GCSE 5+ 9-5(A**-C) incl English Language/Literature and Maths	96%	94%
GCSE A*/A	59%	61%
GCSE 5+A*/A incl English Language/Literature and Maths	40%	44%
English GCSE 9-7	44%	44 %
English GCSE 9-5	93%	93 %
Maths GCSE 9-7	75%	75%
Maths GCSE 9-5	99%	99%
Year 13 Target/ Actual		
A Level (A*-B)	55%	62 %
A Level (A*-E)	100%	100%
APS	40.21 (b)	39.36 (b)

Attendance figures up to 20 March were as follows:

Year	Target	Actual
7	95%	98.12%
8	95%	97.13%
9	95%	96.84%
10	95%	97.3%
11	95%	96.56%

Staffing ratio – The cost of staffing salaries as a proportion of total income (excluding capital) is 76.3%

Utility costs per pupil was £159

#### 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 2020

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:

Fund	Category	2020 £'000	2019 £'000
GAG	Restricted General Funds	1532	1,274
Other DfE/ESFA Grants	Restricted General Funds	14	8
Other Income	Restricted General Funds	235	214
<b>Sub-total General Restricted Funds</b>		<b>1,781</b>	<b>1,496</b>
Unspent Capital Grants	Restricted Fixed Asset Fund	677	133
Other Income	Unrestricted General Fund	746	648
<b>Sub-Total Spendable Funds</b>		<b>3,204</b>	<b>2,277</b>
Net Book Value of Fixed Assets (net of Salix Loan)	Restricted Fixed Asset Fund	12,294	12,951
Share of LGPS Deficit	Restricted Pension Reserve	(2,061)	(2,556)
<b>Total All Funds</b>		<b><u>13,437</u></b>	<b><u>12,672</u></b>

During the year under review, there was a surplus / (deficit) of £285k (2019: £(86)k) on general restricted funds, a surplus of £98k (2019: £156k) on unrestricted funds and after LGPS valuation adjustments, depreciation and capital income and expenditure, an overall surplus / (deficit) of £765k (2019: £(1,602)k).

#### 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.

# BETHS GRAMMAR SCHOOL

## GOVERNORS' REPORT

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### 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.

### 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.

Due to Covid 19, fundraising activities for the period March to August 2020, was severely restricted. Students raised funds for charitable causes through exercise sponsorship and the school donated all its PPE to a local care home and hospital.

# BETHS GRAMMAR SCHOOL

## GOVERNORS' REPORT

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### Plans for Future Periods

- 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.

### 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.

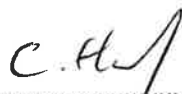
### Auditor

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 ~~02/12/2020~~ and signed on its behalf by:

~~14.1.2021~~  
2/12/2020



Mr C Hares  
Chair of Governors

# BETHS GRAMMAR SCHOOL

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2020**

### 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 Hares (Chair of Governors)	4	4
Mr R Blyghton ( Headteacher)	4	4
Mr M Appleby	1	4
Rev. J Bowen	2	4
Mr R Ramsay	3	4
Mrs T Espindola (Joint Deputy Chair of Governors)	3	4
Mr J Brock	4	4
Mrs T Tolhurst	4	4
Mr S Mulvaney	4	4
Mr M Pack	4	4
Dr M Pack	3	4
Mrs C Palmer	2	4
Mr O Obafaiye	3	4
Mrs K Sangster	4	4
Mrs C Guest (Joint Deputy Chair of Governors)	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 was discussed by Trust Members at its AGM in December 2019. It was agreed that consideration should be given to increasing the number of Trust Members (currently four) and making accountability more robust by introducing some separation between the Trust and Trustees through the appointment of some Trust Members who are not Trustees. The Chairman is currently considering how best to implement these changes once restrictions imposed by Covid 19 have eased.

# BETHS GRAMMAR SCHOOL

## GOVERNANCE STATEMENT

### FOR THE YEAR ENDED 31 AUGUST 2020

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#### Governance review:

Following the completion of the recommendations from the external review of the governing body, the Board agreed to work on a 'Governance Improvement Plan' which, it is envisaged, will sit alongside the School Improvement Plan. The aim is to ensure that governors regularly reflect on their roles and their ongoing contributions to the effective operation of the Board. This will principally support the 'Improve Leadership and Management' area of the School Improvement Plan/Ofsted Inspection category while helping to maintain the appropriate balance of skills and succession opportunities within the Board..

A first draft of this document will be drafted by the co-vice chairs for discussion and consideration at the December 2020 FGB.

The Board of Governors undertook a detailed skills audit in September 2019 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)	3	3
Mr R Blyghon	3	3
Mr M Pack	3	3
Mrs T Espindola	2	3
Mr R Ramsay	1	3

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
- Providing Management Accounts six times per year for trustees.
- Regular review of contracts and competitive tenders required for all contracts over £50,000
- Reviewing controls and managing risks.
- Introducing Bacs online payments for more efficient transactions whilst also saving costs and time
- Annual review of staffing structure.
- Following staffing review, more pastoral and support staff have recruited.
- 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.



# **BETHS GRAMMAR SCHOOL**

## **GOVERNANCE STATEMENT**

### **FOR THE YEAR ENDED 31 AUGUST 2020**

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- Continuing to provide 7 taught lessons per subject per week at A Level in the sixth form
- Implementing preparation for young people about to embark on the next phase of their learning journey by providing enrichment activities

#### **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 2020 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 2020 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.

# BETHS GRAMMAR SCHOOL

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2020**

The Responsible Officer's work for the year included the following checks:

- The Finance Manual was checked to ensure that the Scheme of Delegation was set out correctly and procedures were adhered to
- Electronic, manual and credit card payments were checked for correct authorisation, review, and reconciliation with bank accounts
- Control accounts were rechecked for correct preparation and authorisation
- Payroll testing was performed to review authorisations, segregation of duties and correct processing
- Checks that finance staff had appropriate support from management
- Checks were made to ensure that finance staff were aware of requirements surrounding business and pecuniary interests and that any declarations were appropriately published on the school website.
- Review of procedures for expenses and policy for hospitality
- Review of financial reports to check adherence to AFH and that financial statements agreed to schools accounting system
- Compliance to ESFA transparency requirements by checking disclosure on schools and DfE websites
- Key responses to Covid-19 were checked in line with government guidance

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 ~~02/12/2020~~ and signed on its behalf by:

~~14.1.2021~~  
2/12/2020

  
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 2020***

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As accounting officer of Beths Grammar School, I have considered my responsibility to notify the Academy Trust Board of Governors and the Education and 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 2019.

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 2019.

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**

02 December 2020

# BETHS GRAMMAR SCHOOL

## STATEMENT OF GOVERNORS' RESPONSIBILITIES

**FOR THE YEAR ENDED 31 AUGUST 2020**

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 2019 to 2020 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Governors to prepare Financial Statements for each financial year. Under company law, the Governors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these Financial Statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- 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 ~~02 December 2020~~ and signed on its behalf by:

  
Mr C Hares  
Chair of Governors

~~14~~ 1 2020  
2/12/2020

# BETHS GRAMMAR SCHOOL

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

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### Opinion

We have audited the Financial Statements of Beths Grammar School for the year ended 31 August 2020 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 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and 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 2020 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 2019 and the Academies Accounts Direction 2019 to 2020.

### 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 2020**

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### **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 has 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 2020**

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### **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**  
**Chartered Certified Accountants**  
Lynwood House  
Crofton Road  
Orpington  
Kent  
BR6 8QE

Dated: 18 January 2021

# **BETHS GRAMMAR SCHOOL**

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

***FOR THE YEAR ENDED 31 AUGUST 2020***

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In accordance with the terms of our engagement letter dated 1 November 2012 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, 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 2019 to 31 August 2020 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 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 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 2019 to 2020 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 internal scrutiny implemented by the Academy Trust in order to comply with its obligations under 3.1 of the Academies Financial Handbook 2019, issued by the ESFA.



# **BETHS GRAMMAR SCHOOL**

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

***FOR THE YEAR ENDED 31 AUGUST 2020***

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### **Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 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: 18 January 2021

# BETHS GRAMMARSCHOOL

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2020 £'000	Total 2019 £'000
<b>Income and endowments from:</b>						
Donations and capital grants	3	13	-	619	632	121
Charitable activities:						
- Funding for educational operations	4	363	8,142	-	8,505	7,826
Other trading activities	5	18	-	-	18	28
Investments	6	8	-	-	8	12
<b>Total</b>		<u>402</u>	<u>8,142</u>	<u>619</u>	<u>9,163</u>	<u>7,987</u>
<b>Expenditure on:</b>						
Raising funds	7	11	-	-	11	19
Charitable activities:						
- Educational operations	8	293	7,960	759	9,012	8,650
<b>Total</b>	7	<u>304</u>	<u>7,960</u>	<u>759</u>	<u>9,023</u>	<u>8,669</u>
<b>Net income/(expenditure)</b>		98	182	(140)	140	(682)
Transfers between funds	17	-	(27)	27	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial gains/(losses) on defined benefit pension schemes	19	-	625	-	625	(920)
<b>Net movement in funds</b>		98	780	(113)	765	(1,602)
<b>Reconciliation of funds</b>						
Total funds brought forward		648	(1,060)	13,084	12,672	14,274
Total funds carried forward		<u>746</u>	<u>(280)</u>	<u>12,971</u>	<u>13,437</u>	<u>12,672</u>

# BETHS GRAMMARSCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2020

Comparative year information Year ended 31 August 2019	Notes	Unrestricted funds	Restricted funds:		Total
		£'000	General £'000	Fixed asset £'000	2019 £'000
<b>Income and endowments from:</b>					
Donations and capital grants	3	16	-	105	121
Charitable activities:					
- Funding for educational operations	4	516	7,310	-	7,826
Other trading activities	5	28	-	-	28
Investments	6	12	-	-	12
<b>Total</b>		<u>572</u>	<u>7,310</u>	<u>105</u>	<u>7,987</u>
<b>Expenditure on:</b>					
Raising funds	7	19	-	-	19
Charitable activities:					
- Educational operations	8	397	7,529	724	8,650
<b>Total</b>	7	<u>416</u>	<u>7,529</u>	<u>724</u>	<u>8,669</u>
<b>Net income/(expenditure)</b>		156	(219)	(619)	(682)
Transfers between funds	17	-	(175)	175	-
<b>Other recognised gains/(losses)</b>					
Actuarial losses on defined benefit pension schemes	19	-	(920)	-	(920)
<b>Net movement in funds</b>		156	(1,314)	(444)	(1,602)
<b>Reconciliation of funds</b>					
Total funds brought forward		<u>492</u>	<u>254</u>	<u>13,528</u>	<u>14,274</u>
Total funds carried forward		<u>648</u>	<u>(1,060)</u>	<u>13,084</u>	<u>12,672</u>

# BETHS GRAMMAR SCHOOL

## BALANCE SHEET

AS AT 31 AUGUST 2020

		2020	2019
	Notes	£'000	£'000
<b>Fixed assets</b>			
Tangible assets	12	12,310	12,970
<b>Current assets</b>			
Debtors	13	658	72
Cash at bank and in hand		2,948	2,725
		3,606	2,797
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	14	(403)	(521)
<b>Net current assets</b>		3,203	2,276
<b>Total assets less current liabilities</b>		15,513	15,246
Creditors: amounts falling due after more than one year	16	(15)	(18)
<b>Net assets before defined benefit pension scheme liability</b>		15,498	15,228
Defined benefit pension scheme liability	19	(2,061)	(2,556)
<b>Total net assets</b>		13,437	12,672
<b>Funds of the Academy Trust:</b>			
<b>Restricted funds</b>	17		
- Fixed asset funds		12,971	13,084
- Restricted income funds		1,781	1,496
- Pension reserve		(2,061)	(2,556)
<b>Total restricted funds</b>		12,691	12,024
<b>Unrestricted income funds</b>	17	746	648
<b>Total funds</b>		13,437	12,672

The Financial Statements on pages 24 to 48 were approved by the Governors and authorised for issue on 02 December 2020 and are signed on their behalf by:

~~14.11.2021~~ 2/12/2020

Mr C Hares

Chair of Governors

Company Number 07379768

# BETHS GRAMMARSCHOOL

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

		2020		2019	
	Notes	£'000	£'000	£'000	£'000
<b>Cash flows from operating activities</b>					
Net cash (used in)/provided by operating activities	20		(302)		541
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		8		12	
Capital grants from DfE Group		619		105	
Purchase of tangible fixed assets		(99)		(175)	
<b>Net cash provided by/(used in) investing activities</b>			528		(58)
<b>Cash flows from financing activities</b>					
Repayment of long term loan		(3)		(1)	
<b>Net cash used in financing activities</b>			(3)		(1)
<b>Net increase in cash and cash equivalents in the reporting period</b>			223		482
Cash and cash equivalents at beginning of the year			2,725		2,243
<b>Cash and cash equivalents at end of the year</b>			2,948		2,725

# BETHS GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2020

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#### 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 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

##### 1.2 Going concern

The Governors assess whether the use of going concern is appropriate, ie 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 2020

---

#### 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 2020**

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### **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 2020

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#### 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 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 based on 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 net income or expenditure 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 25.

#### 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 2020

### 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 2020. 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

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Total 2019 £'000
Capital grants	-	619	619	105
Other donations	13	-	13	16
	<u>13</u>	<u>619</u>	<u>632</u>	<u>121</u>

# BETHS GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Total 2019 £'000
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	7,349	7,349	6,916
Other DfE group grants	-	613	613	195
	<u>-</u>	<u>7,962</u>	<u>7,962</u>	<u>7,111</u>
<b>Other government grants</b>				
Local authority grants	-	26	26	13
	<u>-</u>	<u>26</u>	<u>26</u>	<u>13</u>
<b>Other funding</b>				
Trips and activities	-	139	139	186
Catering income	276	-	276	412
Other incoming resources	87	15	102	104
	<u>363</u>	<u>154</u>	<u>517</u>	<u>702</u>
<b>Total funding</b>	<u>363</u>	<u>8,142</u>	<u>8,505</u>	<u>7,826</u>

### 5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Total 2019 £'000
Hire of facilities	18	-	18	28
	<u>18</u>	<u>-</u>	<u>18</u>	<u>28</u>

### 6 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Total 2019 £'000
Short term deposits	8	-	8	12
	<u>8</u>	<u>-</u>	<u>8</u>	<u>12</u>

# BETHS GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 7 Expenditure

	Staff costs £'000	Non-pay expenditure Premises £'000	Other £'000	Total 2020 £'000	Total 2019 £'000
Expenditure on raising funds					
- Direct costs	1	-	10	11	19
Academy's educational operations					
- Direct costs	5,695	607	609	6,911	6,349
- Allocated support costs	914	635	552	2,101	2,301
	<u>6,610</u>	<u>1,242</u>	<u>1,171</u>	<u>9,023</u>	<u>8,669</u>
<b>Net income/(expenditure) for the year includes:</b>				<b>2020 £'000</b>	<b>2019 £'000</b>
Fees payable to auditor for:					
- Audit				8	8
- Other services				15	15
Operating lease rentals				4	9
Depreciation of tangible fixed assets				759	724
Net interest on defined benefit pension liability				43	34
				<u></u>	<u></u>

# BETHS GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 8 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Total 2019 £'000
<b>Direct costs</b>				
Educational operations	-	6,911	6,911	6,349
<b>Support costs</b>				
Educational operations	293	1,808	2,101	2,301
	<u>293</u>	<u>8,719</u>	<u>9,012</u>	<u>8,650</u>
<b>Analysis of costs</b>			<b>2020 £'000</b>	<b>2019 £'000</b>
<b>Direct costs</b>				
Teaching and educational support staff costs			5,695	5,020
Staff development			20	37
Depreciation			607	579
Technology costs			150	144
Educational supplies and services			117	188
Examination fees			147	162
Educational consultancy			34	31
Other direct costs			141	188
			<u>6,911</u>	<u>6,349</u>
<b>Support costs</b>				
Support staff costs			827	786
Defined benefit pension scheme - staff costs (FRS102 adjustment)			87	274
Depreciation			152	145
Technology costs			14	20
Maintenance of premises and equipment			234	170
Cleaning			17	14
Energy costs			90	87
Rent, rates and other occupancy costs			50	65
Insurance			30	40
Security and transport			62	75
Catering			298	441
Defined benefit pension scheme - finance costs (FRS102 adjustment)			43	34
Legal costs			3	-
Other support costs			129	89
Governance costs			65	61
			<u>2,101</u>	<u>2,301</u>

# BETHS GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 9 Staff

#### Staff costs

Staff costs during the year were:

	2020 £'000	2019 £'000
Wages and salaries	4,818	4,581
Social security costs	502	456
Pension costs	1,116	739
Defined benefit pension scheme - staff costs (FRS102 adjustment)	87	274
	<u>6,523</u>	<u>6,050</u>
Staff costs - employees	6,523	6,050
Agency staff costs	78	44
Staff restructuring costs	9	-
	<u>6,610</u>	<u>6,094</u>

Staff restructuring costs comprise:

Severance payments	9	-
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#### Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £5k (2019: £nil). Individually, the payment was: £5k.

#### Staff numbers

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

	2020 Number	2019 Number
Teachers	77	77
Administration and support	58	54
Management	8	8
	<u>143</u>	<u>139</u>

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

	2020 Number	2019 Number
Teachers	71	73
Administration and support	40	43
Management	8	8
	<u>119</u>	<u>124</u>

# BETHS GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

#### 9 Staff

##### Higher paid staff

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

	2020 Number	2019 Number
£60,000 - £70,000	3	1
£70,001 - £80,000	2	3
£80,001 - £90,000	1	1
£90,001 - £100,000	1	-

##### 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 £888,030 (2019: £793,782).

#### 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 £90,000 - £95,000 (2019: £85,000 - £90,000)
- Employer's pension contributions £20,000 - £25,000 (2019: £10,000 - £15,000)

##### K Sangster (Staff Governor):

- Remuneration £30,000 - £35,000 (2019: £30,000 - £35,000)
- Employer's pension contributions £5,000 - £10,000 (2019: £5,000 - £10,000)

##### T Tolhurst (Staff Governor):

- Remuneration £50,000 - £55,000 (2019: £45,000 - £50,000)
- Employer's pension contributions £10,000 - £15,000 (2019: £5,000 - £10,000)

##### M Pack (Co-opted Governor)

- Remuneration £0 - £5,000 (2019: £0 - £5,000)
- Employer's pension contributions £nil (2019: £nil)

During the year, expense payments totalling £873 (2019: £2,895) were reimbursed or paid directly to 1 Governors (2019: 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.

# BETHS GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

#### 11 Insurance for Governors and officers

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 2020 was £249 (2019: £249). The cost of this insurance is included in the total insurance cost.

#### 12 Tangible fixed assets

	Freehold land and buildings £'000	Computer equipment £'000	Fixtures, fittings & equipment £'000	Total £'000
<b>Cost</b>				
At 1 September 2019	18,712	93	368	19,173
Additions	85	14	-	99
	<u>18,797</u>	<u>107</u>	<u>368</u>	<u>19,272</u>
At 31 August 2020				
<b>Depreciation</b>				
At 1 September 2019	5,976	80	147	6,203
Charge for the year	682	10	67	759
	<u>6,658</u>	<u>90</u>	<u>214</u>	<u>6,962</u>
At 31 August 2020				
<b>Net book value</b>				
At 31 August 2020	<u>12,139</u>	<u>17</u>	<u>154</u>	<u>12,310</u>
At 31 August 2019	<u>12,736</u>	<u>13</u>	<u>221</u>	<u>12,970</u>

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

#### 13 Debtors

	2020 £'000	2019 £'000
Trade debtors	8	7
VAT recoverable	16	30
Other debtors	-	3
Prepayments and accrued income	634	32
	<u>658</u>	<u>72</u>



# BETHS GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

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**14 Creditors: amounts falling due within one year**

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Salix loans	1	1
Trade creditors	36	167
Other taxation and social security	126	119
Accruals and deferred income	240	234
	<u>403</u>	<u>521</u>

**15 Deferred income**

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Deferred income is included within:		
Creditors due within one year	<u>26</u>	<u>48</u>
Deferred income at 1 September 2019	48	25
Released from previous years	(48)	(25)
Resources deferred in the year	<u>26</u>	<u>48</u>
<b>Deferred income at 31 August 2020</b>	<u><b>26</b></u>	<u><b>48</b></u>

Deferred income relates to £14k (2019: £6k) of unspent bursary grant, £2k (2019: £29k) balances on trips/activities and £10k (2019: £13k) relates to voluntary fund income.

**16 Creditors: amounts falling due after more than one year**

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Salix loans	<u>15</u>	<u>18</u>

# BETHS GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

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**16 Creditors: amounts falling due after more than one year**

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
<b>Analysis of loans</b>		
Wholly repayable within five years	16	19
Less: included in current liabilities	(1)	(1)
	<u>15</u>	<u>18</u>
Amounts included above	<u>15</u>	<u>18</u>
 <b>Loan maturity</b>		
Debt due in one year or less	1	1
Due in more than one year but not more than two years	5	10
Due in more than two years but not more than five years	10	7
	<u>16</u>	<u>18</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 2020

### 17 Funds

	Balance at 1 September 2019 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2020 £'000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	1,274	7,349	(7,064)	(27)	1,532
Other DfE / ESFA grants	8	519	(513)	-	14
Pupil premium	-	94	(94)	-	-
Other government grants	-	26	(26)	-	-
Other restricted funds	214	154	(133)	-	235
Pension reserve	(2,556)	-	(130)	625	(2,061)
	<u>(1,060)</u>	<u>8,142</u>	<u>(7,960)</u>	<u>598</u>	<u>(280)</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	10,954	-	(642)	-	10,312
DfE group capital grants	1,135	619	(64)	-	1,690
Capital expenditure from GAG and other funds	995	-	(53)	27	969
	<u>13,084</u>	<u>619</u>	<u>(759)</u>	<u>27</u>	<u>12,971</u>
<b>Total restricted funds</b>	<u>12,024</u>	<u>8,761</u>	<u>(8,719)</u>	<u>625</u>	<u>12,691</u>
<b>Unrestricted funds</b>					
General funds	648	402	(304)	-	746
<b>Total funds</b>	<u>12,672</u>	<u>9,163</u>	<u>(9,023)</u>	<u>625</u>	<u>13,437</u>

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 £12,310k (2019: £12,970k) plus the unspent element of Capital funds £677k (2019: £133k) and Salix loan of £16k (2019: £19k). 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.

# BETHS GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

#### 17 Funds

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

	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>					
Transfer 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>(8,253)</u>	<u>(920)</u>	<u>12,024</u>
<b>Unrestricted funds</b>					
General funds	492	572	(416)	-	648
	<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>

#### 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 2020 are represented by:</b>				
Tangible fixed assets	-	-	12,310	12,310
Current assets	746	2,183	677	3,606
Creditors falling due within one year	-	(402)	(1)	(403)
Creditors falling due after one year	-	-	(15)	(15)
Defined benefit pension liability	-	(2,061)	-	(2,061)
<b>Total net assets</b>	<u>746</u>	<u>(280)</u>	<u>12,971</u>	<u>13,437</u>

# BETHS GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 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>

### 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 2016, 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 teachers in academies. All teachers have the option to opt out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary. These contributions 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 every 4 years. 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 2016. The valuation report was published by the Department for Education on 5 March 2019.

# BETHS GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

#### 19 Pension and similar obligations

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to the TPS in the period amounted to £765k (2019: £560k).

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 18.0% for employers and 5.5% to 12.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of Academy 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.

Total contributions made	2020 £'000	2019 £'000
Employer's contributions	351	179
Employees' contributions	69	64
Total contributions	420	243
Principal actuarial assumptions	2020 %	2019 %
Rate of increase in salaries	3.9	3.60
Rate of increase for pensions in payment/inflation	2.5	2.20
Discount rate for scheme liabilities	1.7	1.80
Rate of CPI Inflation	2.4	2.10

# BETHS GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

#### 19 Pension and similar obligations

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

	2020 Years	2019 Years
Retiring today		
- Males	22.4	23.2
- Females	25.1	26.2
Retiring in 20 years		
- Males	24.0	25.4
- Females	27.1	28.5

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

	2020 £'000	2019 £'000
Discount rate + 0.1%	7,116	6,567
Discount rate - 0.1%	7,380	6,828
Mortality assumption + 1 year	7,458	6,819
Mortality assumption - 1 year	7,022	6,575

#### Defined benefit pension scheme net liability

Scheme assets	5,186	4,140
Scheme obligations	(7,247)	(6,696)
Net liability	(2,061)	(2,556)

#### The Academy Trust's share of the assets in the scheme

	2020 Fair value £'000	2019 Fair value £'000
Equities	2,592	1,917
Government Bonds	622	443
Other Bonds	882	468
Cash	52	87
Property	519	414
Other assets	519	811
Total market value of assets	5,186	4,140

The actual return on scheme assets was £157,000 (2019: £338,000).

# BETHS GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 19 Pension and similar obligations

Amount recognised in the Statement of Financial Activities	2020 £'000	2019 £'000
Current service cost	435	318
Past service cost	3	135
Interest income	(78)	(104)
Interest cost	121	138
	<u>481</u>	<u>487</u>
Total operating charge		

Changes in the present value of defined benefit obligations	2020 £'000
At 1 September 2019	6,696
Current service cost	424
Interest cost	121
Employee contributions	69
Actuarial loss	21
Benefits paid	(87)
Past service cost	3
	<u>7,247</u>
At 31 August 2020	

Changes in the fair value of the Academy Trust's share of scheme assets	2020 £'000
At 1 September 2019	4,140
Interest income	67
Actuarial gain	646
Employer contributions	351
Employee contributions	69
Benefits paid	(87)
	<u>5,186</u>
At 31 August 2020	



# BETHS GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

#### 20 Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2020 £'000	2019 £'000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	140	(682)
Adjusted for:		
Capital grants from DfE and other capital income	(619)	(105)
Investment income receivable	(8)	(12)
Defined benefit pension costs less contributions payable	87	274
Defined benefit pension scheme finance cost	43	34
Depreciation of tangible fixed assets	759	724
(Increase)/decrease in debtors	(586)	40
(Decrease)/increase in creditors	(118)	268
<b>Net cash (used in)/provided by operating activities</b>	<b>(302)</b>	<b>541</b>

#### 21 Analysis of changes in net funds

	1 September 2019 £'000	Cash flows £'000	31 August 2020 £'000
Cash	2,725	223	2,948
Loans falling due within one year	(1)	-	(1)
Loans falling due after more than one year	(18)	3	(15)
	<b>2,706</b>	<b>226</b>	<b>2,932</b>

#### 22 Commitments under operating leases

At 31 August 2020 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2020 £'000	2019 £'000
Amounts due within one year	4	5
Amounts due in two and five years	3	1
	<b>7</b>	<b>6</b>

# BETHS GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

#### 23 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 £823 (2019: £953). 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 academy purchased a coach from Mike Pack for £2,400 (2019: £nil). Mike Pack is a related party by the virtue of the fact that he is a governor. The fees the school agreed to be paid did not include any element of profit. There were no amounts outstanding at the year end.

In entering into these transactions, the Academy Trust has complied with the requirements of the Academies Financial Handbook 2019.

#### 24 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.

#### 25 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 2020 the trust received £44,112 (2019: £30,013) and disbursed £30,058 (2019: £24,949) from the fund. The unspent balance at 31 August 2020 was £14,054 (2019: £6,063) and is included in deferred income.

#### 26 Capital commitments

	2020 £'000	2019 £'000
Expenditure contracted for but not provided in the Financial Statements	957	-

The capital commitment of £957k represents anticipated future costs as at 31/08/2020. £165k relates to a fire improvements project funded by CIF, £418k for the roof replacement project also funded by CIF. Additionally, £311k has been committed to improved ICT for staff and students and a further £63k for an ICT upgrade, both funded by GAG.