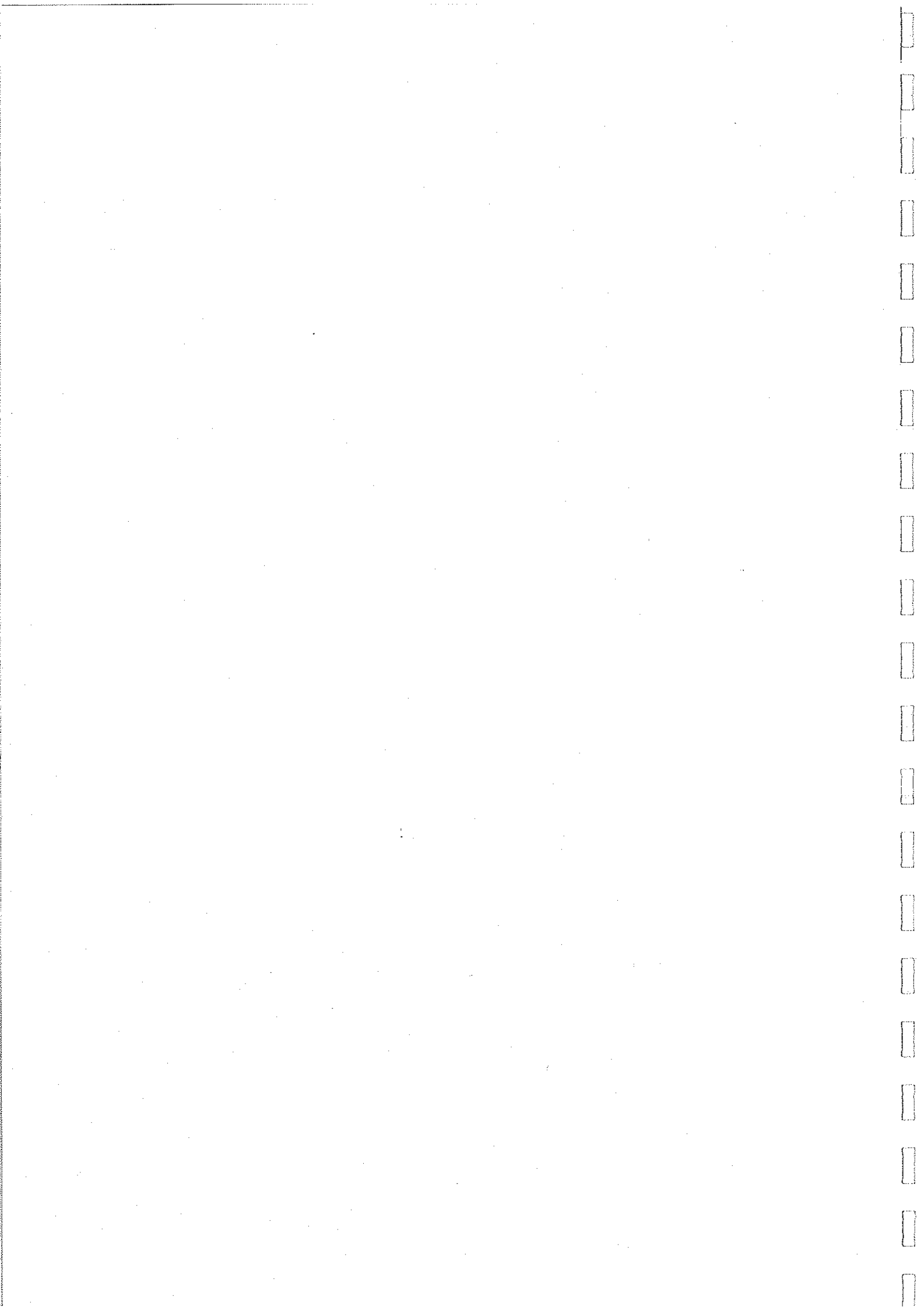


**BETHS GRAMMAR SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNORS' REPORT AND AUDITED ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**



# BETHS GRAMMAR SCHOOL

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# BETHS GRAMMAR SCHOOL

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Governors

Mr C Kirk Chair of Governors \*

Mrs R Webdale \*

Mr M Appleby \*

Mr G Benson \* (resigned 15<sup>th</sup> May 2015)

Rev. J Bowen

Mrs G Bright (Responsible Officer) \*

Mr J Howard \*

Mrs K Lanning

Dr C Maxim (Accounting Officer, appointed from 1<sup>st</sup> September 2015)

Mr S Mulvaney

Mr M Pack (/Co-opted Governor) \*

Dr M Pack (Appointed Governor / Co-opted Governor)

Mr J Parsons \*

Mrs K Riley ( Resigned 12<sup>th</sup> October 2015)

Mr M Reason

Mrs K Sangster

Mr J Skinner (Accounting Officer, retired on 31<sup>st</sup> August 2015)

Mr A Slonecki

Mrs C Stollery (resigned 26<sup>th</sup> November 2015)

Mr R Wilkes

\* members of the Finance Committee

### Members

Mr C Kirk

Mrs R Webdale

Mr M Appleby

Mr S Mulvaney

Mr A Slonecki

### Senior Leadership Team

- Headteacher	Mr J Skinner (retired on 31 <sup>st</sup> August 2015)
- Headteacher	Dr C Maxim (appointed from 1 <sup>st</sup> September 2015)
- Deputy Headteacher	Mr R Blyghton
- Deputy Headteacher	Mr S Foxhall (retired 31 <sup>st</sup> August 2015)
- Deputy Headteacher	Mr V Gukhool
- Deputy Headteacher	Mr M Neylan
- Acting Deputy Headteacher	Mrs S King (appointed from 1 <sup>st</sup> September 2015)
- School Business Manager	Mrs L Gibson

### 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

# BETHS GRAMMAR SCHOOL

## GOVERNORS' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2015

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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 period 01 September 2014 to 31 August 2015. 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 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005.

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 Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. It has a student capacity of 1314 and had a roll of 1314 in the school census on 15th January 2015.

#### 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 (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2015**

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### 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.

### 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. The following company has been identified as having a Related Party Transaction; Octavo Partnership Limited. One Governor has provided self-employed services in teaching. This would have been a connected party transaction but has been reviewed to ensure that no limits have been breached. Details of Related Party Transactions are set out in note 23 to the accounts.

### **Objectives and Activities**

#### Objects, Aims and Public Benefit

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 give full and fair consideration to all applicants for employment, training and promotions, irrespective of disability, gender, race, colour or sexual orientation.

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.

# BETHS GRAMMAR SCHOOL

## GOVERNORS' REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2015*

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### Strategic report

#### Achievements and Performance

At the end of August 2015 Mr Skinner retired as Headteacher after 13 very successful years leading the school. Since Mr Skinner took over the headship, the school has gone from success to success and nearly doubled in size. The most important success, however, has been the two consecutive outstanding Ofsted inspections.

Dr Christopher Maxim has been appointed Headteacher from 1<sup>st</sup> September 2015. Dr Maxim joins Beths from a federation of schools in London where he was Senior Vice Principal and Acting Executive Principal. His subject area is music and he is an accomplished musician, published composer and writer about music. Dr Maxim is passionate about learning and his mission as Headteacher is to ensure that the quality of teaching and learning is such that students attain highly and secure the very best grades, enabling them to move on successfully to the next stage of their lives.

The school has enjoyed a successful year with good academic results.

Year 13 achieved overall 59% A\*-B grades and those Year 12s who took 1 or more A Levels rose from 56% to 81%.

This year 38% of Year 12 AS Levels were at grade A or B. Attainment in Year 12 continues to be a focus for improvement.

At GCSE 97% of our Year 11s achieved 5 or more A\*-C grades including English and Maths. Of these, 46% achieved at least 5 A and A\* grades at GCSE or AS Level. Due to Government restructuring of exam values it is difficult to compare percentages with previous years.

In Maths 64% achieved A\* or A grade at GCSE and 28% in English. Progress in maths since KS2 was 57% of students who made 4 or more levels of progress with 87% 3 levels plus. In English 38% made 4 levels + and 83% 3 levels + progress.

Year 10 early entry GCSE results were impressive. In particular 97% gained A\* and A grades in Maths.

The school continued its expansion with all year groups in KS3 from September 2015 being six forms of entry.

There were 60+ successful school trips linked to and extending the curriculum both at home and abroad. Overseas trips were made to Barcelona, Vienna, the battlefields of France and Belgium, Le Touquet and a ski trip to Canada.

Our annual drama production was a resounding success, once again involving students from all year groups and really bringing to life the story of Arthur, Boy King of England. Our four concerts displayed the continuous strengths of our music.

This year four students gained a Jack Petchey Award in recognition of their achievements. They all attended a special Jack Petchey Awards Ceremony where they were presented with their medallions by the Mayor of Bexley..

The breadth of sport provision has always been a strength and continues to broaden. Basketball expanded greatly with teams across the year groups competing in a range of leagues and other competitions. New external nets and other equipment were installed over the summer.

In rugby the most successful team was the U13As who won all but one of their games. In football the U12's and U15's won the Kent Cup and the 1<sup>st</sup> XI won the Premier League. In cricket the u'13s and 14's both won the North Kent Cricket Cup. The u13 tennis team won the Kent Cup and the Aegon National Division One Kent Final making them Double Kent Champions. Beths won the Bexley Athletics Championship in both years 7 and 8.

A year 12 student represented England in the Junior Commonwealth and Cadet Fencing Championships in Cape Town in July. She also won individual silver in the sabre and was part of the team to propel England to the team sabre title in the Sainsbury's Schools Games in Manchester.



# BETHS GRAMMAR SCHOOL

## GOVERNORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2015**

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### Key Performance Indicators

The school exam targets for 2015 were discussed by the Governors Students Committee and ratified by the Full Board of Governors

Year 11	Target	Actual
GCSE 5+A*C	100%	97%
GCSE A*/A	52%	39%
GCSE 5+A*/A	61%	46%
English 3 levels of progress	96%	83%
English more than 3 level of progress	50%	38%
Maths 3 level of progress	98%	87%
Maths more than 3 level of progress	72%	57%
APS	594	567
AS Level (A/B)	50%	49%
AS Level (A-E)	96%	96%

Year 12		
AS Level (A/B)	44%	38%
AS Level (A-E)	93%	91%
A Level (A*B)	65%	81%
A Level (A*-E)	100%	100%

Year 13		
A Level (A*-B)	63%	59%
A Level (A*-E)	100%	99%
APS	350	337

Attendance figures up to 31st May were as follows:

Year	Target	Actual
7	95%	97.6%
8	95%	96.9%
9	95%	97.5%
10	95%	97.2%
11	95%	97.2%

Staffing ratio – The cost of staffing salaries as a proportion of total income (excluding capital) is 77%

Capital expenditure per pupil is £59

Utility costs per pupil was £223

### 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.

# BETHS GRAMMAR SCHOOL

## GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

### 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 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 EFA 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/EFA 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").

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	2015 £'000	2014 £'000
GAG	Restricted General Funds	715	718
Other DfE/EFA Grants	Restricted General Funds	-	-
Other Government Grants	Restricted General Funds	33	33
Other Income	Restricted General Funds	127	61
<b>Sub-total General Restricted Funds</b>		<b>875</b>	<b>812</b>
Unspent Capital Grants	Restricted Fixed Asset Fund	52	24
Other Income	Unrestricted General Fund	340	295
<b>Sub-Total</b>	<b>Spendable Funds</b>	<b>1,267</b>	<b>1,131</b>
Net Book Value of Fixed Assets	Restricted Fixed Asset Fund	15,245	15,829
Share of LGPS Deficit	Restricted Pension Reserve	(1,280)	(1,171)
<b>Total</b>	<b>All Funds</b>	<b>15,232</b>	<b>15,789</b>

### 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.

# BETHS GRAMMAR SCHOOL

## GOVERNORS' REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2015*

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### Investment Policy and Powers

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

### Employee Involvement

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

### Disabled Persons

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

### 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.

# BETHS GRAMMAR SCHOOL

## GOVERNORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2015**

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### Plans for Future Periods

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

The school's main priorities for 2015-2016 are:

To implement effective curriculum delivery linked to changes to AS and A Level for the first stage subjects from September 2015 and plan for second stage subjects from September 2016 including new GCSE's.

To further develop leadership and management at all levels to be consistently effective across the school to maximise students' outcome.

To ensure that every student's progress matches or exceeds the agreed challenging predicted levels or grades through outstanding teaching and learning.

### 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. The school has also held funds from National Support Schools to cover expenses incurred in supporting two local schools.

### Auditor

Insofar 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.

A resolution proposing that Baxter & Co be reappointed as auditor of the charitable company will be put to the members.

The Governors' report, incorporating a strategic report, was approved by order of the Board of Governors, as the company directors, on 02 December 2015 and signed on its behalf by:



.....  
Mr C Kirk  
Chair of Governors

# BETHS GRAMMAR SCHOOL

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2015**

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### 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 Mr J Skinner, the Headteacher (until 31<sup>st</sup> August 2015), and Dr. C Maxim (from 1<sup>st</sup> September 2015) 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 Headteacher is also responsible for reporting to the Board of Governors any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The board of governors has formally met 4 times during the year. Attendance during the year at meetings of the Board of Governors was as follows:

Governors	Meetings attended	Out of possible
Mr C Kirk (Chair of Governors)	4	4
Mrs R Webdale (Vice Chair of Governors)	4	4
Mr M Appleby	2	4
Mr G Benson (resigned 15/05/15)	1	3
Rev. J Bowen	4	4
Mrs G Bright (Responsible Officer)	3	4
Mr J Howard	4	4
Mrs K Lanning	2	4
Mr S Mulvaney	4	4
Mr M Pack	3	4
Dr M Pack (Appointed Governor /Co-opted Governor from 25/9/14)	3	4
Mr J Parsons	3	4
Mrs K Riley (Resigned 12 <sup>th</sup> October 2015)	1	4
Mr M Reason	4	4
Mrs K Sangster	4	4
Mr J Skinner (Headteacher & Accounting Officer) (Retired 31/8/15)	4	4
Mr A Slonecki	3	4
Mrs C Stollery (resigned 26 <sup>th</sup> November 2015)	3	4
Mr R Wilkes	3	4

There was an Extraordinary General Meeting in February 2015 to ratify the appointment of the new Headteacher. This meeting was in addition to the 4 Board of Governors meetings stated above.

Mr G Benson resigned during the year as work commitments prevented him from carrying out his duties as Governor. Mr J Skinner retired as Headteacher on 31st August 2015 and was succeeded as Headteacher /Accounting Officer by Dr C Maxim on 1st September 2015.

**BETHS GRAMMAR SCHOOL**  
**GOVERNANCE STATEMENT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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Governance reviews:

There was no external review of Governance during the year.

The Governors undertook a self-evaluation exercise in September 2013 in relation to the criteria for Governing Bodies taken from September 2013 Ofsted Inspection Handbook and Subsidiary Guidance. A detailed action plan was prepared following the exercise and progress was last reviewed at the Board of Governors meeting on 23 September 2015. This confirmed all the action points identified have been addressed. To help make Governors more visible to general teaching staff within the school, subject link Governors were identified in March 2015. The impact and effectiveness of this initiative will be reviewed at the end of 2015/16 academic year. Governors will be working closely with the Headteacher, members of the Senior Leadership Team, other members of staff and students during late 2015 to review the school's Mission, Vision and Values. Linked to this, the Governors are currently in the process of appointing an external adviser to work with them to review current performance and their strategic goals for the school.

A significant part of the year involved the selection and appointment of the new Headteacher. This involved a re-appraisal of the Headteacher / Board of Governors relationship as well as the strategic direction for the school. It also led to closer working with staff and students during the selection process.

The Board of Governors undertook a detailed skills audit in late 2014 and the Governors were asked to review their skills audit ratings in September 2015.

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:

<b>Governors</b>	<b>Meetings attended</b>	<b>Out of possible</b>
Mr M Appleby (Chair of Committee)	3	4
Mr C Kirk	4	4
Mrs R Webdale	3	4
Mr G Benson (resigned 15/5/15)	1	4
Mr J Howard	1	4
Mrs G Bright	3	4
Mr M Pack	2	4
Mr J Parsons	2	4
Mr J Skinner (retired 31/8/15)	4	4

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.

# **BETHS GRAMMAR SCHOOL**

## **GOVERNANCE STATEMENT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2015**

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#### 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.

Reporting quarterly to Governors Finance and Asset Management Committee

Regular monitoring of expenditure against budget

Regular review of contracts and competitive tenders required for all contracts over £50,000

Reviewing controls and managing risks

Annual review of staffing structure.

Checking and reviewing all costs over £5,000.

#### **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 period 01 September 2014 to 31 August 2015 and up to the date of approval of the Annual Report and Financial Statements.

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

The 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 period 01 September 2014 to 31 August 2015 and up to the date of approval of the Annual Report and Financial Statements. This process is regularly reviewed by the 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.
-

# BETHS GRAMMAR SCHOOL

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2015**

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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 Mrs G Bright, a Governor, as Responsible Officer (RO).

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 termly basis, the RO reports to the Board of Governors on the operation of the systems of control and on the discharge of the Board of Governors' financial responsibilities.

The Responsible Officer visited 3 times during the year.

Checks carried out included

- The payroll systems were checked and a comparison was made between consecutive months. All changes had been authorised by the budget holder, Business Manager and Headteacher. A further check was made against the Single Central File.
- The petty cash processes were checked and all claims were confirmed to have been authorised and correctly paid.
- Bank Reconciliations were reviewed and all were correct.
- An end to end procurement review was undertaken and confirmation was gained that the correct processes had been followed as stipulated in the Finance Regulations.

The RO's view is that systems operate well at Beths Grammar School. 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, Mr J Skinner 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 December 2015 and signed on its behalf by:



Mr C Kirk  
Chair of Governors



Dr C Maxim  
Accounting Officer



# **BETHS GRAMMAR SCHOOL**

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

***FOR THE YEAR ENDED 31 AUGUST 2015***

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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 Funding Agency (EFA) of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the academy trust 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.

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 EFA.

Approved on 02 December 2015 and signed by:



Dr C Maxim  
Accounting Officer

# BETHS GRAMMAR SCHOOL

## STATEMENT OF GOVERNORS' RESPONSIBILITIES

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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 accounts in accordance with the Annual Accounts Direction issued by the Education Funding Agency (EFA), United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Governors to prepare accounts for each financial year. Under company law the Governors must not approve the accounts 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 accounts, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2005;
- 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 accounts; and
- prepare the accounts 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 accounts 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 the EFA/DfE have been applied for the purposes intended.

The Governors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

Approved by order of the Board of Governors on 02 December 2015 and signed on its behalf by:



Mr C Kirk  
Chair of Governors

# **BETHS GRAMMAR SCHOOL**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF BETHS GRAMMAR SCHOOL**

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We have audited the accounts of Beths Grammar School for the year ended 31 August 2015 set out on pages 20 to 42. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency (EFA).

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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of Governors and auditors**

As explained more fully in the Governors' Responsibilities Statement set out on page 15, the Governors, who are also the directors of Beths Grammar School for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the accounts**

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Governors; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Governors' Annual Report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on accounts**

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Governors' Report including the incorporated Strategic Report for the financial year for which the accounts are prepared is consistent with the accounts.

# BETHS GRAMMAR SCHOOL

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF BETHS GRAMMAR SCHOOL

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#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts 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.



**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: 16/12/15

# **BETHS GRAMMAR SCHOOL**

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

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In accordance with the terms of our engagement letter dated 01 November 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Beths Grammar School during the period 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Beths Grammar School and the EFA 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 the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Beths Grammar School and the EFA, 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 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy 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;
- Discussions with finance staff;
- Consideration of the record maintained by the Accounting Officer of the oversight they have exercised;
- Consideration of the programme of risk review and checking of financial controls implemented by the trust in order to comply with its obligations under 2.4.7 of the Academies Financial Handbook 2014, issued by the EFA.


# BETHS GRAMMAR SCHOOL

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

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### Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



**Baxter & Co**

**Chartered Certified Accountants**

Lynwood House

Crofton Road

Orpington

Kent

BR6 8QE

Dated: 16/12/15

# BETHS GRAMMAR SCHOOL

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2015

		Unrestricted funds £'000	Restricted funds £'000	Fixed Asset funds £'000	Total 2015 £'000	Total 2014 £'000
<b>Incoming resources</b>	<b>Notes</b>					
<i>Resources from generated funds</i>						
- Voluntary income	3	34	332	-	366	446
- Activities for generating funds	4	33	-	-	33	27
- Investment income	5	2	-	-	2	2
<i>Resources from charitable activities</i>						
- Funding for educational operations	6	-	6,673	28	6,701	6,825
<b>Total incoming resources</b>		<u>69</u>	<u>7,005</u>	<u>28</u>	<u>7,102</u>	<u>7,300</u>
<b>Resources expended</b>						
<i>Costs of generating funds</i>						
- Relating to voluntary income	7	4	296	-	300	358
- Fundraising trading	7	20	-	-	20	18
<i>Charitable activities</i>						
- Educational operations	8	-	6,419	694	7,113	7,097
Governance costs	9	-	102	-	102	70
<b>Total resources expended</b>	7	<u>24</u>	<u>6,817</u>	<u>694</u>	<u>7,535</u>	<u>7,543</u>
<b>Net incoming/(outgoing) resources before transfers</b>		45	188	(666)	(433)	(243)
Gross transfers between funds		-	(110)	110	-	-
<b>Net income/(expenditure) for the year</b>		<u>45</u>	<u>78</u>	<u>(556)</u>	<u>(433)</u>	<u>(243)</u>
<b>Other recognised gains and losses</b>						
Actuarial gains/(losses) on defined benefit pension scheme	18	-	(124)	-	(124)	(361)
<b>Net movement in funds</b>		45	(46)	(556)	(557)	(604)
Fund balances at 1 September 2014		<u>295</u>	<u>(359)</u>	<u>15,853</u>	<u>15,789</u>	<u>16,393</u>
<b>Fund balances at 31 August 2015</b>		<u>340</u>	<u>(405)</u>	<u>15,297</u>	<u>15,232</u>	<u>15,789</u>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006. A statement of total recognised gains and losses is not required as all gains and losses are included in the statement of financial activities.

All of the academy's activities derive from continuing operations during the two financial periods above.

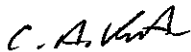
# BETHS GRAMMAR SCHOOL

## BALANCE SHEET

AS AT 31 AUGUST 2015

		2015		2014	
	Notes	£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Tangible assets	12		15,245		15,829
<b>Current assets</b>					
Debtors	13	103		165	
Cash at bank and in hand		1,647		1,474	
		1,750		1,639	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	14	(483)		(508)	
<b>Net current assets</b>			1,267		1,131
<b>Net assets excluding pension liability</b>			16,512		16,960
Defined benefit pension liability	18		(1,280)		(1,171)
<b>Net assets</b>			15,232		15,789
<b>Funds of the Academy Trust:</b>					
<b>Restricted funds</b>	16				
- Fixed asset funds			15,297		15,853
- General funds			875		812
- Pension reserve			(1,280)		(1,171)
<b>Total restricted funds</b>			14,892		15,494
<b>Unrestricted income funds</b>	16		340		295
<b>Total funds</b>			15,232		15,789

The accounts were approved by order of the Board of Governors and authorised for issue on 02 December 2015.



Mr C Kirk  
Chair of Governors

Company Number 07379768



# BETHS GRAMMAR SCHOOL

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2015

	Notes	2015 £'000	2014 £'000
Net cash inflow/(outflow) from operating activities	19	253	337
Returns on investments and servicing of finance			
Investment income	2	2	
Net cash inflow/(outflow) from returns on investments and servicing of finance		2	2
		255	339
Capital expenditure and financial investments			
Capital grants received	28		33
Payments to acquire tangible fixed assets	(110)	(85)	
Net cash flow from capital activities		(82)	(52)
Increase/(decrease) in cash	20	173	287

# BETHS GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2015

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### 1 Accounting policies

#### 1.1 Basis of preparation

The accounts have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

#### 1.2 Going concern

The Governors assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The Governors make this assessment in respect of a period of one year from the date of approval of the accounts.

#### 1.3 Incoming resources

All incoming resources are recognised when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

##### Grants receivable

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

##### Donations

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

##### Other income

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

##### Donated goods, facilities and services

The value of donated services and gifts in kind provided to the Academy Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the statement of financial activities, except where the gift in kind was a fixed asset in which case the 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.

# BETHS GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

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### 1 Accounting policies

#### 1.4 Resources expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

##### Costs of generating funds

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

##### Charitable activities

These are costs incurred on the Academy Trust's educational operations.

##### Governance costs

These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Governors' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

#### 1.5 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. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

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 is not depreciated

Freehold buildings	2% Straight Line
Computer equipment	20% Straight Line
Fixtures, fittings & equipment	20% Straight Line

# BETHS GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2015**

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### **1 Accounting policies**

Where fixed assets were transferred to the charitable company from the predecessor school, these have been included at a value determined in accordance with the policy described below:

#### **Land**

Where land is owned (or occupied under the terms of a long term lease), subject to a legally binding restriction as to its use, it is included at fair value, based on its existing use.

#### **Buildings**

In accordance with the requirements of FRS 15, specialist buildings transferred from the predecessor school are recognised at their depreciated replacement cost at the time of the transfer. Future depreciation is charged over the estimated remaining useful life of the buildings.

#### **Other Fixed Assets**

Other fixed assets transferred from the predecessor school are also included at depreciated replacement cost (subject to the capitalisation limit set).

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 Leasing and hire purchase commitments**

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

### **1.7 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.

### **1.8 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.

#### **Teachers' Pension Scheme**

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 18, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions are recognised as they are paid each year.

# BETHS GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

### 1 Accounting policies

#### Local Government Pension Scheme

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

#### 1.9 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 the Education Funding Agency/Department for Education/sponsor/other 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 Education Funding Agency/Department for Education and other donors.

#### 1.10 Agency Arrangement

The academy trust acts as agent in distributing 16-19 bursary funds from EFA. Payments received from the EFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the trust does not have control over charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received and paid, and any balances held are disclosed in note 25.

### 2 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the Academy Trust was subject to limits at 31 August 2015 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The Academy Trust has not exceeded these limits during the year ended 31 August 2015.

### 3 Voluntary income

	Unrestricted funds £'000	Restricted funds £'000	Total 2015 £'000	Total 2014 £'000
Donations	-	36	36	57
Other Income	34	296	330	389
	<u>34</u>	<u>332</u>	<u>366</u>	<u>446</u>

# BETHS GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

### 4 Activities for generating funds

	Unrestricted funds £'000	Restricted funds £'000	Total 2015 £'000	Total 2014 £'000
Hire of facilities	33	-	33	27

### 5 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2015 £'000	Total 2014 £'000
Short term deposits	2	-	2	2

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

	Unrestricted funds £'000	Restricted funds £'000	Total 2015 £'000	Total 2014 £'000
<b>DfE / EFA grants</b>				
General annual grant (GAG)	-	6,525	6,525	6,616
Capital grants	-	28	28	33
Other DfE / EFA grants	-	65	65	102
	-	6,618	6,618	6,751
<b>Other government grants</b>				
Other grants	-	63	63	71
<b>Other funds</b>				
Other incoming resources	-	20	20	3
<b>Total funding</b>	-	6,701	6,701	6,825

# BETHS GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

### 7 Resources expended

	Staff costs £'000	Premises & equipment £'000	Other costs £'000	Total 2015 £'000	Total 2014 £'000
<b>Academy's educational operations</b>					
- Direct costs	4,518	555	625	5,698	5,648
- Allocated support costs	677	372	366	1,415	1,449
	<u>5,195</u>	<u>927</u>	<u>991</u>	<u>7,113</u>	<u>7,097</u>
<b>Other expenditure</b>					
Costs of generating voluntary income	4	-	296	300	358
Costs of activities for generating funds	14	-	6	20	18
Governance costs	-	-	102	102	70
	<u>18</u>	<u>-</u>	<u>404</u>	<u>422</u>	<u>446</u>
<b>Total expenditure</b>	<u>5,213</u>	<u>927</u>	<u>1,395</u>	<u>7,535</u>	<u>7,543</u>

### Incoming/outgoing resources for the year include:

	2015 £'000	2014 £'000
Operating leases		
- Plant and machinery	12	11
Fees payable to auditor		
- Audit	7	15
- Other non-audit services (including payroll costs)	16	6

Included within resources expended are the following transactions. Individual transactions exceeding £5,000 are identified separately:

	2015 £
Gifts made by the trust - total	258
Unrecoverable debts - total	<u>555</u>

# BETHS GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

### 8 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2015 £'000	Total 2014 £'000
<b>Direct costs</b>				
Teaching and educational support staff costs	-	4,518	4,518	4,477
Depreciation	-	555	555	537
Technology costs	-	175	175	184
Educational supplies and services	-	222	222	233
Examination fees	-	159	159	165
Staff development	-	38	38	32
Educational consultancy	-	12	12	5
Other direct costs	-	19	19	15
	-	5,698	5,698	5,648
<b>Allocated support costs</b>				
Support staff costs	-	677	677	595
Depreciation	-	139	139	135
Recruitment and support	-	19	19	21
Maintenance of premises and equipment	-	233	233	270
Cleaning	-	39	39	88
Energy costs	-	91	91	108
Rent and rates	-	43	43	41
Insurance	-	61	61	61
Security and transport	-	28	28	22
Catering	-	37	37	29
Interest and finance costs	-	8	8	14
Other support costs	-	40	40	65
	-	1,415	1,415	1,449
<b>Total costs</b>	-	7,113	7,113	7,097



# BETHS GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

### 9 Governance costs

	Unrestricted funds £'000	Restricted funds £'000	Total 2015 £'000	Total 2014 £'000
Legal and professional fees	-	79	79	42
Auditor's remuneration	-	-	-	-
- Audit of financial statements	-	7	7	15
- Other non audit costs (including payroll costs)	-	16	16	13
	-	102	102	70

In 2014, the academy took part in the EFA's review of audited financial returns to 31 March 2014. Additional audit fees were incurred in this exercise which were fully funded by grant from the EFA.

### 10 Staff costs

	2015 £'000	2014 £'000
Wages and salaries	4,160	4,154
Social security costs	327	327
Other pension costs	625	532
	5,112	5,013
Supply teacher costs	52	80
Staff restructuring costs	49	-
Total staff costs	5,213	5,093

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £49,000 (2014: £nil). This represents a single payment of £49,000.

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

	2015 Number	2014 Number
Teachers	64	70
Administration and support	48	45
Management	6	6
	118	121

# BETHS GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

### 10 Staff costs

The number of employees whose annual remuneration was £60,000 or more was:

	2015 Number	2014 Number
£60,000 - £70,000	-	3
£70,001 - £80,000	4	1
£100,001 - £110,000	1	1
	<u>          </u>	<u>          </u>

Of the employees above, the number participating in pension schemes and the employers' contributions paid on their behalf were as follows:

		2015	2014
Teachers' Pension Scheme	Numbers	5	5
	£'000	54	54
		<u>          </u>	<u>          </u>
Local Government Pension Scheme	Numbers	-	-
	£'000	-	-
		<u>          </u>	<u>          </u>

# BETHS GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2015

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#### 11 Governors' remuneration and expenses

One or more Governors has been paid remuneration or has received other benefits from an employment with the Academy Trust. The 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. Other Governors did not receive any payments from the Academy Trust in respect of their role as Governors.

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

J Skinner (Headteacher):

- Remuneration £105,000 - £110,000 (2014: £105,000 - £110,000)
- Employer's pension contributions £10,000 - £15,000 (2014: £10,000 - £15,000)

K Sangster (Staff Governor):

- Remuneration £25,000 - £30,000 (2014: £25,000 - £30,000)
- Employer's pension contributions £0 - £5,000 (2014: £0 - £5,000)

M Reason (Staff Governor):

- Remuneration £40,000 - £45,000 (2014: £40,000 - £45,000)
- Employer's pension contributions £5,000 - £10,000 (2014: £5,000 - £10,000)

J Parsons (Staff Governor)

- Remuneration £50,000 - £55,000 (2014: £50,000 - £55,000)
- Employer's pension contributions £5,000 - £10,000 (2014: £5,000 - £10,000)

M Pack (Co-opted Governor/ part time member of staff)

- Remuneration £0 - £5,000 (2014: £0 - £5,000)
- Employer's pension contributions £nil (2014: £nil)

During the year, expense payments totalling £3,046 (2014: £1,798) were reimbursed or paid directly to 4 Governors (2014: 3 Governors). 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.

#### Governors' and officers' insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £2,000,000 (2014: £2,000,000) on any one claim and the cost for the year ended 31 August 2015 was £904 (2014: £930). The cost of this insurance is included in the total insurance cost.

# BETHS GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

### 12 Tangible fixed assets

	Freehold land and buildings £'000	Computer equipment £'000	Fixtures, fittings & equipment £'000	Total £'000
<b>Cost</b>				
At 1 September 2014	18,365	63	32	18,460
Additions	105	5	-	110
At 31 August 2015	18,470	68	32	18,570
<b>Depreciation</b>				
At 1 September 2014	2,588	25	18	2,631
Charge for the year	674	14	6	694
At 31 August 2015	3,262	39	24	3,325
<b>Net book value</b>				
At 31 August 2015	15,208	29	8	15,245
At 31 August 2014	15,777	38	14	15,829

### 13 Debtors

	2015 £'000	2014 £'000
Trade debtors	5	3
VAT recoverable	36	24
Other debtors	-	2
Prepayments and accrued income	62	136
	103	165

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

	2015 £'000	2014 £'000
Trade creditors	9	203
Taxes and social security costs	100	98
EFA creditors	11	-
Accruals	295	179
Deferred income	68	28
	483	508

# BETHS GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

<b>15</b>	<b>Deferred income</b>	<b>2015</b>	<b>2014</b>
		<b>£'000</b>	<b>£'000</b>
	Deferred income is included within:		
	Creditors due within one year	68	28
		<u>        </u>	<u>        </u>
	Total deferred income at 1 September 2014	28	43
	Amounts credited to the statement of financial activities	(28)	(43)
	Amounts deferred in the year	68	28
		<u>        </u>	<u>        </u>
	<b>Total deferred income at 31 August 2015</b>	<b>68</b>	<b>28</b>
		<u>        </u>	<u>        </u>

Deferred income consists of trip income for trips occurring in 2016.

<b>16</b>	<b>Funds</b>	<b>Balance at 1</b>	<b>Incoming</b>	<b>Resources</b>	<b>Gains, losses</b>	<b>Balance at 31</b>
		<b>September 2014</b>	<b>resources</b>	<b>expended</b>	<b>&amp; transfers</b>	<b>August 2015</b>
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
	<b>Restricted general funds</b>					
	General Annual Grant	718	6,525	(6,418)	(110)	715
	Other DfE / EFA grants	-	65	(65)	-	-
	Other government grants	33	63	(63)	-	33
	Other restricted funds	61	352	(286)	-	127
		<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>
	Funds excluding pensions	812	7,005	(6,832)	(110)	875
	Pension reserve	(1,171)	-	15	(124)	(1,280)
		<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>
		(359)	7,005	(6,817)	(234)	(405)
		<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>
	<b>Restricted fixed asset funds</b>					
	DfE / EFA capital grants	863	28	(16)	-	875
	Inherited fixed asset fund	14,164	-	(642)	-	13,522
	Capital expenditure from GAG or other funds	826	-	(36)	110	900
		<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>
		15,853	28	(694)	110	15,297
		<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>
	<b>Total restricted funds</b>	<b>15,494</b>	<b>7,033</b>	<b>(7,511)</b>	<b>(124)</b>	<b>14,892</b>
		<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>
	<b>Unrestricted funds</b>					
	General funds	295	69	(24)	-	340
		<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>
	<b>Total funds</b>	<b>15,789</b>	<b>7,102</b>	<b>(7,535)</b>	<b>(124)</b>	<b>15,232</b>
		<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>

# BETHS GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

### 16 Funds

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

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

Under the funding agreement with the Secretary of State, the Academy Trust was subject to a limit on the amount of GAG that it could carry forward at 31 August 2015. Note 2 confirms that the limit was not exceeded.

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 £15,245k (2014: £15,829k) plus the unspent element of Capital funds £52k (2014: £24k). 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.

### 17 Analysis of net assets between funds

	Unrestricted funds £'000	Restricted funds £'000	Fixed asset funds £'000	Total funds £'000
<b>Fund balances at 31 August 2015 are represented by:</b>				
Tangible fixed assets	-	-	15,245	15,245
Current assets	340	1,358	52	1,750
Creditors falling due within one year	-	(483)	-	(483)
Defined benefit pension liability	-	(1,280)	-	(1,280)
	<u>340</u>	<u>(405)</u>	<u>15,297</u>	<u>15,232</u>

### 18 Pensions 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 the London Borough of Bexley. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and that of the LGPS related to the period ended 31 March 2013.

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

# BETHS GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2015

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#### 18 Pensions and similar obligations

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

##### **Valuation of the Teachers' Pension Scheme**

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

The key elements of the valuation and subsequent consultation are:

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

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

The pension costs paid to the TPS in the period amounted to £414k (2014: £354k).

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

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

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 16.8% for employers and a range of rates between 5.5% and 12.5% for employees, depending on earnings. The estimated value of employer contributions for the forthcoming year is £237k.

The employer also contributes annual lump sums so as to eliminate the pension fund deficit over a period of 11 years, with effect from 2011.

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

# BETHS GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

### 18 Pensions and similar obligations

Contributions made	2015 £'000	2014 £'000
Employer's contributions	234	189
Employees' contributions	62	56
Total contributions	296	245
Principal actuarial assumptions	2015 %	2014 %
Rate of increase in salaries	3.70	3.60
Rate of increase for pensions in payment	2.20	2.10
Discount rate for scheme liabilities	3.90	3.90
Rate of CPI Inflation	2.20	2.10

#### Sensitivity Analysis

Scheme liabilities have been valued at £3,314k (2014: £2,897k). The measurement of these liabilities would change in the event that key assumptions underlying their valuation changed.

If the discount rate were to increase by 0.1%, liabilities would be measured at £3,246k (2014: £2,837k)

If the inflation rate were to increase by 0.1%, liabilities would be measured at £3,384k (2014: £2,957k)

If the life expectancy were to increase by a year, liabilities would be measured at £3,375k (2014: £2,950k)

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

	2015 Years	2014 Years
Retiring today		
- Males	23.1	23.00
- Females	25.5	25.40
Retiring in 20 years		
- Males	25.4	25.30
- Females	28.4	28.30



# BETHS GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

### 18 Pensions and similar obligations

The academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	2015 Expected return %	2015 Fair value £'000	2014 Expected return %	2014 Fair value £'000
Equities	6.50	1,204	7.00	1,052
Government Bonds	2.50	-	2.90	-
Other Bonds	3.60	177	3.80	157
Cash / Equity	0.50	39	0.50	10
Property	6.10	236	6.20	181
Other assets	6.50	378	7.00	326
Total market value of assets		2,034		1,726
Present value of scheme liabilities - funded		(3,314)		(2,897)
Net pension asset / (liability)		(1,280)		(1,171)

#### Assumptions on Expected Rates of Return

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period.

The assumed investment return on government bonds is the yield on 20 year fixed interest gilts at the relevant date (2.5%). The expected investment return on corporate bonds is based on market yields at the relevant date, less a reduction to reflect a risk of default in the corporate bond yield (3.6% p.a).

The yield on equity investments will contain an "equity risk premium" in addition to the yield on government bonds, the overall expected return on equities as at 31 August 2015 was 6.5% p.a.

Assumed returns on property are based on the expected long term returns on cash investments, plus a premium.

# BETHS GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

### 18 Pensions and similar obligations

#### Amounts recognised in the statement of financial activities

	2015 £'000	2014 £'000
<b>Operating costs/(income)</b>		
Current service cost (net of employee contributions)	211	178
Past service cost	-	-
<b>Total operating charge</b>	<b>211</b>	<b>178</b>
<b>Finance costs/(income)</b>		
Expected return on pension scheme assets	(108)	(90)
Interest on pension liabilities	116	104
<b>Net finance costs/(income)</b>	<b>8</b>	<b>14</b>
<b>Total charge/(income)</b>	<b>219</b>	<b>192</b>

#### Actuarial gains and losses recognised in the statement of financial activities

	2015 £'000	2014 £'000
Actuarial (gains)/losses on assets: actual return less expected	56	(38)
Experience (gains)/losses on liabilities	-	211
(Gains)/losses arising from changes in assumptions	68	188
<b>Total (gains)/losses</b>	<b>124</b>	<b>361</b>
<b>Cumulative (gains)/losses to date</b>	<b>533</b>	<b>409</b>

#### Movements in the present value of defined benefit obligations

	2015 £'000	2014 £'000
Obligations at 1 September 2014	(2,897)	(2,182)
Current service cost	(211)	(178)
Interest cost	(116)	(104)
Contributions by employees	(62)	(56)
Actuarial gains/(losses)	(68)	(399)
Benefits paid	40	22
<b>At 31 August 2015</b>	<b>(3,314)</b>	<b>(2,897)</b>

# BETHS GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

### 18 Pensions and similar obligations

#### Movements in the fair value of scheme assets

	2015 £'000	2014 £'000
Assets at 1 September 2014	1,726	1,375
Expected return on assets	108	90
Actuarial gains/(losses)	(56)	38
Contributions by employers	234	189
Contributions by employees	62	56
Benefits paid	(40)	(22)
At 31 August 2015	<u>2,034</u>	<u>1,726</u>

#### History of experience gains and losses

	2015 £'000	2014 £'000	2013 £'000	2012 £'000	2011 £'000
Present value of defined benefit obligations	(3,314)	(2,897)	(2,182)	(1,890)	(1,537)
Fair value of share of scheme assets	<u>2,034</u>	<u>1,726</u>	<u>1,375</u>	<u>992</u>	<u>796</u>
Surplus / (deficit)	<u>(1,280)</u>	<u>(1,171)</u>	<u>(807)</u>	<u>(898)</u>	<u>(741)</u>
Experience adjustment on scheme assets	(56)	38	118	27	(39)
Experience adjustment on scheme liabilities	<u>-</u>	<u>(211)</u>	<u>-</u>	<u>-</u>	<u>-</u>

### 19 Reconciliation of net income to net cash inflow/(outflow) from operating activities

	2015 £'000	2014 £'000
Net income	(433)	(243)
Capital grants and similar income	(28)	(33)
Investment income	(2)	(2)
Defined benefit pension costs less contributions payable	(23)	(11)
Defined benefit pension finance costs/(income)	8	14
Depreciation of tangible fixed assets	694	672
(Increase)/decrease in debtors	62	74
Increase/(decrease) in creditors	(25)	(134)
Net cash inflow/(outflow) from operating activities	<u>253</u>	<u>337</u>

# BETHS GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

<b>20</b>	<b>Reconciliation of net cash flow to movement in net funds</b>	<b>2015</b>	<b>2014</b>
		<b>£'000</b>	<b>£'000</b>
	Increase/(decrease) in cash	173	287
	Net funds at 1 September 2014	1,474	1,187
	<b>Net funds at 31 August 2015</b>	<b>1,647</b>	<b>1,474</b>

<b>21</b>	<b>Analysis of net funds</b>	<b>At 1 September 2014</b>	<b>Cash flows</b>	<b>Non-cash changes</b>	<b>At 31 August 2015</b>
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
	Cash at bank and in hand	1,474	173	-	1,647

## 22 Commitments under operating leases

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

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Expiry date:		
- Within one year	6	-
- Between two and five years	7	13
	<b>13</b>	<b>13</b>

# **BETHS GRAMMAR SCHOOL**

## **GOVERNANCE STATEMENT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2015**

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### **23 Related parties**

Owing to the nature of the Academy Trust's operations and the composition of the Board of Governors being drawn from local public and private sector organisations, transactions may take place with organisations in which Governors have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

The following related party transactions took place in the period of account.

The academy purchased services from the Education Business Partnership (EBP) service of Octavo Partnership Limited (a company incorporated in England and Wales, company number 09140379) for £9,516. It is a related party by the virtue of the fact that a Mr A Slonecki, a trustee, was also a senior manager of that company during the period and was a director of the London Education Business Partnerships Network, an organisation representing the interests of all London EBP's. There were no amounts outstanding at the year end.

The academy purchased additional tuition services from Maria Pack for £1,515. Maria Pack is a related party by the virtue of the fact that she is a governor. The fees the school agreed to be pay to Maria were for travel time/expenses only and did not include a profit element. There were no amounts outstanding at the year end.

The trust made the purchase at arms' length following a competitive tendering exercise in accordance with its financial regulations, in which Mr Slonecki and Maria Pack neither participated, nor influenced. In entering into the transactions the trust has complied with the requirements of EFA's Academies Financial Handbook.

### **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 EFA. In the accounting period ending 31 August 2015 the trust received £26,280 and disbursed £14,156 from the fund. An amount of £10,810 is included within EFA creditors: amounts falling due in less than one year relating to undistributed funds that are repayable to the EFA. The academy trust retained £1,314 to cover costs incurred in the administration of this fund.

The academy trust distributes NSS bursary funds as an agent for the EFA. In the accounting period ending 31 August 2015 the trust received £6,000 and disbursed £6,000 from the fund.

