

**Beacon Multi-Academy  
Trust**

**Consolidated Annual Report and  
Financial Statements**

Year to 31 August 2019

Company Limited by Guarantee  
Registration Number  
07835788 (England and Wales)

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## Reference and administrative information

<b>Members</b>	E Sidwell CBE (Chair) M Woodcock W Gent S Gable A Sadanandan
<b>Trustees</b>	E Sidwell CBE (Chair) S Ratnam (Vice Chair) N Butler M Corck (resigned 04.12.18) M Fuller S Gibbons P Leach (appointed 31.05.19) B Panesar (appointed 18.09.18) S Ramsay (appointed 14.02.19) J Saini E Slattery M Stokes A Weinberg MBE
<b>Company Secretary</b>	S Ratnam
<b>Key Management Personnel</b>	K Burns (CEO/Executive Principal – BHS, appointed 23.04.19) D Bamrah (Chief Finance Officer) M Mann (TFA Principal) T Wilmot (BHS Principal, resigned 19.04.19) P Bray (BHS Co-Headteacher, appointed 23.04.19/NELTA Principal to 23.04.19) Y Andress (BHS Co-Headteacher, appointed 23.04.19) L Thompson (BBIH Principal)
<b>Registered address</b>	Beal High School (upper site) Woodford Bridge Road Ilford Essex IG4 5LP
<b>Company registration number</b>	07835788 (England and Wales)
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL

## Reference and administrative information

<b>Bankers</b>	NatWest plc PO Box 414 38 Strand London WC2N 5JB
<b>Solicitors</b>	Eversheds 1 Wood Street London EC2V 7WS

## **INTRODUCTION**

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company and its subsidiary (the group) for the period 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a Trustees' report, and a directors' report under company law.

The financial statements have been prepared in accordance with the accounting policies set out on pages 34 to 39 of the attached financial statements and comply with the Academy's Memorandum and Articles of Association, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

The Trust operates 2 secondary Academies and 1 Alternative Provision Academy in Redbridge. Its Academies have a combined pupil capacity of 3,880 and had a roll of 3,186 in the school census on January 2019.

The Trust incorporates: Beal High School, this includes Beacon Communication School (BCS): an ASD 11-18 autistic additionally resourced provision for 42 FTE students; Forest Academy; BBIH: Beacon 14-19 Business Innovation Hub Free School and NELTA (North East London Teaching Alliance) incorporating our SCITT.

The Trust has one subsidiary of which it is the sole member; Beacon Education Services Trading Ltd. (BEST Ltd).

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Constitution and governance**

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The Trustees of Beacon Multi-Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Beacon Multi-Academy Trust.

Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 1.

### **Members' liability**

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

### **Trustees' indemnities**

The Academy Trust through its Articles has indemnified its Trustees and Governors to the fullest extent permissible by law.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

### **Method of recruitment and appointment or election of Trustees**

The Trustees are processed by a majority resolution of the Board. A similar process will be used if it becomes necessary to remove a Trustee. These are then subject to confirmation by Members. The articles of association require members of the charitable company to appoint at least three Trustees to be responsible for the statutory and constitutional affairs of the charitable company and the management of the Academy Trust.

### **Policies and procedures adopted for the induction and training of Trustees**

New Trustees and Governors will be given a tour of the Academies and the chance to meet staff, students, CEO and the Principals with a view to ensuring the Trustee/Governor has a good understanding of the Academy Trust's philosophy and its day-to-day operation. Trustee and Local Governor Training is taken very seriously by the Trust. The executive and leadership teams brief and Trustees and governors on governance, financial, safeguarding and other educational matters regularly. The Trust Executive provides a regular educational update on topical matters for Trustees and Governors. Members are encouraged to participate in training programmes and courses arranged by the Academies. Specific training is provided on technical issues to keep Trustees and Governors updated on all relevant developments affecting their role and responsibilities.

### **Organisational structure**

The management structure of the Trust consists of the Board of Trustees and specific committees The Trust Executive, the Local Governing Bodies and the Senior Leadership Teams of the schools.

The Trustees and Trust Executive fulfil a strategic role: setting general policy, approving an annual Trust plan and budget, monitoring performance against the plan and budget and making decisions about the Trustees of the charitable company, capital expenditure and the Senior Leadership Team appointments across the Trust. Detailed decisions are delegated to the Trust Executive Team. The CEO is the Accounting Officer. The Board delegates a number of operational monitoring and evaluation functions to the Local Governing Bodies (LGBs) at each Academy.

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

#### **Trust Executive**

The key management personnel (Trust Executive) are listed on page 1.

The pay and remuneration of the Trust Executive and School Senior Leadership Teams is reviewed and agreed by the Trust Pay & Personnel Committee annually linked to performance management targets, appraisal, national pay awards and budget forecasts.

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

##### **Relevant Union Officials**

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
7	6.32

**STRUCTURE, GOVERNANCE AND MANAGEMENT** (continued)

**Trade Union Facility Time** (continued)

**Percentage of time spent on facility time**

Percentage of time	Number of Employees
0 - 1%	5
1 – 50%	2
51 – 99%	0
100%	0

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

Total cost of facility time	£1,530
Total pay bill	£16,519,838
Percentage of total pay bill spent on facility time	0.01%

**Paid trade union activities**

Time spent on paid trade union activities as a percentage of total paid facility time hours	6.93%
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**OBJECTIVES AND ACTIVITIES**

**Objects and aims**

The Beacon Academy Trust seeks to secure 'Excellence for All' in its schools.

The Beacon Academy educational model is based on three key principles:

- ◆ Ensuring clarity of vision, ethos and strategic direction;
- ◆ Holding the principals to account for the educational performance of the schools and its' pupils; and
- ◆ Overseeing the financial performance of the schools and making sure its money is well spent.

As Trustees of a charity, the Academy Trustees must comply with the following duties:

**Compliance** – they must ensure that the charity's resources are used for the charitable purpose and that the charity complies with the law and its governing document i.e. the Articles of Association.

**Care** – they should take reasonable care in their work. In practice it simply means ensuring that the Academy Trust is managed efficiently and effectively. It also means considering the need for professional advice on matters where there may be material risk to the charity.

## **OBJECTIVES AND ACTIVITIES** (continued)

### **Objects and aims** (continued)

**Prudence** – they must act responsibly, making sure that the Academy Trust's assets are protected and used for the benefit of the charity. The Trustees must ensure that the Academy Trust is solvent and keeps appropriate financial records. These requirements are reflected in the funding agreement and Academies Financial Handbook.

Beacon Multi-Academy Trust (BMAT) was established as a Multi-Academy Trust on the 1 February 2014, prior to this date the Trust comprised only The Forest Academy. BMAT runs a small network of successful schools, but its pupil numbers are equivalent to that of a medium sized Trust. In particular, Beal High School is the largest secondary school in England. Our compelling vision for success encompasses a Trust model that is driven by our high expectations inclusion model. As well as providing individual students access to an extensive range of programmes and pathways we ensure that all our students get enough opportunities through alternative 'stretch' and leadership opportunities that make them stand out from the crowd. Put simply we have created '...a coherent approach that aligns education, training, skills and employment services' within our Trust that employs both a values added and a value added approach to schooling. Our Trust's aim is to raise standards in education for all; we believe every young person deserves to have the best education possible.

### **Principal activities**

The principal activity of the charitable company is to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing the Academies within the Trust by offering a broad and balanced curriculum.

Beacon Multi Academy Trust provides excellent education, constantly striving to meet the needs of all students regardless of socio-economic background or ability.

Beal High School (BHS) provides outstanding 11-18 secondary education to over 2,500 students, Number on Roll (NOR 2840); the majority are drawn from the Academies designated catchment area and Post 16 from both the Beal and Forest catchment areas. Our carefully designed curriculum provides rigorous pathways to different types of success.

The Forest Academy (TFA) provides good 11-16 secondary education to over 550 students, (NOR 900 with an additional 200+ co-located Post 16 students who attend the Beal Sixth Form). Every student at the Forest Academy is guaranteed progression into Beal Sixth Form (if they meet the entry requirements) serving the local community with confidence by providing a good education. The Ofsted inspection in December 2017 validated this by judging The Forest Academy as Good for the second time in succession. The Academy is aiming for an outstanding rating.

The Beacon Business Innovation Hub (BBIH) opened in September 2014 and provides an innovative high-quality alternative provision driven by occupational related learning to 'broaden horizons' and 'close the gap' for vulnerable learners. BBIH is on an upward trajectory of 'rapid improvement' linked to 3 clear improvement priorities. The broadening curriculum offer and increasing roll are testament to its' sustainable success. As well as achieving key performance indicators including progress, attainment, attendance and 100% progression.



## **OBJECTIVES AND ACTIVITIES** (continued)

### **Principal activities** (continued)

All three Trust schools (including the amalgamated sixth form) and the SCITT have had a successful year in terms of attainment, progress, attendance and progression as key performance indicators.

### **Public benefit**

The primary purpose of the Beacon Multi Academy Trust is the advancement of education within the local area. The Trust has given a high priority to providing public benefit to a cross section of the community and regardless of family background, but perhaps the greatest benefit that the Trust can offer is the provision of an education that maximises each student's potential to develop into principled, informed, open minded and confident citizens who respect the beliefs of others and who are determined to make a positive contribution to society.

The Trustees have referred to the guidance in the Charity Commission's general guidance on public benefit when reviewing their aims and objectives and in planning future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

## **STRATEGIC REPORT**

### **Achievements and performance**

Our financial plan is proving sustainable with a projected cumulative surplus in Q2 2019/20. We are planning strategically for growth and income generation, based upon the assumption that this will further reduce the central service charge without increasing staffing. To date our integrated Education Brief (Blueprint) and curriculum efficiency is effective. This in turn increases our capacity for growth, as we would apply the same blueprint and curriculum efficiency model to schools potentially joining BMAT. Our capacity for S2SS (school 2 school support) has increased in line with our accurate financial forecast and stability.

The Trust accomplished an actual position above budget forecast, and achieved a surplus in all 3 schools and the SCITT this year. All Trust Executive financial targets were met or exceeded. Our end of year position far exceeded our financial plan forecast

To consolidate the above the Trust can demonstrate an outstanding track record in delivering our core purpose proven by continuously improving student progress and outcomes for our learners.

We are in the process of revising our financial plan to 2022, following our end of year. We are proud of what we have achieved financially within the context of positive student outcomes for all schools and our SCITT as outlined below.

**STRATEGIC REPORT** (continued)

**Achievements and performance** (continued)

***Beal high school***

Attainment
Attainment above the national average in all measures and for all cohorts within cohorts Achievement in English and Maths is well above the national average 24% of students achieving 7-9 in English and Maths 81% of students achieving 4-9 in English and Maths 17% of students achieved a grade 7+ in all their subjects
Progress
Overall Alps: 3 Progress 8 (Provisional): 0.451 (Top 18% of schools nationally)
Progression
100% students in Year 11 have planned progression routes 0% NEET (Not in Education, Employment or Training)

***Beal sixth form (First set of amalgamated results 2018/19)***

Attainment
A Level 43% of all grades A* - B 77% of all grades A* - C 98% pass rate Thirty students achieved grades of AAB or higher, including Beal campus head boy and head girl, both of whom achieved the highest grades in the cohort of A*, A*, A. At the Forest Academy campus their counterparts achieved four distinctions and three straight A grades respectively.
Vocational 36% D*- D 84% D*- M 100% pass rate
Progress
Overall ALPS currently: 4.7 for A level 5.0 for vocational
Progression
87% of students have taken up University places Approximately 25% at Russell group Universities 0% NEET (Not in Education, Employment or Training)

**STRATEGIC REPORT** (continued)

**Achievements and performance** (continued)

***The Forest Academy***

Attainment
Attainment has increased since 2018 (from 42.99 to 44.67) 35% of students achieving 9-5 in English and Maths 9% of students achieving 9-7 in English and Maths 56% of students achieving 9-4 in English and Maths 11% of students achieved an average A8 score of 70 or higher
Progress
Progress 8 (Provisional): 0.00
Progression
100% students in Year 11 have planned progression routes 0% NEET (Not in Education, Employment or Training)

***Beacon Business Innovation Hub – 14-19 Alternative Provision***

- ◆ Best ever results, including four students off to university.
- ◆ Results at Key Stage 4 and Key Stage 5 are well above national averages for other Alternative Providers.
- ◆ At KS4 the % of students who achieved a good pass in English and maths combined has doubled from last year.
- ◆ At Level 3, all but one course achieved a 100% A\* to C pass rate.
- ◆ Vocational results were excellent with a 98% pass rate.
- ◆ Year 11 results highlighted the great progress students can make with 79% of student meeting or exceeding their expected grades.
- ◆ One of the stars this year achieved 6's in double Science, Maths, History and a 7 in English – as well as completing a Level 2 Health and Social care course with a Distinction.

***2018/19 Results Headlines and School Priorities***

- 100% Pass rates in
- Catering L2
  - Childcare L2
  - History GCSE
  - Health and Social Care L2
  - ICT L2
  - Sport L2
  - Italian GCSE
  - Portuguese GCSE
  - Year 10

**STRATEGIC REPORT** (continued)

**Achievements and performance** (continued)

***Beacon Business Innovation Hub – 14-19 Alternative Provision (continued)***  
***2018/19 Results Headlines and School Priorities (continued)***

- ◆ Level 3 100% A-C grades:
  - Business
  - Italian (A Level)
  - ICT
  - Health and Social Studies
- ◆ Maths and English L2 Passes doubled since 2017/18

***NELTA (North East London Teaching Alliance) - SCITT***

- ◆ NELTA completion rate 2018/19 = 100% (national completion rate 2017/18 = 96%).
- ◆ NELTA awarding of QTS 2018/19 = 100% (national awarding rate 2017/18 = 91%).
- ◆ NELTA SCITT employment rate for 2018/19 cohort is currently 93% (national rate for 2016/2017 was 94%). 46% of 2018/19 cohort employed in partner schools and 25% in BMAT schools.
- ◆ Of those not currently employed both are actively seeking work in teaching.
- ◆ Currently approximately a quarter of current BMAT teaching staff (24%) have been through a NELTA ITT programme, either SCITT or School Direct with Kings/UCL.
- ◆ Attainment – 93% of trainees enrolled graded good or outstanding.

Outcomes are lower for 2018/19, but within the context of a lower starting point for the 2018/19 cohort:

- ◆ Trainees had significantly less experience in schools: 21% of the 2018/19 cohort had no experience in schools, vs only 7% of 2017/18 cohort
- ◆ More new graduates in 2018/19 cohort: 29% of trainees vs 25% of trainees in 2017/18 cohort.

***Recruitment***

- ◆ Recruitment for 2019/20 is very strong. 84 UCAS applications were received for the SCITT for the 2019/20 programme.
- ◆ 42 were made offers (50%). 79% (33 applicants) accepted their offer (5 more applicants than 2017/18).
- ◆ This bucks the national trend with ITT recruitment down on 2018/19.

**STRATEGIC REPORT** (continued)

**Achievements and performance** (continued)

***Key Financial Performance Indicators***

The Trust accomplished an actual position above budget forecast, and achieved a surplus in all 3 schools and the SCITT. All Trust Executive financial targets were met or exceeded. Our end of year position far exceeded our financial plan forecast. The Trust did err on the cautious and were prudent in our projected efficiencies. This was consolidated by additional income and 'little extras' funding.

The school and NELTA/SCITT financial targets were all achieved, or are projected for 2019/20 in the case of NELTA/SCITT. We have identified Post 16 AP student income as a cause for concern in 2019/20 and are addressing through student recruitment and a curriculum review. BBIH is secure financially next year with a view to ensuring a revised sustainable three year curriculum and staffing model from 2020/21, as necessary, within the constraints of reduced Post 16 funding.

The restructure in October 2018 yielded savings in excess of those projected resulting in us not needing to restructure again in April 2019 as outlined in the financial plan.

We had forecast that we required £750k in advances from the ESFA, this reduced to £500k in year as efficiencies were realised.

We are in the process of revising our financial plan to 2022, following closure of the end of year accounts. We are proud of what we have achieved financially within the context of positive student outcomes for all schools and our SCITT.

Budget forecasting from 2020/21 is very difficult within the current political climate, including the latest spending review announcements. We will be prudent in our income projection to ensure our recovery remains on an upward trajectory and is sustainable based upon current known income levels.

The BMAT risk register sets out the principal risks facing the Trust and the controls that exist to mitigate their effect. The risk and targets are monitored by the Finance & Risk Committee who in turn advise the Board in line with the financial plan monitoring and evaluation cycle.

## **FINANCIAL REVIEW**

Most of the Trust's income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2019 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The total income for the year was £21,243,000 (2018 – £20,830,000), of which £16,707,000 (2018 – £16,364,000) is General Annual Grant. The majority of the remainder is made up of other ESFA and Government Grants. The unrestricted element generated from donation, lettings, trip and other income.

The results for the period are shown on page 30.

The surplus of income over expenditure for the year (excluding restricted fixed asset funds and the actuarial loss and other adjustments on the Local Government Pension Scheme liability) was £813,000 (2018 – deficit of £1.41m). At 31 August 2019 the net book value of tangible fixed assets was £56,955,000 and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Trust.

At 31 August 2019, the Academy had total funds of £50,772,000 (2018 – £53,741,000). This comprised of £51,238,000 (2018 – £55,268,000) of restricted funds and a deficit balance of £466,000 (2018 – deficit of £1,527,000) of unrestricted general fund balances. The pension reserve balance, relating to the Local Government defined benefit scheme for non-teaching staff, was in deficit by £5,681,000 (2018 – deficit by £2,861,000) at 31 August 2019.

The financial plan discussed under the 'financial position' heading below sets out how the Trust aims to move to a cumulative surplus position in the next year, and future plans to build on the reserves balance over the next 3-5 years.

### **Financial Position**

The Trust is operating under a financial plan with the ESFA.

The financial plan actions initiated in 2017/18 have had a positive in year impact in 2018/19. Pay costs have significantly reduced month on month to exceed our staff cost targets. This is scheduled over three years, supported by the concurrent curriculum efficiency review across the Trust.

### **Reserves policy**

The Trustees review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees have determined that the appropriate level of free reserves should be equivalent to 2 weeks expenditure which would total some £0.8m. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

The Trust's free reserves surplus will be at its target in 2020/21 Q2. £0.8m exceeds 2 weeks expenditure.

## **FINANCIAL REVIEW** (continued)

### **Going Concern**

As stated above in the 'financial position' section, BMAT's agreed financial plan with the ESFA included cash advances during 2017/18 and 2018/19 in order for the Trust to continue in operation. The Trust reduced cash advance requirements from the ESFA during 2018/19 and no further cash is required for the Trust to remain in operation.

After making appropriate enquiries, and in light of the current progress under the financial plan, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

### **Investment Policy**

No investments are made at this time.

### **Principal risks and uncertainties**

Risk management is a key governance task for the Trust Board. The Board has delegated the task of monitoring the Trust's Strategic Risk Register to the Finance & Risk Committee. Individual Local Governing Bodies have delegated operational risk management processes, including premises and Health & Safety.

Feedback from the operational level informs the Strategic Risk Register through the escalation route. Each Academy and the SCITT within Beacon Academy Trust also conducts their own individual Risk Assessments, including those for safeguarding, premises, Health & Safety.

The Trust actively seeks to recognise both threats and opportunities, and decides how to respond to them, including the setting of internal controls. It takes a strategic view of risk across the Trust, factoring together all the relevant input it can reasonably use. For example, it may consider to what extent risks interact, cumulate or cancel each other out. Consideration of risk features in all the Board's significant decisions.

BMAT risk register sets out the principal risks facing the Trust, achieving the milestones and targets set out in the financial plan are paramount whilst maintaining the quality of provision in our schools and SCITT. The Trust considers the principal risks and uncertainties facing the Trust are the:

- ◆ Political uncertainty and its impact on education funding and financial planning
- ◆ Balanced budget whilst maintaining the quality of provision
- ◆ Sustainable 3 year curriculum and staffing model with % staff cost income below 74%

The Trust has undertaken a rigorous review of teaching staff and curriculum efficiency across the Trust; incorporating pupil teacher ratios, contact time, pupil adult ratios and class sizes. This has enabled savings combined with non-curriculum expenditure of circa £2.2m during 2018/19.

**FINANCIAL REVIEW** (continued)

**Principal risks and uncertainties** (continued)

As our financial plan proves sustainable we must plan strategically for growth and income generation, based upon the assumption that this will further reduce the central service charge without increasing staffing. To date our integrated Education Brief (Blueprint) and curriculum efficiency is effective. This in turn increases our capacity for growth, as we would apply the same blueprint and curriculum efficiency model to schools potentially joining BMAT. Our capacity for S2SS (school 2 school support) has increased in line with our accurate financial forecast and stability.

To consolidate the above the Trust can demonstrate an outstanding track record in delivering our core purpose proven by continuously improving student progress and outcomes for our learners.

All BMAT policies are available on our Trust and school websites.

**Disabled Employees**

The policy of the Trust is to support recruitment and retention of students and employees with disabilities. The Trust does this by adapting the physical environment, by making support resources available and through training and career development.

**Employee Consultation**

BMAT support staff review continues as we implement recommendations and conclusions and assimilate staff into the overarching BMAT administrative and central service structure.



## PLANS FOR FUTURE PERIODS

### Beacon Academy Trust strategic objectives – three year plan

#### **Strategic Objective 1: Further improving outcomes for children and young people and the Ofsted grades of Academies in the Trust**

- ◆ 2019/20 outcomes met or exceeded in all 3 schools and the SCITT
- ◆ BBIH Ofsted judgement 'good' if inspected 2019/20
- ◆ All schools good or outstanding

#### **Strategic Objective 2: Ensuring a financially viable and sustainable MAT**

- ◆ Consolidate and sustain curriculum and staff cost efficiencies in 2019/20 in line with financial plan
- ◆ Sustainable 3 year curriculum and staffing model across all 3 schools with % staff cost income below 74% (BBIH 2019/20 exception due to £200k reduction in income)
- ◆ Achieve 2019/20 end of year surplus circa £700k in line with budget forecast based on income position as at the beginning of the financial year
- ◆ Achieve cumulative surplus 2019/20 in Q2

#### **Strategic Objective 3: Risk management – strategic monitoring against KPIs**

- ◆ Meet and exceed Year 2 financial plan targets
- ◆ Reduction in key financial risks in year linked to student numbers and sustainable curriculum models
- ◆ Efficient and scalable central services team in place by August 2020

#### **Strategic Objective 4: Ensure strong leadership and governance**

- ◆ Robust governance at Board level including Finance and Risk, Standards & Effectiveness and Pay and Personnel Committees
- ◆ All three schools good or outstanding
- ◆ KPIs tracked and monitored against agreed Board targets
- ◆ Trust growth supports continuous improvement and efficiency
- ◆ Leadership capacity to support growth plans

## FUNDRAISING

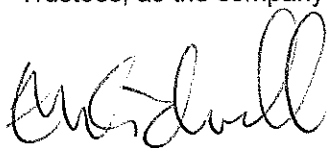
The Trust does not actively solicit donations and therefore is not registered with the Fundraising Regulator or subscribe to any fundraising codes of practice. When donations from individuals are received, the Trust aims to protect personal data and never sells data or swaps data with other organisations. During 2018/19, the Trust received no complaints about fundraising activities.

**AUDITOR**

In so far as the Trustees are aware:

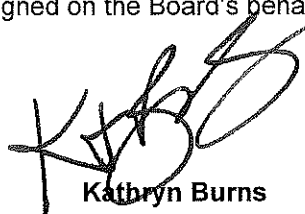
- ◆ there is no relevant audit information of which the charitable company's auditor is unaware; and
- ◆ the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors and signed on the Board's behalf by:



**Dr E Sidwell CBE**  
Chair of Board of Trustees of the Trust

Date: 3 December 2019



**Kathryn Burns**  
Chief Executive Officer

Date: 3 December 2019

## Governance statement Year to 31 August 2019

### Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Beacon Multi-Academy Trust 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 Trustees has delegated the day-to-day responsibility to the CEO, 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 Beacon Multi-Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 5 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustees	Meetings attended	Out of a possible
E Sidwell CBE (Chair)	5	5
S Ratman (Vice Chair)	5	5
N Butler	4	5
M Corck (Resigned 4 December 2018)	2	2
M Fuller	4	5
S Gibbons	4	5
P Leach (Appointed 31 May 2019)	1	1
B Panesar (Appointed 18 September 2018)	4	5
S Ramsay (Appointed 14 February 2019)	2	2
J Saini	4	5
E Slattery	4	5
M Stokes	4	5
A Weinberg	4	5

- ◆ The Board oversees the performance of the schools within the Academy, included recruitment of senior personnel and oversees the financial performance of the Trust.
- ◆ The Board has been regularly presented with the requested data, enabling them to keep a close watch on performance, progress and outcomes.
- ◆ The Board met less than six times in 2018/19. It has maintained effective oversight of funds with fewer meetings by delegating certain areas to sub-committees, which are described on the following pages.
- ◆ The Board has recruited 2 more Trustees through the Academy Ambassadors programme with the requisite skills identified through the governance review.
- ◆ The Board has recruited a former Headteacher as a Trustee to provide rigour and challenge to standards and effectiveness.

## **Governance statement** Year to 31 August 2019

### **Governance reviews:**

- ◆ The Board members regularly review the Trustees membership and skills
- ◆ New Trustee appointment made, who brings to the Board, valuable human resources experience
- ◆ New Trustee appointment made, who brings to the Board, valuable business and financial human experience
- ◆ New Trustee appointment made, who brings to the Board, valuable headteacher school leadership experience
- ◆ A Trustee's skills audit was undertaken in 2018/19 academic year;
- ◆ Auditors conducted a risk management audit in April 2019
- ◆ The governance action plan was reviewed and approved in July 2019
- ◆ The Risk Register was reviewed and approved in July 2019
- ◆ Reviewing risk management following the audit recommendations, the Board agreed the following:
  - ◇ The Finance and Risk Committee agreed to retain the register in its current format as it monitors significant risk beyond financial risks, including, but not exhaustively, health & safety and reputational risks. The June risk register review has taken into account the significant reduction in financial risk, summarised at the beginning of the register. It will be reviewed and RAG rated again in October following the pupil census deadline.
  - ◇ For Beacon Academy Trust, risk management is a key governance task for the Board. The Board has delegated the task of monitoring the Trust's Strategic Risk Register and Business Continuity Plan to the Finance & Risk Committee. Individual Local Governing Bodies have delegated operational risk management processes, including premises and Health & Safety.

### **Finance and Risk Committee**

The Finance and Risk Committee is responsible to the Board of Trustees. The main purpose of the Committee is to advise the Board of Trustees on the Trust's assurance framework and the provision of the opinion in the annual accounts. The Committee will deal with such other financial, audit and risk matters as may from time to time be referred to the Committee for consideration or approval. The Finance and Risk Committee has the authority to investigate any activity within its terms of reference. The Finance and Risk Committee has the right of access to obtain all the information and explanations it considers necessary, from whatever source, to fulfil its remit and all officers of the Trust shall be directed to co-operate with any request made. The Committee will also review its own effectiveness and these terms of reference on an annual basis and report the outcome and make recommendations to the Trust Board.

## Governance statement Year to 31 August 2019

### Finance and Risk Committee (continued)

Attendance at meetings in the year was as follows:

Members	Meetings attended	Out of a possible
Suda Ratnam (Chair)	6	6
E Sidwell CBE	6	6
M Corck (Resigned 4 December 2018)	1	3
B Panesar (From 18 September 2018)	4	5
J Saini	6	6
E Slattery (From 26 November 2018)	3	4
K Burns - CEO/Accounting Officer (in attendance)	6	6
D Bamrah – Chief Finance Officer (in attendance)	6	6

### Review of value for money

As Accounting Officer, the Chief Executive Officer 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:

- ◆ Carrying out a curriculum efficiency and staffing audit across the Trust
- ◆ Systems and infrastructure efficiency review
- ◆ Review and cost benefit analysis of contracts and services

### Capacity to handle risk

The Board of Trustees 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 Trustees 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 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. The Board of Trustees regularly reviews this process at the Finance and Risk Committee.

## **Governance statement** Year to 31 August 2019

### **The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. Therefore, it can 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 Beacon Multi-Academy Trust for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

### **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 Trustees
- ◆ regular reviews by the Trust Executive Finance and Risk 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 Members and Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Buzzacott as internal auditor with effect from 11 June 2018.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular, the checks carried out in the current period included:

- ◆ testing of payroll systems
- ◆ testing of income reconciliations
- ◆ testing of purchase systems
- ◆ testing of control account/ bank reconciliations
- ◆ review of risk management

On a termly basis, the internal auditor reports to the Board of Trustees, through the Finance Director and Finance and Risk Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

## Governance statement Year to 31 August 2019

### The risk and control framework (continued)

The internal auditor has delivered their schedule of work as planned; no material control issues have arisen as a result of the internal auditor's work.

### Review of effectiveness

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

- ◆ the work of the internal auditor;
- ◆ the work of the external auditor;
- ◆ the financial management and governance self-assessment process; and
- ◆ the work of the Trust executive within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Finance and Risk Committee have advised the Accounting Officer of the implications of the result of their review of the system of internal control and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 3 December 2019 and signed on its behalf by:



Dr E Sidwell CBE  
(BMAT Chair)



Kathryn Burns  
(Accounting Officer)

## Statement on regularity, propriety and compliance Year to 31 August 2019

As Accounting Officer of Beacon Multi-Academy Trust, I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2018.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Board of Trustees and ESFA.

A handwritten signature in black ink, appearing to read 'K. Burns', with a long, sweeping flourish extending upwards and to the right.

Kathryn Burns

Accounting Officer

Date: 3 December 2019



## Statement of Trustees' responsibilities Year to 31 August 2019

The Trustees (who act as governors of Beacon Multi-Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees 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 Trustees are required to:

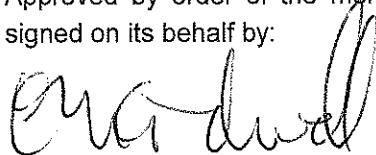
- ◆ select suitable accounting policies and then apply them consistently
- ◆ observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019
- ◆ make judgments and accounting estimates that are reasonable and prudent
- ◆ state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The Trustees 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 Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

The Trustees 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 Trustees on 3 December 2019 and signed on its behalf by:



Dr E Sidwell CBE

BMAT Chair

## **Independent auditor's report on the financial statements** Year to 31 August 2019

### **Independent auditor's report to the members of Beacon Multi-Academy Trust Limited**

#### **Opinion**

We have audited the financial statements of Beacon Multi Academy Limited (the 'charitable parent company') and its subsidiary (the 'group') for the year ended 31 August 2019 which comprise the group statement of financial activities, the group and charitable parent company's balance sheets, the group statement of cash flows, the principal accounting policies and the notes to the financial statements. 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), Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (the Charities SORP 2015) and the Academies Accounts Direction 2018 to 2019.

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the group's and of the charitable parent company's affairs as at 31 August 2019 and of the group's and charitable parent company's income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006; and
- ◆ have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2018 to 2019.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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.

#### **Material uncertainty relating to going concern**

The financial statements for the year ended 31 August 2019 have been prepared by the Trustees on a going concern basis. Details relating to the Trustees' assessment of the going concern position is disclosed on page 13 of the Trustees' report, and as part of the principal accounting policies on page 34. We draw your attention to these pages, where it states that the Trust is operating under a financial plan with the ESFA.

Our opinion is not modified in respect of this matter.

## **Independent auditor's report on the financial statements Year to 31 August 2019**

### **Other conclusions relating to going concern**

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

- ◆ the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- ◆ the Trustees' have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company'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 (covers the reference and administrative details, the report of the governors and strategic report and the governance statement)**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements, 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.

### **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 Trustees' report, which is also the director's report for the purposes of company law and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the Trustees' report, which is also the directors' report for the purposes of company law and includes the 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the strategic report.

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

## Independent auditor's report on the financial statements Year to 31 August 2019

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

- ◆ 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 Trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit.

### **Responsibilities of Trustees**

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees 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 Trustees are responsible for assessing the charitable company'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 Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Independent auditor's report on the financial statements Year to 31 August 2019

### Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Buzzacott LLP*

Hugh Swainson (Senior Statutory Auditor)  
For and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

*13 December 2019*

**Independent reporting accountant's assurance report on regularity to Beacon Multi Academy Trust and the Education and Skills Funding Agency**

In accordance with the terms of our engagement letter dated 13 July 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Beacon Multi Academy Trust during the period from 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Beacon Multi Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Beacon Multi Academy Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Beacon Multi Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Beacon Multi Academy Trust Accounting Officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of Beacon Multi Academy Trusts funding agreement with the Secretary of State for Education dated 20 August 2012 and the Academies Financial Handbook 2018, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period from 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

## Independent reporting accountant's report Year to 31 August 2019

### Approach (continued)

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:

- ◆ An assessment of the risk of material irregularity and impropriety across all of the Academy Trust's activities;
- ◆ Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- ◆ Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

### Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects:

- a) the expenditure disbursed and income received during the period from 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament; and
- b) the financial transactions do not conform to the authorities which govern them.



Statutory Auditor  
Buzzacott LLP  
130 Wood Street  
London  
EC2V 6DL

13 December 2019

**Consolidated statement of financial activities** Year to 31 August 2019  
(including an income and expenditure account)

	Notes	Restricted funds			Total funds 2019 £'000	Total funds 2018 £'000
		Un- restricted general funds £'000	Restricted general funds £'000	Fixed assets funds £'000		
<b>Income from:</b>						
Donations and capital grants	1	8	—	497	505	507
Charitable activities						
. Funding for the Academy Trust's educational operations	2	—	19,076	—	19,076	18,439
. Teaching schools	2,26	—	475	—	475	666
Other trading activities	3	296	890	—	1,186	1,218
Investments		1	—	—	1	—
<b>Total income</b>		<b>305</b>	<b>20,441</b>	<b>497</b>	<b>21,243</b>	<b>20,830</b>
<b>Expenditure on:</b>						
Charitable activities						
. Academy's educational operations	5	122	19,721	1,598	21,441	23,575
. Teaching schools	4,26	—	373	—	373	476
<b>Total expenditure</b>	4	<b>122</b>	<b>20,094</b>	<b>1,598</b>	<b>21,814</b>	<b>24,051</b>
<b>Net income (expenditure) before transfers</b>		<b>183</b>	<b>347</b>	<b>(1,101)</b>	<b>(571)</b>	<b>(3,221)</b>
Transfer between funds	18	878	(1,017)	139	—	—
<b>Other recognised gains and losses</b>						
Actuarial (losses) gains on defined benefit pensions schemes	22	—	(2,398)	—	(2,398)	969
<b>Net movement in funds</b>		<b>1,061</b>	<b>(3,068)</b>	<b>(962)</b>	<b>(2,969)</b>	<b>(2,252)</b>
<b>Reconciliation of funds</b>						
Fund balances brought forward at 1 September 2018		(1,527)	(2,613)	57,881	53,741	55,993
<b>Fund balances carried forward at 31 August 2019</b>	18	<b>(466)</b>	<b>(5,681)</b>	<b>56,919</b>	<b>50,772</b>	<b>53,741</b>

All of the Academy Trust's activities derive from continuing operations in the above two financial periods.

All gains and losses are included in the statement of financial activities.

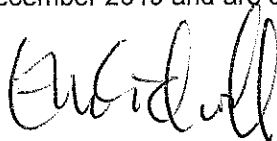


## Balance sheets As at 31 August 2019

	Notes	2019		2018	
		Group £'000	Academy £'000	Group £'000	Academy £'000
<b>Fixed assets</b>					
Intangible fixed assets	13	8	8	12	12
Tangible fixed assets	14	56,955	56,955	57,732	57,732
		<u>56,963</u>	<u>56,963</u>	<u>57,744</u>	<u>57,744</u>
<b>Current assets</b>					
Debtors	15	642	653	481	500
Cash at bank and in hand		946	927	245	235
		<u>1,588</u>	<u>1,580</u>	<u>726</u>	<u>735</u>
<b>Creditors: amounts falling due within one year</b>	16	<u>(1,598)</u>	<u>(1,590)</u>	<u>(1,618)</u>	<u>(1,627)</u>
<b>Net current liabilities</b>		<u>(10)</u>	<u>(10)</u>	<u>(892)</u>	<u>(892)</u>
<b>Total assets less current liabilities</b>		<u>56,953</u>	<u>56,953</u>	<u>56,852</u>	<u>56,852</u>
<b>Creditors: Amounts failing due after more than one year</b>	17	<u>(500)</u>	<u>(500)</u>	<u>(250)</u>	<u>(250)</u>
<b>Net assets excluding pension scheme liability</b>		<u>56,453</u>	<u>56,453</u>	<u>56,602</u>	<u>56,602</u>
Defined benefit pension scheme liability	22	(5,681)	(5,681)	(2,861)	(2,861)
<b>Net assets including pension scheme liabilities</b>		<u>50,772</u>	<u>50,772</u>	<u>53,741</u>	<u>53,741</u>
<b>Funds of the Trust</b>					
Restricted income funds:					
. Restricted income funds	18	—	—	248	248
. Restricted fixed assets fund	18	56,919	56,919	57,881	57,881
Restricted income funds excluding pension liability		<u>56,919</u>	<u>56,919</u>	<u>58,129</u>	<u>58,129</u>
. Pension reserve		(5,681)	(5,681)	(2,861)	(2,861)
Total restricted income funds		<u>51,238</u>	<u>51,238</u>	<u>55,268</u>	<u>55,268</u>
Unrestricted income funds	18	(466)	(466)	(1,527)	(1,527)
<b>Total funds</b>		<u>50,772</u>	<u>50,772</u>	<u>53,741</u>	<u>53,741</u>

The financial statements on page 30 to 58 were approved by the Trustees, and authorised for issue on 3 December 2019 and are signed on their behalf by:

E Sidwell CBE  
Chair



Beacon Multi-Academy Trust  
Company Limited by Guarantee  
Registration Number: 07835788 (England and Wales)

## Consolidated statement of cash flows Year to 31 August 2019

		2019 £'000	2018 £'000
<b>Cash flows from operating activities</b>			
Net cash provided by (used in) operating activities	A	770	(1,363)
<b>Cash flows from investing activities</b>			
Net cash (used in) provided by investing activities	B	(319)	139
<b>Cash flows from financing activities</b>			
	C	250	250
<b>Change in cash and cash equivalents in the year</b>		<b>701</b>	<b>(974)</b>
<b>Reconciliation of net cash flow to movement in net funds:</b>			
Cash and cash equivalents at 1 September 2018		245	1,219
Cash and cash equivalents at 31 August 2019	D	946	245

### A Reconciliation of net expenditure to net cash provided by (used in) operating activities

	2019 £'000	2018 £'000
<b>Net expenditure for the year (as per the statement of financial activities)</b>	<b>(571)</b>	<b>(3,221)</b>
<b>Adjusted for:</b>		
Depreciation (note 14)	1,594	1,711
Amortisation (note 13)	4	4
Capital grants from DfE and other capital income	(497)	(500)
Interest receivable	(1)	—
Defined benefit pension scheme cost less contributions payable (note 22)	337	500
Defined benefit pension scheme finance cost (note 22)	85	87
(Increase) decrease in debtors	(161)	252
Decrease in creditors	(20)	(196)
<b>Net cash provided by (used in) operating activities</b>	<b>770</b>	<b>(1,363)</b>

### B Cash flows from investing activities

	2019 £'000	2018 £'000
Dividends, interest and rents from investments	1	—
Purchase of tangible fixed assets	(817)	(361)
Capital grants from DfE/EFSA	497	500
<b>Net cash (used in) provided by investing activities</b>	<b>(319)</b>	<b>139</b>

### C Cash flows from financing activities

	2019 £'000	2018 £'000
Cash inflows from new borrowing	250	250

**Consolidated statement of cash flows** Year to 31 August 2019

**D Analysis of cash and cash equivalents**

	2019 £'000	2018 £'000
Cash at bank and in hand	<b>946</b>	<b>245</b>

## **Principal accounting policies** Year to 31 August 2019

### **Statement of accounting policies**

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

### **Basis of preparation**

These financial statements have been prepared for the year to 31 August 2019 with comparative information provided in respect to the year to 31 August 2018.

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The financial statements are presented in sterling and rounded to the nearest thousand.

### **Consolidation**

The statement of financial activities and balance sheet consolidate the financial statements of the Academy Trust and its subsidiary undertaking, Beacon Education Services Trading Ltd, made up to the Balance Sheet date. Intragroup transactions are eliminated in full. The results of the trading subsidiary are set out in note 11.

### **Going concern**

After making appropriate enquiries, and in light of the current progress under the financial plan, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Trustees' report on page 13.

### **Income**

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

Grants are included in the Statement of Financial Activities 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.

## **Principal accounting policies** Year to 31 August 2019

### **Income** (continued)

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

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

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

### **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.

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

All expenditure is inclusive of irrecoverable VAT.

### **Intangible fixed assets and amortisation**

Intangible assets costing £10,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment

### **Tangible fixed assets and depreciation**

All assets costing more than £10,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

## Principal accounting policies Year to 31 August 2019

### **Tangible fixed assets and depreciation** (continued)

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

### **The Forest Academy**

The valuation for the leasehold property is taken from the Drivers Jonas Deloitte desktop valuation completed for the ESFA. The basis of the value is Fair Value, as defined by the International Financial Reporting Standards (IFRS). No value for land had been included.

### **Beal High School and Beacon Business Innovation Hub**

The valuation for the leasehold property on conversion is taken from 75% of the insurance valuation placed on the property. This is based on depreciated replacement cost. In addition to this subsequent buildings constructed post conversion have been included based on build cost provided by the London Borough of Redbridge or costs paid by the Academy. No value for land had been included.

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

Long-term leasehold property	- 2% Straight line
Plant and machinery	- 10% Straight line
Motor vehicles	- 20% Straight line
Fixtures and fittings	- 10% Straight line
Computer 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 incorporating an income and expenditure account.

## Principal accounting policies Year to 31 August 2019

### **Liabilities**

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

### **Leased assets**

Rentals under operating leases are charged to the Statement of Financial Activities incorporating income and expenditure account on a straight line basis over the lease term.

### **Debtors**

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

### **Cash at Bank and in hand**

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

### **Financial instruments**

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. 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 costs as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

### **Agency arrangements**

The Academy Trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the Trust does not have control over the charitable application of the funds. The Trust can use a small percentage 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.

### **Taxation**

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

### **Pensions benefits**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate Trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities incorporating an income and expenditure account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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



## Principal accounting policies Year to 31 August 2019

### **Fund accounting**

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

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

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

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

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

### ***Critical accounting estimates and assumptions:***

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

- ◆ The present value of the Local Government Pension Scheme defined benefit liability

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

- ◆ Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual value of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancements, future investments, economic utilisation and the physical condition of the assets. See note 14 for the carrying amount of the property, plant and equipment, and note 1.7 for the useful economic lives for each class of assets.

Notes to the financial statements Year to 31 August 2019

**1 Income from donations and capital grants**

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed asset funds £'000	Total funds 2019 £'000
Donations	8	—	—	8
Capital grants	—	—	497	497
	<b>8</b>	<b>—</b>	<b>497</b>	<b>505</b>

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed asset funds £'000	Total funds 2018 £'000
Donations	7	—	—	7
Capital grants	—	—	500	500
	<b>7</b>	<b>—</b>	<b>500</b>	<b>507</b>

**2 Funding for the Academy Trust's educational operations**

	Unrestricted funds £'000	Restricted funds £'000	Total funds 2019 £'000
<b>DfE/ESFA grants</b>			
General Annual Grant (GAG)	—	16,707	16,707
Other DfE/ESFA grants	—	942	942
Teaching School	—	475	475
<b>Other government grants</b>			
Local Authority Grants	—	1,427	1,427
	<b>—</b>	<b>19,551</b>	<b>19,551</b>

	Unrestricted funds £'000	Restricted funds £'000	Total funds 2018 £'000
<i>DfE/ESFA grants</i>			
<i>General Annual Grant (GAG)</i>	—	16,364	16,364
<i>Start up grants</i>	—	1	1
<i>Other DfE/ESFA grants</i>	—	750	750
<i>Teaching School</i>	—	666	666
<i>Other government grants</i>			
<i>Local Authority Grants</i>	—	1,324	1,324
	<b>—</b>	<b>19,105</b>	<b>19,105</b>

Notes to the financial statements Year to 31 August 2019

**3 Other trading activities**

	Unrestricted funds £'000	Restricted funds £'000	Total funds 2019 £'000
Lettings	56	—	56
Catering income	—	866	866
Trip income	120	—	120
Other income	120	24	144
	<b>296</b>	<b>890</b>	<b>1,186</b>

	Unrestricted funds £'000	Restricted funds £'000	Total funds 2018 £'000
Lettings	77	—	77
Catering income	—	762	762
Trip income	175	—	175
Other income	74	130	204
	<b>326</b>	<b>892</b>	<b>1,218</b>

**4 Expenditure**

	Staff costs £'000	Non pay expenditure		Total funds 2019 £'000
		Premises £'000	Other costs £'000	
Educational operations:				
· Direct costs	12,934	1,594	852	15,380
· Support costs	3,379	1,164	1,518	6,061
Teaching schools	241	—	132	373
	<b>16,554</b>	<b>2,758</b>	<b>2,502</b>	<b>21,814</b>

	Staff costs £'000	Non pay expenditure		Total funds 2018 £'000
		Premises £'000	Other costs £'000	
Educational operations:				
· Direct costs	14,409	1,711	1,005	17,125
· Support costs	3,644	1,019	1,787	6,450
Teaching schools	184	—	292	476
	<b>18,237</b>	<b>2,730</b>	<b>3,084</b>	<b>24,051</b>

Notes to the financial statements Year to 31 August 2019

4 Expenditure (continued)

Net expenditure	Total funds 2019 £'000	Total funds 2018 £'000
This is stated after charging		
Depreciation	1,594	1,711
Operating lease rentals	182	227
Amortisation	4	4
Fees payable to auditor		
· Statutory audit (parent charity and consolidation)	16	16
· Statutory audit (trading subsidiary)	2	2
· Other services	14	15

5 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total funds 2019 £'000
Direct costs – educational operations	—	15,380	15,380
Support costs – educational operations	122	5,939	6,061
	122	21,319	21,441

	Unrestricted funds £'000	Restricted funds £'000	Total funds 2018 £'000
Direct costs – educational operations	—	17,125	17,125
Support costs – educational operations	1,808	4,642	6,450
	1,808	21,767	23,575

Analysis of support costs	Total funds 2019 £'000	Total funds 2018 £'000
Support staff costs	3,379	3,644
Technology costs	341	326
Premises costs	1,164	1,019
Other support costs	1,087	1,258
Governance costs (note 7)	90	203
<b>Total support costs</b>	<b>6,061</b>	<b>6,450</b>

Notes to the financial statements Year to 31 August 2019

**6 Governance costs**

	2019 Total funds £'000	2018 Total funds £'000
Auditor's remuneration	32	33
Legal and professional fees	58	170

**7 Comparative information**

Analysis of income and expenditure in the year ended 31 August 2018 between restricted and unrestricted funds:

	Un- restricted general funds £'000	Restricted funds		Total funds 2018 £'000
		Restricted general funds £'000	Fixed assets funds £'000	
<b>Income from:</b>				
Donations and capital grants	7	—	500	507
Charitable activities	—	18,439	—	18,439
Other trading activities	326	892	—	1,218
Teaching schools	—	666	—	666
<b>Total income</b>	<b>333</b>	<b>19,997</b>	<b>500</b>	<b>20,830</b>
<b>Expenditure on:</b>				
Teaching schools	—	476	—	476
Charitable activities	2,061	19,799	1,715	23,575
Other expenditure	—	—	—	—
<b>Total expenditure</b>	<b>2,061</b>	<b>20,275</b>	<b>1,715</b>	<b>24,051</b>
<b>Net expenditure before transfers</b>	<b>(1,728)</b>	<b>(278)</b>	<b>(1,215)</b>	<b>(3,221)</b>
Transfer between funds	—	2	(2)	—
<b>Other recognised gains and losses</b>				
Actuarial gains on defined benefit pensions schemes	—	969	—	969
<b>Net movement in funds</b>	<b>(1,728)</b>	<b>693</b>	<b>(1,217)</b>	<b>(2,252)</b>
<b>Reconciliation of funds</b>				
Fund balances brought forward at 1 September 2017	201	(3,306)	59,098	55,993
<b>Fund balances carried forward at 31 August 2018</b>	<b>(1,527)</b>	<b>(2,613)</b>	<b>57,881</b>	<b>53,741</b>

Notes to the financial statements Year to 31 August 2019

**8 Staff costs**

Staff costs were as follows:

	2019 Total funds £'000	2018 Total funds £'000
Wages and salaries	12,683	14,084
Social security costs	1,255	1,382
Pension costs	2,280	2,626
Apprenticeship levy	47	54
	<b>16,265</b>	<b>18,146</b>
Supply teacher costs	224	5
Staff restructuring costs	65	86
	<b>16,554</b>	<b>18,237</b>

	2019 Total funds £'000	2018 Total funds £'000
<b>Staff restructuring costs comprise:</b>		
Redundancy payments	—	6
Severance payments	65	80
	<b>65</b>	<b>86</b>

	2019 Total funds £'000	2018 Total funds £'000
<b>Non statutory/non-contractual staff severance payments</b>		
Total non-contractual severance payments 2019	7	59

Individually the payments for 2018/19 were: £6,707.

Individually the payments for 2017/18 were: £31,795 and £27,225.

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

	2019 No.	2018 No.
Teaching	227	266
Administration and support	191	229
Management	6	7
	<b>424</b>	<b>502</b>

**Notes to the financial statements** Year to 31 August 2019

**8 Staff costs** (continued)

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

Higher paid staff	2019 No.	2018 No.
£60,001 - £70,000	1	7
£70,001 - £80,000	5	2
£80,001 - £90,000	3	3
£90,001 - £100,000	1	2
£100,001 - £110,000	—	1
£110,001 - £120,000	—	—
£120,001 - £130,000	—	1
£140,001 - £150,000	1	—

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension and national insurance contributions) received by key management personnel for their services to the Academy Trust was £769,846 (2018 - £932,455).

**9 Trustees' remuneration and expenses**

There were no staff Trustees in the year (2018 – one). The value of Trustees' remuneration and other benefits was as follows:

	2019 £'000	2018 £'000
K Burns		
Remuneration	—	120-130
Pension contributions paid	—	—

The CEO of the Trust resigned as a Trustee in 2017/18. Remuneration in 2017/18 related to employment as CEO and not in respect of services as Trustee.

During the year ended 31 August 2019, travel and subsistence expenses totalling £396 (2018 – £1,457) were reimbursed to one Trustee (2018 – 3).

Other related party transactions are set out in note 24.

#### 10 Trustees' and Officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees' and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for year is included in the total insurance cost.

#### 11 Commercial trading operations

The share capital of Beacon Educational Services Trading Ltd, a company registered in England and Wales (company number 10877387), was issued to the Trust on 21 July 2017. The company is used for the provision of cleaning services to the Trust.

	2019 £'000	2018 £'000
Turnover	382	334
Cost of sales	(382)	(334)
Gross profit	—	—
Administration expenses	—	—
Operating costs	—	—
Other interest receivable	—	—
Profit/(loss) before tax	—	—
<b>Profit/(loss) for the financial period</b>	<b>—</b>	<b>—</b>
The assets and liabilities of the subsidiary were:		
	2019 £'000	2018 £'000
Current assets	16	25
Creditors: amounts falling due within one year	(17)	(25)
<b>Total assets less current liabilities</b>	<b>(1)</b>	<b>—</b>

#### 12 Central services

The Trust has provided the following central services to its Academies during the year:

- ◆ HR;
- ◆ Finance;
- ◆ IT;
- ◆ Insurance
- ◆ Trust executive: support QA including VfM and school improvement;
- ◆ Trust and LGB constitution, delegation, management and clerk services;
- ◆ S2SS (school to school support);
- ◆ ITT recruitment, selection and training;
- ◆ Contracts, procurement and tendering;
- ◆ Legal services; and
- ◆ Audit services.



**Notes to the financial statements** Year to 31 August 2019

**12 Central services** (continued)

The Academy charges for these services proportionate to income per school recognised in the year.

The actual amounts charged during the year were as follows:

	2019 £'000	2018 £'000
Beal High School	1,222	1,354
The Forest Academy	425	550
Beacon Business Innovation Hub	90	112
SCITT	38	43
<b>Total</b>	<b>1,775</b>	<b>2,059</b>

**13 Intangible fixed assets**

<b>Group and Academy</b>	Software Licences £'000	Total Funds £'000
<b>Cost</b>		
At 1 September 2018 and at 31 August 2019	98	98
<b>Amortisation</b>		
At 1 September 2018	86	86
Charge for the year	4	4
At 31 August 2019	90	90
<b>Carrying amount</b>		
At 31 August 2019	8	8
At 31 August 2018	12	12

**14 Tangible fixed assets**

<b>Group and Academy</b>	Leasehold land and buildings £'000	Motor vehicles £'000	Furniture and equipment £'000	Computer equipment £'000	<b>Total funds £'000</b>
<b>Cost/valuation</b>					
At 1 September 2018	63,109	3	1,538	1,723	<b>66,373</b>
Additions	691	—	113	13	<b>817</b>
At 31 August 2019	<u>63,800</u>	<u>3</u>	<u>1,651</u>	<u>1,736</u>	<b>67,190</b>
<b>Depreciation</b>					
At 1 September 2018	6,363	1	758	1,519	<b>8,641</b>
Charge in year	1,268	1	157	168	<b>1,598</b>
At 31 August 2019	<u>7,631</u>	<u>2</u>	<u>915</u>	<u>1,687</u>	<b>10,235</b>
<b>Net book value</b>					
At 31 August 2019	<u>56,169</u>	<u>1</u>	<u>736</u>	<u>49</u>	<b>56,955</b>
At 1 September 2018	<u>56,746</u>	<u>2</u>	<u>780</u>	<u>204</u>	<b>57,732</b>

**15 Debtors**

<b>Group</b>	2019 £'000	2018 £'000
Trade debtors	62	46
VAT recoverable	83	69
Prepayments and accrued income	491	362
Other debtors	6	4
	<u>642</u>	<u>481</u>
<b>Academy</b>		
	2019 £'000	2018 £'000
Trade debtors	62	46
VAT recoverable	96	87
Prepayments and accrued income	491	363
Amounts owed from subsidiary	3	—
Other debtors	1	4
	<u>653</u>	<u>500</u>

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

<b>Group</b>	2019 £'000	2018 £'000
Trade creditors	514	138
Other taxations and social security	298	352
Other creditors	223	253
Accruals and deferred income	563	875
	<u>1,598</u>	<u>1,618</u>

**Notes to the financial statements** Year to 31 August 2019

**16 Creditors: amounts falling due within one year (continued)**

<b>Academy</b>	<b>2019 £'000</b>	<b>2018 £'000</b>
Trade creditors	506	154
Taxations and social security	298	352
Other creditors	223	253
Accruals and deferred income	563	868
	<b>1,590</b>	<b>1,627</b>
<b>Deferred income</b>	<b>2019 £'000</b>	<b>2018 £'000</b>
<b>Group and Academy</b>		
<b>Deferred income</b>		
Deferred income at 1 September 2018	313	112
Resources deferred during the year	(313)	(112)
Amounts released from previous years	252	(313)
Deferred income at 31 August 2019	<b>252</b>	<b>313</b>

At the balance sheet date the Academy Trust was holding funds received in advance for the reimbursements of rates and insurance in respect of the following financial year.

**17 Creditors: Amounts falling due in greater than one year**

<b>Group and Academy</b>	<b>2019 £'000</b>	<b>2018 £'000</b>
Loans	500	250
	<b>500</b>	<b>250</b>

A loan of £250,000 was received from the ESFA in 2017/18, and a further £250,000 was received in 2018/19. The loan is provided on the following terms;

- ◆ No interest is payable.
- ◆ The first repayment is due on 1 September 2020.
- ◆ Repayments will be made of £10,417 each month for 24 months.
- ◆ BMAT did not require £250,000 scheduled advance in February 2019.

Notes to the financial statements Year to 31 August 2019

18 Funds

	Balance at 1 September 2018 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2019 £'000
<b>Unrestricted funds</b>					
Unrestricted funds	(1,527)	305	(122)	878	(466)
<b>Restricted funds</b>					
. General Annual Grant (GAG)	—	16,707	(16,060)	(647)	—
. Pupil premium	—	562	(562)	—	—
. Other DfE/ESFA grant	—	380	(380)	—	—
. Teaching schools	248	475	(353)	(370)	—
Local authority grants	—	1,427	(1,427)	—	—
Other restricted funds	—	890	(890)	—	—
Pension reserve	(2,861)	—	(422)	(2,398)	(5,681)
<b>Total restricted funds</b>	<b>(2,613)</b>	<b>20,441</b>	<b>(20,094)</b>	<b>(3,415)</b>	<b>(5,681)</b>
<b>Restricted fixed asset funds</b>					
Assets held for depreciation	57,744	—	(1,598)	817	56,963
DfE/ESFA capital grants	137	497	—	(678)	(44)
	57,881	497	(1,598)	139	56,919
<b>Total funds</b>	<b>53,741</b>	<b>21,243</b>	<b>(21,814)</b>	<b>(2,398)</b>	<b>50,772</b>

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

**ESFA revenue grant fund and other restricted funds**

*General Annual Grant (GAG)*

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2019.

Transfers from GAG to unrestricted funds are reimbursements for previous overspends temporarily covered by unrestricted funds.

*Other restricted funds*

Other restricted funds are applied specifically in accordance with the rules of each grant and support the education provision delivered by the Academy Trust.

Transfers from the teaching school to unrestricted funds represent the contribution to the costs of delivering the teaching school at the Academy Trust.

**Fixed asset fund**

These grants relate to funding received from the ESFA and Local Authority to carry out works of a capital nature. CIF funding will be received in 2019/20 which has been partly spent down in 2018/19.

**Pension reserve**

The pension reserve relates to the Academy's Local Government Pension Scheme liability for support staff.

Notes to the financial statements Year to 31 August 2019

18 Funds (continued)

**Comparative information**

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

	Balance at 1 September 2017 £'000	Income £'000	Expenditure £'000	Gains/ (losses) and transfers £'000	Balance at 31 August 2018 £'000
<b>Unrestricted funds</b>					
Unrestricted funds	201	333	(2,061)	—	(1,527)
<b>Restricted general fund</b>					
. General Annual Grant (GAG)	(121)	16,364	(16,245)	2	—
. Start up grants	—	1	(1)	—	—
. Pupil premium	—	592	(592)	—	—
. Other DfE/ESFA grant	—	158	(158)	—	—
. Teaching schools	58	666	(476)	—	248
Local authority grants	—	1,324	(1,324)	—	—
Other restricted funds	—	892	(892)	—	—
Pension reserve	(3,243)	—	(587)	969	(2,861)
<b>Total restricted funds</b>	<b>(3,306)</b>	<b>19,997</b>	<b>(20,275)</b>	<b>971</b>	<b>(2,613)</b>
<b>Restricted fixed asset fund</b>					
Assets held for depreciation	59,098	—	(1,715)	361	57,774
Other capital funding	—	500	—	(363)	137
	59,098	500	(24,051)	(2)	57,881
<b>Total funds</b>	<b>55,993</b>	<b>20,830</b>	<b>(24,051)</b>	<b>969</b>	<b>53,741</b>

Analysis of fund balance by Academy

	2019 £'000	2018 £'000
<b>Fund balances at 31 August 2019 were as follows:</b>		
Beal High School inc. NELTA and SCITT	(1,081)	(1,682)
The Forest Academy	171	83
Beacon Innovation Hub	398	282
Central Trust	46	38
<b>Total before fixed assets and pension reserve</b>	<b>(466)</b>	<b>(1,279)</b>
Restricted fixed asset fund	56,919	57,881
Pension reserve	(5,681)	(2,861)
<b>Total</b>	<b>50,772</b>	<b>53,741</b>

Plans to reduce the overall deficit including the deficit on Beal High School (incorporating NELTA and SCITT) are discussed in the Trustees' report on page 15.

Notes to the financial statements Year to 31 August 2019

18 Funds (continued)

Expenditure incurred by each Academy during the year was as follows:

	Teaching and educational support staff costs £'000	Other support staff costs £'000	Educational supplies £'000	Other costs (excluding depreciation) £'000	Total 2019 £'000
Beal High School (inc. NELTA and SCITT)	8,893	1,488	605	1,740	12,726
The Forest Academy	3,097	584	188	568	4,437
Beacon Innovation Hub	701	57	52	47	857
Central services	240	1,111	2	843	2,196
<b>Total expenditure</b>	<b>12,931</b>	<b>3,240</b>	<b>847</b>	<b>3,198</b>	<b>20,216</b>

	Teaching and educational support staff costs £'000	Other support staff costs £'000	Educational supplies £'000	Other costs (excluding depreciation) £'000	Total 2018 £'000
Beal High School	9,943	1,367	660	1,614	13,584
The Forest Academy	3,655	488	306	553	5,002
Beal Innovation Hub	743	42	34	38	857
SCITT	45	—	—	224	269
Central services	251	1,366	—	1,007	2,624
<b>Total expenditure</b>	<b>14,637</b>	<b>3,263</b>	<b>1,000</b>	<b>3,436</b>	<b>22,336</b>

19 Analysis of net assets between funds

Group	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset fund £'000	Total 2019 £'000
<b>Fund balances at 31 August 2019 are represented by:</b>				
Intangible fixed assets	—	—	8	8
Tangible fixed assets	—	—	56,955	56,955
Current assets	(466)	2,054	—	1,588
Current liabilities	—	(1,554)	(44)	(1,598)
Non-current liabilities	—	(500)	—	(500)
Pension scheme liability	—	(5,681)	—	(5,681)
<b>Total net assets</b>	<b>(466)</b>	<b>(5,681)</b>	<b>56,919</b>	<b>50,772</b>

Notes to the financial statements Year to 31 August 2019

**19 Analysis of net assets between funds (continued)**

<i>Group</i>	<i>Unrestricted funds £'000</i>	<i>Restricted general funds £'000</i>	<i>Restricted fixed asset fund £'000</i>	<i>Total 2018 £'000</i>
<i>Fund balances at 31 August 2018 are represented by:</i>				
<i>Intangible fixed assets</i>	—	12	—	12
<i>Tangible fixed assets</i>	—	—	57,732	57,732
<i>Current assets</i>	(1,527)	2,104	149	726
<i>Current liabilities</i>	—	(1,618)	—	(1,618)
<i>Non-current liabilities</i>	—	(250)	—	(250)
<i>Pension scheme liability</i>	—	(2,861)	—	(2,861)
<b><i>Total net assets</i></b>	<b>(1,527)</b>	<b>(2,613)</b>	<b>57,881</b>	<b>53,741</b>

<b><i>Academy</i></b>	<b><i>Unrestricted funds £'000</i></b>	<b><i>Restricted general funds £'000</i></b>	<b><i>Restricted fixed asset fund £'000</i></b>	<b><i>Total 2019 £'000</i></b>
<b><i>Fund balances at 31 August 2019 are represented by:</i></b>				
<i>Intangible fixed assets</i>	—	—	8	8
<i>Tangible fixed assets</i>	—	—	56,955	56,955
<i>Current assets</i>	(466)	2,046	—	1,580
<i>Current liabilities</i>	—	(1,546)	(44)	(1,590)
<i>Non-current liabilities</i>	—	(500)	—	(500)
<i>Pension scheme liability</i>	—	(5,681)	—	(5,681)
<b><i>Total net assets</i></b>	<b>(466)</b>	<b>(5,681)</b>	<b>56,919</b>	<b>50,772</b>

**20 Capital commitments**

	<b>2019 £'000</b>	<b>2018 £'000</b>
Contracted for, but not provided in the financial statements	<b>65</b>	<b>415</b>

**21 Commitments under operating leases**

***Operating leases***

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

	<b>2019 £'000</b>	<b>2018 £'000</b>
Amounts due within one year	<b>136</b>	<b>160</b>
Amounts due between one and five years	<b>127</b>	<b>86</b>
	<b>263</b>	<b>246</b>

## 22 Pension and similar obligations

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

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

Contributions amounting to £223,410 were payable to the schemes at 31 August 2019 (2018 - £252,105) and are included within creditors.

### *Teachers' Pension Scheme*

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools, colleges and other educational establishments. Membership is automatic for teachers and lecturers at eligible institutions. Teachers and lecturers are able to opt out of the TPS.

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 under arrangements governed by the above Act. Retirement and other pension benefits are paid by public funds provided by Parliament.

Under the definitions set out in FRS 102 (28.11), the TPS is a multi-employer pension plan. The Academy Trust is unable to identify its share of the underlying assets and liabilities of the plan.

Accordingly, the Academy has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined-contribution plan. The Academy Trust has set out above the information available on the plan and the implications for the Academy in terms of the anticipated contribution rates.

The valuation of the TPS is carried out in line with regulations made under the Public Service Pension Act 2013. Valuations credit the teachers' pension account with a real rate of return assuming funds are invested in notional investments that produce that real rate of return.

The latest actuarial review of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education (DfE) in April 2019. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196 billion, giving a notional past service deficit of £22 billion.

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/19).



**22 Pension and similar obligations** (continued)

**Teachers' Pension Scheme** (continued)

The Department for Education has agreed to pay a teacher pension employer contribution grant to cover the additional costs during the 2019/20 academic year.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website.

The employer's pension costs paid to TPS in the period amounted to £1,411,000 (2018 – £1,519,000).

**Local Government Pension Scheme (LGPS)**

The LGPS is a funded defined benefit scheme, with assets held in separate Trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £682,000 (2018 - £766,000), of which employer's contributions totalled £532,000 (2018 - £607,000) and employees' contributions totalled £150,000 (2018 - £159,000). The agreed contribution rates for future years are 23.1% for employers and variable percentages for employees.

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

Principal actuarial assumptions:

<b>Principal Actuarial Assumptions</b>	<b>At 31 August 2019</b>	<b>At 31 August 2018</b>
Discount rate for scheme liabilities	1.8%	2.8%
Rate of increase in salaries	2.3%	2.4%
Rate of increase for pensions in payment/inflation	2.3%	2.4%

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

	<b>At 31 August 2019</b>	<b>At 31 August 2018</b>
<i>Retiring today</i>		
Males	22.1	22.1
Females	24.3	24.3
<i>Retiring in 20 years</i>		
Males	23.9	23.9
Females	26.3	26.3

**22 Pension and similar obligations (continued)**

**Local Government Pension Scheme (LGPS) (continued)**

The Academy's share of the assets and liabilities in the scheme were:

	Fair value at 31 August 2019 £'000	Fair value at 31 August 2018 £'000
Equities	5,700	5,168
Bonds	1,792	1,345
Property	652	566
<b>Total market value of assets</b>	<b>8,144</b>	<b>7,079</b>
<b>Present value of scheme liabilities</b>		
. Funded	(13,825)	(9,940)
<b>Deficit in the scheme</b>	<b>(5,681)</b>	<b>(2,861)</b>

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

	2019 £'000	2018 £'000
<b>Amounts recognised in statement of financial activities</b>		
Current service cost	(869)	(1,107)
Interest income	206	161
Interest cost	(291)	(248)
<b>Total amount recognised in the SOFA</b>	<b>(954)</b>	<b>(1,194)</b>

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

	2019 £'000	2018 £'000
Opening defined benefit obligation	9,940	9,414
Current service cost	869	1,107
Interest cost	291	248
Employee contributions	150	159
Remeasurements: Change in assumptions	2,685	(734)
Benefits paid	(110)	(254)
<b>Closing defined benefit obligation</b>	<b>13,825</b>	<b>9,940</b>

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

	2019 £'000	2018 £'000
Opening fair value of scheme assets	7,079	6,171
Interest income	206	161
Actuarial gains	287	235
Employer contributions	532	607
Employee contributions	150	159
Benefits paid	(110)	(254)
<b>Closing fair value of scheme assets</b>	<b>8,144</b>	<b>7,079</b>

**23 Members liability**

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

**24 Related party transactions**

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 the Trust has 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.

One of the Trustees, Alan Weinberg, was a councillor for the London Borough of Redbridge until May 2018. The Academy uses various services from the London Borough of Redbridge as part of their normal course of business.

The son of the CEO is a director of a company BB5. This company provided the Trust with legal services in the year at a total cost of £2,514 (2018 - £6,815).

In 2018, Martin Corck claimed expenses for attending Board meetings through his company, Inspired Exchange. The total of these claims was £810. There were no claims made through this company in 2019.

In entering into the transactions above, the Trust has complied with the requirements of the ESFA's Academies Financial Handbook.

Other than those disclosed in note 9, there were no further related party transactions.

**25 Agency Arrangements**

The Academy Trust distributes 16-19 bursary funds and SCITT bursaries to students as an agent for the ESFA. In the accounting period ending 31 August 2019 the Trust received £74,000 (2018 - £76,000) and disbursed £187,000 (2018 - £79,000) from the fund. £35,000 remained undistributed at the 31 August 2019 and is included in other creditors (2018 - £148,000).

**Notes to the financial statements** Year to 31 August 2019

**26 Teaching School Trading Account**

	2019 £'000	2018 £'000
<b>Income</b>		
Direct income – Teaching School Grants	475	666
<b>Total income</b>	<u>475</u>	<u>666</u>
<b>Expenditure</b>		
Direct expenditure	133	292
Staff costs	241	184
Other direct costs	38	—
<b>Total expenditure</b>	<u>(412)</u>	<u>(476)</u>
Surplus from all sources	63	190
<b>Teaching school balances at 1 September</b>	<u>311</u>	<u>248</u>