

# Beacon MULTI-ACADEMY TRUST LIMITED

FORMERLY KNOWN AS BEAL MULTI-ACADEMY TRUST



## Beacon Academy Trust

A COMPELLING VISION FOR SUCCESS

### OUR SCHOOLS



### ANNUAL REPORT & FINANCIAL STATEMENTS

For the year ended 31 August 2016

Registered number: **07835788** (England and Wales)

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**Members**

M Woodcock  
A Weinberg  
W Gent

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**Trustees**

M Woodcock (Chairman)  
Dr W Gent (Vice Chairman)  
A Weinberg  
S Ratnam (appointed 3 May 2016)  
F Samaha  
M Corck  
E Darley  
E Sidwell  
K Burns  
V Porritt (resigned 8 December 2015)  
S Snowdon (resigned 30 April 2016)  
S Gibbons

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**Company Registration Number**

07835788 (England and Wales)

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**Company Name**

Beacon Multi-Academy Trust  
Limited  
(formerly known as Beal Multi-  
Academy Trust)

Principal and Registered Office

Woodford Bridge Road  
Ilford Essex IG4 5LP

Company Secretary

W Gent

Senior Management Team

- . Managing Director/Accounting Officer
- . TFA Head Teacher
- . BBIH Principal
- . SCITT Director

K Burns  
W Thompson  
T Wilmot  
P Bray

Independent Auditors

Williams Giles Limited  
Chartered Accountants and  
Registered Auditors  
12 Conqueror Court  
Sittingbourne Kent ME10 5BH

Bankers

NatWest  
PO Box 414  
38 Strand  
London WC2N 5JB

Solicitors

Eversheds  
1 Wood Street  
London EC2V 7WS

## TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2015 to 31 August 2016. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The trust operates 2 mainstream secondary academies, 1 AP academy and a secondary SCITT in Redbridge. Its academies have a combined pupil capacity of 3600 and had a combined roll of 3088 in the school census on 15 June 2016.

### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### a. CONSTITUTION

The academy is a charitable 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 Limited (formerly known as Beal Multi-Academy Trust) are also the directors of the charitable company for the purpose 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.

#### b. 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' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2016

### c. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The Trustees and Governors 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. Parent Governors are appointed in compliance with a process set out in accordance with Department of Education guidelines. Other Governors are recruited and appointed to ensure there is a breadth of skills and knowledge necessary to advance the Academy Trust in all areas. 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.

### d. 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, the MD and the Principal 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 are taken very seriously by the Trust.

Trustees and Governors are briefed regularly by the executive and leadership teams on governance, financial and other educational matters. 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 impacting on their role and responsibilities.

### e. PAY POLICY FOR KEY MANAGEMENT PERSONNEL

Key management personnel (Trust Executive) include:

K Burns	BMAT MD
W Thompson	TFA Principal
T Wilmot	BHS Principal
P Bray	SCITT Principal

Their pay and remuneration is reviewed and agreed by the Trust Pay & Personnel Committee annually linked to performance management targets and appraisal.

## TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2016

### f. ORGANISATIONAL STRUCTURE

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

The Trustees 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, LGBs and committees. The MD has taken on the role of Accounting Officer. The board delegates a number of functions to the Local Governing Bodies (LGBs) at each academy. Each Local Governing Body (LGB) reviews annual improvement plans and budgets and recommends these to the board of trustees, monitors academy performance and oversees parent and community liaison.

### g. RELATED PARTIES AND OTHER CONNECTED CHARITIES AND ORGANISATIONS

Previously Beal High School, as a maintained school established The Forest Academy Trust in order to sponsor the local failing Hainault Forest High School which became the Forest Academy (from 1 January 2012). Now both organisations are comprised in the same multi-academy trust alongside Beacon Business Innovation Hub. Formal Partnership arrangements are in place with our Initial Teacher Training (ITT) partner schools and HEIs via our SCITT. This involves distributing ITT central funding monies to our ITT partner providers. The SCITT has separate accounts from the BMAT schools and has a separate Ofsted inspection as an HEI ITT provider.

### h. TRUSTEES' INDEMNITIES

The Academy Trust through its Articles has indemnified its Trustees and Governors to the fullest extent permissible by law. During the period the Academy also purchased and maintained liability insurance for its Trustees and Governors.

## TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2016

### BMAT Trust & Governance Structure

Beacon Multi-Academy Trust was established on the 1st February 2014. This coincided with Beal High School converting to academy status. Beal is a non-selective, outstanding 11-18 comprehensive school; that also incorporates provision autistic for 11-18-year-old students on the autistic spectrum (BCS). Beal is currently in the process of expanding from 8 to 12 form entry and a 23m expansion was completed for September 2014. Beacon Multi-Academy Trust incorporates: Beal High School; Forest Academy; BCS – specialist autistic provision; BBIH: Beacon 14-19 Business Innovation Hub Free School and NELTA (North East London Teaching Alliance).

Beal as a maintained school sponsored the local failing Hainault Forest High School to become the Forest Academy. Through sustained partnership the Forest Academy has been Ofsted judged to be good in all four areas after 3 years of school to school to support from Beal High School.

We were compelled to create the MAT once our first free school (BBIH) application was approved. This has led to the conception and implementation of our trust structure.

In July 2014 we gained QTS Accredited Provider status. BMAT is the legal entity, but we operate under our teaching alliance name: NELTA – North East London Teaching Alliance.



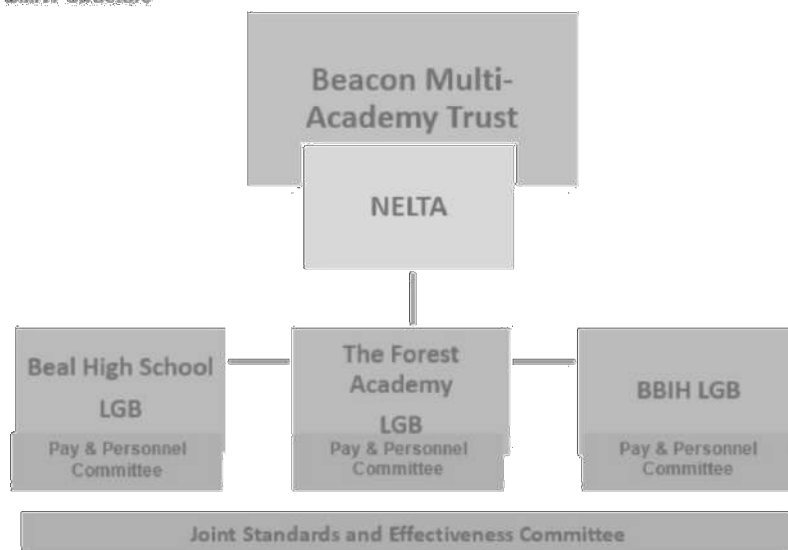
# BEACON MULTI-ACADEMY TRUST LIMITED

FORMERLY KNOWN AS BEAL MULTI-ACADEMY TRUST A COMPANY LIMITED BY GUARANTEE

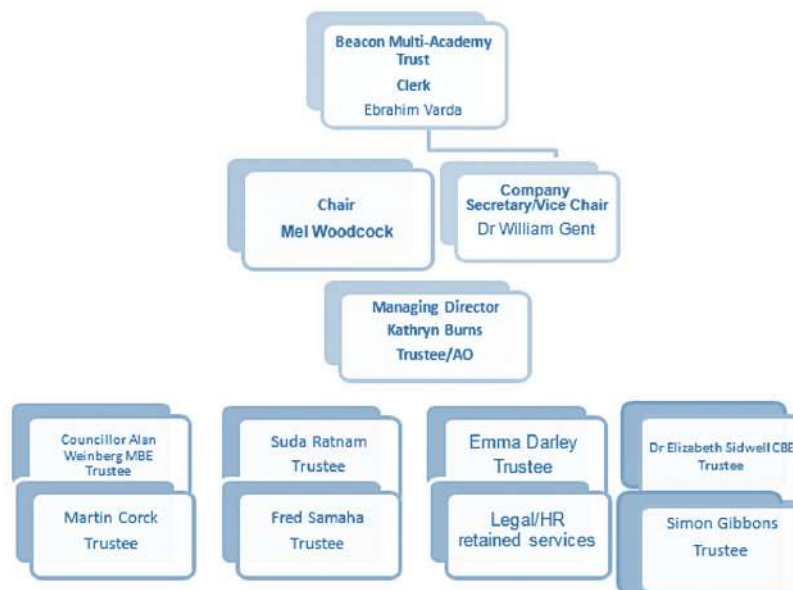
## TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2016

### BMAT Structure



### Trust Structure



## TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2016

### Local Governing Bodies Constitution

The membership of the LGBs will be agreed on an annual basis; this will include a skills audit of each governing body.

- Chair of LGB
- The BMAT Executive team
- 2 community governors
- 2 staff governors
- One co-opted governor
- 2 parent governors - elected
- Ex-officio – Principal
- 2 nominated Trustees to deliver support and challenge

## Scheme of Delegation

### The Local Governing Bodies will have delegated power to monitor the role of their Academy at an operational day to day level and review:

- The management and organisation of the Academy/school
- The implementation of the policies and agreed practices of the Trust and the BMAT Executive team
- Performance in relation to targets and standards approved by the Trust
- The LGBs will report to the Trust on decisions and will also provide advice and make recommendations to the Trust on issues
- To consider and make recommendations to the Trust & LGBs on all financial and budgetary matters not delegated either to the Principal or to the Trust, including:
  - a. the preparation of the annual budget for the School and of any periodic review of budget monitoring reports;
  - b. Policy update
  - c. To receive and consider reports from Trust Executive staff on all matters relating to:
    - i. to the care of the buildings, including insurance, energy, services, health and
    - ii. Health & safety policy, fire risk assessments and the Accessibility Plan.
    - iii. the arrangements for all premises related contracts, including catering,
    - iv. Cleaning and grounds maintenance.
- All finance policies.
  - d. To exercise the following delegated functions on behalf of the Trust & LGBs:
  - e. approval of procedures for competitive tendering decisions on expenditure items between £5,000 and £49,999;
  - f. authorising contracts between £5,000 and £49,999;
  - g. acceptance of tenders for goods, services or works above the value of £50,000;
  - h. approval of arrangements to secure compliance with financial regulations.
- Approving the Lettings Charging Guidelines prepared by the BMAT Executive team, with the assistance of the BMAT Executive keep the Risk Register up to date.
- To consider and make recommendations regarding the Trust's long-term plan for building development and refurbishment.
- Every meeting of the LGBs will monitor standards and effectiveness, school improvement, student welfare, site issues and extended school issues as standing agenda items.
- Finance issues which require further detailed consideration will be referred by the LGBs to the Trust Executive.
- It is not proposed that the LGBs will have any standing separate sub-committees. However, it may be necessary from time to time by agreement with the Chairman to establish a single purpose working party of the Governing Body in order to deal with an issue that cannot be dealt with adequately by the Governing Body in one of its scheduled meetings. Any such working party will be disbanded as soon as its work is complete.
- The termly schedule of meetings will commence with the Academy Trust, and then to follow by the joint standards and effectiveness committee in the first half-term. Followed by the LGBs in the second half of the term and a further trust meeting.
- This will allow monitoring and action made by a Governing Body or Committee to be reported to the Trust as required by the Articles of Association and within a termly cycle.
- The joint committees will report directly to the Trust, but will support the work of the LGBs.

## TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2016

### Local Governing Body - Statutory Responsibilities

#### The Curriculum

- Every learner receives the full statutory curriculum that the Academy must provide.
- The Academy provides teaching of religious education for all learners in accordance with the agreed syllabus or otherwise and has told parents/cares of the right to withdraw their children.
- The LGB has agreed the content and organisation of its programme of sex and relationships education and has informed parents/carers about it and the right to withdraw their children (see Trust Policy).

#### Equality and diversity

- The LGB does not discriminate unlawfully against learners or staff on the grounds of sexual orientation, race, disability, gender, religion and belief, or age (see
- The LGB has agreed a written policy on race, disability and gender equality, arrangements to monitor its implementation and assess its impact on staff, learners and parents/carers, and communicates the results of monitoring and assessments of impact to parents/carers and the LGB.
- The LGB complies with its general duties under the Sex Discrimination Act 1975 (as amended), Race Relations Act 1976 (as amended) and Disability Discrimination Act 1995 (as amended) and specific duties in subordinate legislation made under those Acts and the requirements of the statutory codes of practice made under those Acts (see Trust Policy). Learners with Learning Difficulties and/or Disabilities.
- The Academy meets its requirements in Part IV of the Education Act 1996 and has regard to the Special Educational Needs Code of Practice when meeting learners' special educational needs, makes its policy known to parents/carers and reports annually on the success of its policy.
- The Academy meets the requirements Part 4 of the Disability Discrimination Act 1995 (DDA) and any subsequent requirements and has regard to the (DRC) code of practice for Academies (2002).
- The Academy informs parents/carers of its accessibility plan and disability equality scheme and reports annually on progress made on these.

#### Learners' Care and Well-Being

- The LGB has procedures of ensuring the provider meets all relevant health and safety legislation.
- The Academy has a child protection policy and procedures in place that are in accordance with local authority guidance and locally agreed interagency procedures, (and the policy is made available to parents/carers on request).
- Where the LGB provides Academy lunches and/or other Academy food, they ensure that they meet current DfE standards.
- The LGB fulfils the requirements to promote the well-being of pupils at the Academy.
- The LGB has a statutory duty to ensure that Behaviour and Attendance.
- (B&A) Partnership arrangements are put into place.

## Informing Parents/Guardians

- The LGB ensures that all statutory assessments are conducted and results are forwarded to parents/carers and appropriate bodies.
- The LGB ensures that each year a report on each learner's educational achievements is forwarded to their parents/carers.
- The Academy keeps parents/carers and prospective parents/carers informed by publishing an Academy prospectus and by publishing an Academy profile in accordance with Regulations.

## Leadership and Management

- The LGB monitors the Academy budget provided by the Trust.
- The LGB applies the Trust's Performance Management Policy ensuring that all teachers are appraised in accordance with statutory requirements.
- The Principal will be assessed in accordance with statutory requirements as set out in the Trust's Performance Management Policy.
- The LGB applies the Trust's complaints and appeals procedures, consistent with the DfE Guide to the Law for School Governors.
- The LGB promotes community cohesion, consistent with the Trust's Community Cohesion Policy.
- The LGB meets the current Government requirements regarding safeguarding children and safer recruitment.
- To consider and make recommendations regarding all significant issues relating to school land, including leasing issues, drainage, rights of way and planning permission.
- To consider and make recommendations regarding all significant projects relating to land and buildings.

The staff and family committees will not sit on the LGBs, but will keep the LGBs informed via the staff and parent governors.

## TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2016

### **Beal High School LGB**

Nadje Butler, Chair  
Terese Wilmot, Principal  
Mandy Ansell, Community Governor  
Ajitha Sadanandan, Community Governor  
Sean Canaii, Staff Governor  
Brendan O'Mahoney, Staff Governor  
Davinder Kettory, Co-opted governor  
Anna Grah, Parent Governor  
Mel Sahotay, Parent governor

### **The Forest Academy LGB**

Michael Stokes, Chair/Parent Governor  
Will Thompson, Principal  
Sonia Gable, Community Governor  
Stephen Smith Community Governor  
Sarah Clarke-Moisley Staff Governor  
Jenni Cook Staff Governor  
Katie Bird, Co-opted Governor  
Carol O'Brien Parent Governor

### **Beacon Business Innovation Hub LGB**

Michelle Fuller, Chair  
Katie Ball, Acting Principal  
Sebastian Paszek, Community Governor  
Richard Geyman, Community Governor  
Veronika Stedronska, Staff Governor  
Hazel Weinberg, Co-opted governor (Resigned 8 September, 2015)  
Simon Wassell, Co-opted governor (Appointed 8 December, 2015)  
Errolie Sermaine, Parent Governor

## TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2016

### CONSTITUTION OF BMAT STANDING COMMITTEES: STANDARDS & EFFECTIVENESS, PAY & PERSONNEL & APPEALS

The Committees set out below are established by the Trust with the membership, quorum and delegated powers indicated and subject to the following general provisions:

- a. references to the Chair shall include the Vice-Chair if the Chairman at the relevant time is disqualified or not available to serve as a member of the Committee;
- b. the term of office of each member of a Committee shall expire when he or she resigns, after one year, or if the Trust decide to reconstitute the Committees & LGBs; whichever event occurs first,
- c. all authority delegated to a Committee to incur either expenditure or a commitment to expenditure is subject to the condition that provision for that expenditure has been made in a budget approved by the Trust;
- d. each Committee shall comply with any general directions and policies approved by the Trust; and
- e. action taken under delegated powers shall be reported as soon as practicable to the Governors.
- f. The Chair of each committee shall be the person so designated by the Trust in appointing the members. If the Trust should omit to make such a nomination, the Committee shall be empowered to appoint its Chair at the first meeting of the year.
- g. The Chair of Governors is authorised to discharge any function of the Governors if the delay of calling a meeting would be likely to be seriously detrimental to the School, to a pupil, to a parent or to an employee.
- h. The Appeals Committee is reconstituted for each specific issue and occasion from amongst those Governors who are eligible and available to attend and who are not employees of the Academy Trust. More specific arrangements and requirements are indicated below for each committee.

### BMAT TERMS OF REFERENCE

1. Attendance at each committee meeting, issues discussed and recommendations for decisions will be recorded. The written record will be forwarded by the clerk to the committee to the clerk to the Trust and LGBs in sufficient time for its inclusion on their agendas and papers of their next meetings. This is to meet statutory requirements, to provide information to the Trust & LGBs and to seek ratification of recommendations. The chair of the committee will be responsible for giving an oral summary of the committee's deliberations if necessary at meetings of the Trust & respective LGBs.
2. Each committee is authorised to invite attendance at its meetings from persons to assist or advise on a particular matter or range of issues, including parents and members of the Trust staff who are not governors. Any governor may attend meetings of committees.

## **PAY & PERSONNEL SCHOOL SUB-COMMITTEES**

### **Purpose:**

1. To consider and recommend to the Governors the school's staffing establishment structure, salary policy and policy for the exercise of discretions relating to salary – excludes BMAT Principals & SLT
2. To receive reports from the Principals on the implementation of the performance review process for all staff.
3. To monitor the operation and effectiveness of the Disciplinary, Capability, Harassment and Grievance Procedures.

**Membership:** The Principal will Chair each committee with two other school LGB governors

**Quorum:** A combination of any two Governors

## **STANDARDS AND EFFECTIVENESS COMMITTEE**

### **Purpose:**

1. To monitor and evaluate standards and effectiveness
2. To promote and share good practice across all BMAT schools and identify any professional development needs.
3. To consider and recommend curricular improvement and innovation to improve student outcomes.
4. To monitor and track curriculum innovation and improvement and their effective implementation in BMAT schools

**Membership:** The Chair and six other Governors – 2 from each LGB, together with the Principals and MD.

**Quorum:** Three Governors.

### **Scheme of delegation:**

- Monitor and evaluate standards and effectiveness
- To scrutinise and make recommendations to the Trust and LGB on all matters of School Improvement – policy and practice.
- To contribute to the development of School Improvement Priorities
- To approve School Improvement Plans
- To ensure that a robust department and pastoral evaluation process is in place
- To ensure that annual action plans are in place and that appropriate targets are set
- To receive and scrutinise reports from the academies on SIP priorities and the key Ofsted areas – Achievement, Teaching and Learning, Behaviour and Safety, Leadership and Management
- Identify the key risks with regard to the key areas and maintain a register to monitor improvement.



## APPEALS COMMITTEE

**Membership:** The Chairman and two other Governors not being either the Principal, Staff Governors, a member of the Committee whose decision is under appeal or any Governor concerned in the matter to be considered in a capacity other than that of a Governor, or, if a parent of a pupil at the School, than that of such parents generally.

**Quorum:** Three members.

### Scheme of Delegation:

1. Hearing and determination of any appeal against a Trust/School decision under any approved staff procedure; and any decision consequential upon the appeal decision.
2. Hearing and determination of appeals relating to salaries of individual teaching and non-teaching staff under the management structure.

## Objectives and Activities

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

As trustees of a charity, 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.

**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 2016.

## a. Objects and aims

Beacon Multi-Academy Trust was established as a Multi-Academy Trust on the 1st February 2014, prior to this date the trust comprised only The Forest Academy. BMAT runs a small network of successful schools. Our compelling vision for success encompasses a partnership 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 partnership 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.

We were compelled to set up BMAT once our Beacon 14-19 Business Innovation Hub Free School (BBIH) free school application was approved. This has led to the set up and implementation of our Trust structure. This coincided with Beal High School converting to an academy. Beal High School is an outstanding 11-18 comprehensive school that is at the heart of the Trust; that also incorporates a unit for autistic students aged 11-18. It is currently in the process of expanding from 8 to 12 form entry with a new Key Stage three building opened in September 2014.

The Trust incorporates: Beal High School; The Forest Academy; The Beacon Communication School (BCS): a specialist 11-18 autistic unit; BBIH: Beacon 14-19 Business Innovation Hub Free School (opened 1 September 2014) and NELTA (North East London Teaching Alliance) incorporating our SCITT

## b. Objectives, strategies and 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 2,300 students; the majority are drawn from the academies designated catchment area. Our carefully designed curriculum provides rigorous pathways to different types of success. The Forest Academy (TFA) provides good 11-18 secondary education to over 900 students, serving the local community with increasing confidence. The Beacon Business Innovation Hub (BBIH) opened in September 2014 and provides an innovative high quality alternative provision driven by career related learning to 'broaden horizons' and 'close the gap' for vulnerable learners. BBIH had a successful sixth term inspection and the increasing roll is testament to its sustainable success.

All 3 Trust schools, BCS and the SCITT have had a successful year in terms of progress, attainment and attendance as key performance indicators.

## c. 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.

## TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2016

### ACHIEVEMENTS AND PERFORMANCE

All 3 Trust schools, BCS and the SCITT have had a successful year in terms of progress, attainment and attendance as key performance indicators.

**TFA:** Key performance indicators show significant improvement; achievement and attainment at KS4, achievement and attainment at KS5, attendance and PA.

**BHS:** Outstanding outcomes for students – attainment, progress and progression. Attendance is above the national average. The school is consistently oversubscribed with very high retention rates of both students and staff, whilst upholding an excellent local reputation.

**BBIH:** 100% of leavers are on target to achieve valid progression routes. 68% increased roll for September 2016.

**BCS:** 100% leavers progressed on to a local college, residential and BBIH 2016 Entry Level qualifications 1,2,3, Level 1 Functional skills in English and maths 100% pass

**SCITT:** 100% trainees have been graded as good or outstanding assessed against the Teachers' Standards. In addition, a further 19 School Direct Trainees have qualified in partnership with NELTA, King's College, London and the Institute of Education – University College London.

TFA has consolidated its 'good' grading and is now aspiring to outstanding and the significant expansion at Beal has not affected outstanding outcomes for students. BBIH's reach and reputation has increased significantly in the local community and has expanded its curriculum offer to meet the needs of the increased number of vulnerable learners on roll; particularly those with mental health issues that affects their expected progress and success. In August 2016 the following summary statements were made by the Regional Schools Commissioner:

- BMAT is a substantial Trust - confident and sustainable Trust/governance model
- BMAT has a broad and interesting range of institutions
- BMAT has a solid basis to expand that the RSC will support

The Teaching School; North East London Teaching Alliance (NELTA), has enjoyed a very successful year focussing on School 2 School Support and School Direct ITT (this activity has future-proofed BMAT teacher recruitment and we are fully staffed across all schools), it is now very well established and recruitment is secure. School to school support (SS2S) has been effective in sharing and developing best practice across the teaching alliance and beyond. Our first SCITT cohort joined in September 2015. All twenty one NELTA trainees who commenced their programme of teacher training in 2015 successfully completed their training in July 2016 and all have achieved Qualified Teacher Status from the National College for Teaching and Leadership. 100% have been graded as good or outstanding assessed against the Teachers' Standards. In addition, a further 19 School Direct Trainees have qualified in partnership with NELTA, King's College, London and the Institute of Education – University College London. All SCITT trainees have secured teaching jobs and 15 new members of staff in September have come through our School Direct training programme. All of these activities encourage future leadership development at all levels and ensure BMAT succession planning.

## a. Key financial performance indicators

Our risk register sets out the principal risks facing the Trust and the controls that exist to mitigate their effect. The Trustees consider that the principal risks and uncertainties facing the Trust are:

1. Balancing the BMAT budget with reduced income; whilst maintaining the quality of provision
2. Future proof BMAT leadership succession planning and development

The Trust has produced a three year forecast to determine the effects of funding changes on the bottom line and considered the effect of funding reforms in future years. This includes national 'stealth' increases of approximately 12% over the next 2 years; compounded by a proposed national funding formula that will decrease budgets for London schools or MATs.

In addition, a summary forecast up to 2020 has been reviewed. Prudent financial planning and management of resources are core activities with the current focus on central services, contract management and ITT via our SCITT to increase capacity and thus enable strategic Trust expansion. The trust budget forecast is sound, particularly in 2017-18 when Beal High School reaches steady state of 2500 students.

## 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 2015 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the year ended 31 August 2016, total expenditure of £21,824,532 was covered by recurrent grant funding from the EFA together with other incoming resources and a proportion of the Trust's reserves. The excess of expenditure over income for the year (excluding restricted fixed asset funds and assets and liabilities transferred on conversion and the actuarial loss on the Local Government Pension Scheme liability) was £1,026,725. At 31 August 2016 the net book value of fixed assets was £60,340,234 and movements in tangible fixed assets are shown in note 18 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Trust. The Trustees note the deficit in the year which arose due to cost pressures arising from the increased teachers' pension and national insurance contributions and the ongoing restructuring to ready the trust for the future in the current hard pressed funding environment. The budgets for the trust going forward show surpluses for the next two years and there are sufficient existing reserves to both satisfy the trust's reserves policy and to cover any reasonable contingencies that may arise.

## a. Going concern

After making appropriate enquiries, 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.

The Trustees note the deficit in the year which arose due to cost pressures arising from the increased teachers' pension and national insurance contributions and the ongoing restructuring to ready the trust for the future in the current hard pressed funding environment. The budgets for the trust going forward show surpluses for the next two years and there are sufficient existing reserves to both satisfy the trust's reserves policy and to cover any reasonable contingencies that may arise.

## b. Principal risks and uncertainties

A risk register has been prepared which sets out the principal risks facing the Academy and the controls that exist to mitigate their effect. The Trustees consider that the principal risks and uncertainties facing the Trust are:

- Balancing the BMAT budget with reduced income; whilst maintaining the quality of provision
- Future proof BMAT leadership succession planning and development

The Trust has produced contingency budgets should further unscheduled cuts be applied and where information from the EFA has not been forthcoming. The Trust has undertaken reviews of its staffing structure to contain and monitor payroll costs in view of the potential risks to future funding.

Additional efforts have been undertaken to increase student recruitment at The Forest Academy (TFA) and reduce the risk of financial claw-back from a lower than expected roll. Through its marketing plan, the Academy has heavily publicised the impact of policy changes and improved outcomes to attract students. This year has seen the sixth form exceed predictions and the current roll at TFA stands at: 899

## c. 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 £839,000 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 current level of free reserves (total funds less the amount held in fixed assets and restricted pension funds) is £1,377,876.

## PLANS FOR FUTURE PERIODS

- 1 x SEN (autism) free school application (co-located Beacon Campus) – September 2016 application
- 1 x nursery/primary free school application (co-located Forest Academy 11-18 school); with a Beacon Campus nursery hub – March 2017 application
- 1 x sponsored secondary – Neighbouring LA/Borough
- 3-5 x sponsored primary (sits with SCITT expansion to primary ITT 2018)
- 1 x sponsored SEN primary or secondary (autism)

In addition, a proposed sixth form consortium from September 2017

In order to achieve the above expansion we aim to increase our leadership capacity through professional development and bringing in additional expertise; nursery, primary, SEN curriculum and leadership.

To date we have agreed external primary, SEN and sixth form consortium support and intend to recruit additional specialist SLT, in particular an experienced SENCO to take on the campus wide role and to support the BMAT SEN free school strategy

Our BMAT leadership succession planning includes leading the Forest Academy to outstanding. We have carried out a leadership review and from September we will be recruiting external Vice Principals with Principal potential to further secure our expansion. Our SCITT and NELTA support our Trust: training, recruitment, retention and professional development programmes; it has also extended our partnership network to some 40 schools locally. We plan to develop our procurement and central services network; an event held last year attracted many schools, including LBR primary and secondary.

## TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2016

### Funds held as custodian

After making appropriate enquires, the Board of Trustees has reasonable expectation that the Beal Academy Trust has adequate resources to continue its operational existence for the foreseeable future. For this reason it has adopted the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern can be found in the Statement of Accounting Policies.

### Disabled persons:

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.

All BMAT policies are available on our school websites.

### Employee Consultation

Beal Campus Review incorporating full support staff and leadership review. The consultation began in January 2013 including individual, team and whole school consultation and continues as we implement recommendations and conclusions. The support staff review will be extended to include TFA specific staff, as well as those at TFA already assimilated into the overarching BMAT administrative and central service structure. A further interim Trust leadership review was carried out during the summer term in response to the CEO's retirement. In addition, the pay policy was reviewed and agreed by our union representatives on behalf of the staff at all schools. In July 2016 the catering staff employed by an external catering company went through the consultation and TUPE process, they are now BMAT employees as of 1 August 2016.

## Disclosure of information to auditors

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.

## Auditors

It was agreed by Trustees on 1 April 2014 to appoint William Giles as auditors for a further two years to support the stability and consistency of the Trust.

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees as the company directors, on 27.01.17 and signed on its behalf by:



**Mel Woodcock**  
Chair of Trustees



**Kathryn Burns**  
Accounting Officer

## GOVERNANCE STATEMENT

### Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Beacon Multi-Academy Trust Limited (formerly known as Beal 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 Managing Director, 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 Limited (formerly known as Beal 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 STATEMENT (continued)

### 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 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
M Woodcock, Chairman	6	6
W Gent, Vice Chairman	6	6
A Weinberg	5	6
S Ratnam	2	2
F Samaha	2	6
M Corck	5	6
E Darley	1	6
E Sidwell	3	6
K Burns	2	2
V Porritt	0	0
S Snowdon	1	4
S Gibbons	3	4

There was an extraordinary Trustees' meeting on the 26th February to accept the CEO's retirement request. As she had been Accounting Officer, Kathryn Burns was appointed as Acting Accounting Officer and Trustee.

### Governance reviews:

Trust governance was reviewed and agreed at Trust and LGB level that the Audit Committee should be dissolved and the scheme of delegation be incorporated into the specific school LGB standing and annual agendas this includes: Finance, Premises and Health and Safety. It was agreed as more effective in terms of monitoring and evaluation as the school LGM members had far more detailed knowledge and understanding collectively related to the above. The next review is scheduled for February 2017.

The audit committee was a sub-committee of the main board of trustees. Its purpose in general terms was as an advisory body without executive powers. The Committee had the authority to investigate any activity that it deemed relevant to its inquiries and to seek any information from staff that it requires. The Committee's work included the role of 'Responsible Officer' with external support. It will work with BMAT Auditors ensuring they are accorded full co-operation and will receive and consider their reports. In response to the Academies Financial handbook, June 2016 the audit committee was dissolved and its scheme of delegation incorporated into the LGBs and Trust, with a Trustee with responsibility for financial review.

## GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

	Meetings attended	Out of a possible
S Ratnam (Chair)	1	1
S Snowdon CBE	1	1
K Burns	1	1
S Gable	1	1
S Paszek	1	1
N Butler	1	1

The next Trust governance review was agreed at the 28 June 2016 meeting was followed by a further review in October 2016. The Trust meets currently 6 times a year, LGBs and committees meet once per term.

### Review of Value for money

As Accounting Officer, the Managing Director 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 academy 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 appropriate. The Accounting Officer for the academy trust has delivered improved value for money during the year by:

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:

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 regardless of family background. 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.

## **GOVERNANCE STATEMENT** (continued)

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

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy 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 Limited (formerly known as Beal Multi-Academy Trust) for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

### **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 ongoing process for identifying, evaluating and managing the academy trust's significant risks, that has been in place for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

## GOVERNANCE STATEMENT (continued)

### 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 Local Governing Bodies and the Trustee with responsibility for financial oversight of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Williams Giles as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a termly basis, the internal auditor reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. In particular, the checks carried out in the current period included:

- Payroll and recruitment
- Fixed assets
- Banking
- BMAT income
- Purchasing
- Income and expenditure BBIH
- Governance and procedures
- School trips
- VAT
- Budget monitoring/Management accounts
- Contracts and procurement

## **GOVERNANCE STATEMENT** (continued)

### **Review of Effectiveness**

As Accounting Officer, the Managing Director 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 auditors;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the internal auditors and Trest reviewer 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 27.01.17 and signed on their behalf, by:



**Mel Woodcock**  
Chair of Trustees



**Kathryn Burns**  
Accounting Officer

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

As Accounting Officer of Beacon Multi-Academy Trust Limited (formerly known as Beal Multi-Academy Trust) I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2015.

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 EFA.



**Kathryn Burns**  
Accounting Officer

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

For the year ended 31 August 2016

The Trustees (who act as governors of Beacon Multi-Academy Trust Limited (formerly known as Beal 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 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 of the Charities SORP 2015 and the Academies' Accounts Direction 2015 to 2016;
- 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 the EFA/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 27.01.17 and signed on its behalf by:



Mel Woodcock  
Chair of Trustees

## **Independent Auditors' Report on the Financial Statements to the Members of Beacon Multi-Academy Trust Limited (formerly known as Beal Multi-Academy Trust)**

We have audited the financial statements of Beacon Multi-Academy Trust Limited (formerly known as Beal Multi-Academy Trust) for the year ended 31 August 2016 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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 Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

### **Respective responsibilities of Trustees and auditors**

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

### **Scope of the audit of the financial statements**

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



## Opinion on financial statements

In our opinion the financial statements:

give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended; have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

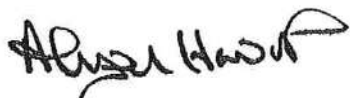
## Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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

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



Alyson Howard FCCA DChA CF (Senior statutory auditor)

for and on behalf of

### Williams Giles Limited

Chartered Accountants  
Registered Auditors

12 Conqueror Court  
Sittingbourne  
Kent

ME10 5BH

Date:

30 January 2017

## **Independent Reporting Auditors' Assurance Report on Regularity to Beacon Multi-Academy Trust Limited (formerly known as Beal Multi-Academy Trust) and the Education Funding Agency**

In accordance with the terms of our engagement letter dated 21 March 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Beacon Multi-Academy Trust Limited (formerly known as Beal Multi-Academy Trust) during the year 1 September 2015 to 31 August 2016 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 Limited (formerly known as Beal Multi-Academy Trust) and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Beacon Multi-Academy Trust Limited (formerly known as Beal Multi-Academy Trust) and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Beacon Multi-Academy Trust Limited (formerly known as Beal Multi-Academy Trust) and the EFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Beacon Multi-Academy Trust Limited (formerly known as Beal Multi-Academy Trust)'s accounting officer and the reporting auditors**

The accounting officer is responsible, under the requirements of Beacon Multi-Academy Trust Limited (formerly known as Beal Multi-Academy Trust)'s funding agreement with the Secretary of State for Education dated October 2010, and the Academies Financial Handbook extant from 1 September 2015, 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 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 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 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

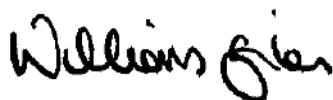
The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material misstatement and irregularity
- Testing and review of areas identified through risk assessment including enquiry, inspection and review, observation and re-performance
- Review of system controls, policies and procedures in place to ensure compliance with the regularity regime
- Consideration of evidence obtained through the work performed as part of our audit in order to support the regularity conclusion

## **Independent Reporting Auditors' Assurance Report on Regularity to Beacon Multi-Academy Trust Limited (formerly known as Beal Multi-Academy Trust) and the Education Funding Agency (continued)**

### **Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



**Williams Giles Limited**

Chartered Accountants  
Registered Auditors

12 Conqueror Court  
Sittingbourne

Kent  
ME10 5BH

Date:

30 January 2017

# BEACON MULTI-ACADEMY TRUST LIMITED

FORMERLY KNOWN AS BEAL MULTI-ACADEMY TRUST A COMPANY LIMITED BY GUARANTEE

## Statement of Financial Activities Incorporating Income and Expenditure Account

For the year ended 31 August 2016

		Restricted			As restated
		Unrestricted funds 2016	Restricted funds 2016	fixed asset funds 2016	Total funds 2016
	Note	£	£	£	£
<b>Income from:</b>					
Donations and capital grants	2	13,242	16,672	732,891	2,957,949
Charitable activities	3	-	17,272,001	-	16,929,522
Other trading activities	4	224,587	1,533,859	-	1,259,045
Investments	5	18,577	-	-	21,013
<b>Total income</b>		<b>256,406</b>	<b>18,822,532</b>	<b>732,891</b>	<b>21,167,529</b>
<b>Expenditure on:</b>					
Charitable activities		3,487	19,896,232	1,718,869	19,203,260
Other expenditure		178,136	27,808	-	235,870
<b>Total expenditure</b>	8	<b>181,623</b>	<b>19,924,040</b>	<b>1,718,869</b>	<b>19,439,130</b>
<b>Net income / (expenditure) before other recognised gains and losses</b>					
		<b>74,783</b>	<b>(1,101,508)</b>	<b>(985,978)</b>	<b>(2,012,703)</b>
Actuarial losses on defined benefit pension schemes	26	-	(1,674,000)	-	(147,000)
<b>Net movement in funds</b>		<b>74,783</b>	<b>(2,775,508)</b>	<b>(985,978)</b>	<b>(3,686,703)</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		926,486	(1,718,885)	61,507,309	59,133,511
<b>Total funds carried forward</b>		<b>1,001,269</b>	<b>(4,494,393)</b>	<b>60,521,331</b>	<b>57,028,207</b>

REGISTERED NUMBER: 07835788

## BALANCE SHEET

For the year ended 31 August 2016

	Note	2016		2015	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	17		5,194		20,778
Tangible assets	18		60,340,234		61,486,531
			<u>60,345,428</u>		<u>61,507,309</u>
<b>Current assets</b>					
Debtors	19	1,093,340		848,042	
Cash at bank and in hand		4,086,159		3,762,490	
		<u>5,179,499</u>		<u>4,610,532</u>	
<b>Creditors:</b> amounts falling due within one year	20	(3,625,720)		(2,400,931)	
<b>Net current assets</b>			<u>1,553,779</u>		<u>2,209,601</u>
<b>Total assets less current liabilities</b>			<u>61,899,207</u>		<u>63,716,910</u>
Defined benefit pension scheme liability	26		(4,871,000)		(3,002,000)
<b>Net assets including pension scheme liabilities</b>			<u>57,028,207</u>		<u>60,714,910</u>

## BALANCE SHEET (continued)

	Note	2016		2015	
		£	£	£	£
<b>Funds of the academy</b>					
<b>Restricted income funds:</b>					
Restricted income funds	21	376,607		1,283,115	
Restricted fixed asset funds	21	60,521,331		61,507,309	
Restricted income funds excluding pension liability		60,897,938		62,790,424	
Pension reserve		(4,871,000)		(3,002,000)	
Total restricted income funds			56,026,938		59,788,424
<b>Unrestricted income funds</b>	21		1,001,269		926,486
<b>Total funds</b>			57,028,207		60,714,910

The financial statements were approved by the Trustees, and authorised for issue, on 27.01.17 and are signed on their behalf, by:



**M Woodcock – Chair of Trustees**



**K Burns – Accounting Officer**

The notes on pages 41 to 78 form part of these financial statements.

## STATEMENT OF CASH FLOWS

For the year ended 31 August 2016

	Note	2016 £	2015 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	23	<u>129,189</u>	<u>12,140</u>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		18,577	21,013
Proceeds from the sale of tangible fixed assets		-	(462,439)
Purchase of tangible fixed assets		(556,988)	-
Capital grants from DfE/EFA		732,891	-
<b>Net cash provided by/(used in) investing activities</b>		<u>194,480</u>	<u>(441,426)</u>
<b>Change in cash and cash equivalents in the year</b>		<u>323,669</u>	<u>(429,286)</u>
Cash and cash equivalents brought forward		<u>3,762,490</u>	<u>4,191,776</u>
<b>Cash and cash equivalents carried forward</b>	24	<u><u>4,086,159</u></u>	<u><u>3,762,490</u></u>



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2016

## 1. ACCOUNTING POLICIES

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

### 1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Beacon Multi-Academy Trust Limited (formerly known as Beal Multi-Academy Trust) constitutes a public benefit entity as defined by FRS 102.

#### First time adoption of FRS 102

These financial statements are the first financial statements of Beacon Multi-Academy Trust Limited (formerly known as Beal Multi-Academy Trust) prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Beacon Multi-Academy Trust Limited (formerly known as Beal Multi-Academy Trust) for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015. The Trustees have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'

Reconciliations to previous UK GAAP for the comparative figures are included in note 30.

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

For the year ended 31 August 2016

## **1.2 Company status**

The academy is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the academy being wound up, the liability in respect of the guarantee is limited to £10 per member of the academy.

## **1.3 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.

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

For the year ended 31 August 2016

## **1. ACCOUNTING POLICIES (continued)**

### **1.4 Income**

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

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

General Annual Grant is recognised in full in the Statement of Financial Activities 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.

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

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

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

## 1. ACCOUNTING POLICIES (continued)

### 1.5 Expenditure

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

Charitable activities and Governance costs are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

### 1.6 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 August 2016

## 1. ACCOUNTING POLICIES (continued)

### 1.7 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised.

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 leasehold property is taken from the Drivers Jonas Deloitte desktop valuation completed for the EFA. 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

The valuation for 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.

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

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed 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% Reducing balance
Motor vehicles	- 20% Straight line
Fixtures and fittings	- 10% Reducing balance
Computer equipment	- 20% Straight line

## 1. ACCOUNTING POLICIES (continued)

### 1.8 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the academy; this is normally upon notification of the interest paid or payable by the Bank.

### 1.9 Operating leases

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

### 1.10 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.

### 1.11 Cash at Bank and in hand

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

### 1.12 Liabilities and provisions

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

### 1.13 Financial instruments

The academy only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

### 1.14 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.

# NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 August 2016

## 1. ACCOUNTING POLICIES (continued)

### 1.15 Pensions

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

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 26, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

## 1.16 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, 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 August 2016 has been used by the actuary in valuing the pensions liability at 31 August 2016. 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.

## 1.17 Donated services and gifts in kind

The value of donated services and gifts in kind provided to the academy trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with academy trust's policies.



# NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 August 2016

## 2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2016	Restricted funds 2016	Restricted fixed asset funds 2016	Total funds 2016	As restated Total funds 2015
	£	£	£	£	£
Donations	13,242	-	-	13,242	2,662
School trips	-	16,672	-	16,672	28,836
Devolved capital grant	-	-	63,368	63,368	56,882
Other capital grants	-	-	669,523	669,523	2,869,569
<b>Total donations and capital grants</b>	<b>13,242</b>	<b>16,672</b>	<b>732,891</b>	<b>762,805</b>	<b>2,957,949</b>

In 2015, of the total income from donations and capital grants, £2,662 was to unrestricted funds and £2,955,287 was to restricted funds

# NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 August 2016

## 3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	As restated Total funds 2015 £
<b>DfE/EFA grants</b>				
General Annual Grant (GAG)	-	14,921,123	14,921,123	14,381,995
Start up grants	-	23,110	23,110	42,161
Other DfE/EFA grants	-	249,164	249,164	174,779
Pupil Premium	-	574,467	574,467	613,346
	-	15,767,864	15,767,864	15,212,281
<b>Other government grants</b>				
Other government grants	-	1,504,137	1,504,137	1,717,241
	-	1,504,137	1,504,137	1,717,241
	-	17,272,001	17,272,001	16,929,522

In 2015, of the total income from charitable activities, £ NIL was to unrestricted funds and £16,929,522 was to restricted funds.

# NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 August 2016

## 4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016	Restricted funds 2016	Total funds 2016	Total funds 2015
	£	£	£	£
Lettings	71,496	-	71,496	39,954
Insurance income	-	354,697	354,697	-
School fund income	149,232	-	149,232	215,361
Other income	3,859	149,100	152,959	99,188
Catering income	-	506,750	506,750	430,158
NELTA income	-	523,312	523,312	474,384
	<b>224,587</b>	<b>1,533,859</b>	<b>1,758,446</b>	<b>1,259,045</b>

In 2015, of the total income from other trading activities, £255,315 was to unrestricted funds and £1,003,730 was to restricted funds.

## 5. INVESTMENT INCOME

	Unrestricted funds 2016	Restricted funds 2016	Total funds 2016	Total funds 2015
	£	£	£	£
Short term deposits	18,577	-	18,577	21,013

In 2015, of the total investment income, £21,013 was to unrestricted funds and £NIL was to restricted funds.

# NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 August 2016

## 6. DIRECT COSTS

	Educational operation	Total 2016	As restated Total 2015
	£	£	£
Educational supplies	244,657	244,657	191,734
Examination fees	326,299	326,299	283,116
Staff development	49,055	49,055	22,500
Educational consultancy	174,538	174,538	157,025
Other direct costs	-	-	88,759
Computer costs	235,124	235,124	166,922
Staff restructuring costs	36,250	36,250	44,500
Agency supply	121,129	121,129	107,728
Wages and salaries	10,212,364	10,212,364	9,582,536
National insurance	916,143	916,143	771,921
Pension cost	1,544,875	1,544,875	1,236,713
Depreciation	1,718,869	1,718,869	1,618,435
	<b>15,579,303</b>	<b>15,579,303</b>	<b>14,271,889</b>

In 2015, the academy incurred the following Direct costs:

£14,271,889 in respect of Educational operations

# NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 August 2016

## 7. SUPPORT COSTS

	Educational operation	Total 2016	As restated Total 2015
	£	£	£
LGPS cost	112,000	112,000	100,000
Recruitment and support	86,456	86,456	66,682
Maintenance of premises and equipment	699,125	699,125	146,055
Cleaning	437,148	437,148	358,081
Rent & rates	161,817	161,817	165,481
Light & heat	286,110	286,110	338,957
Insurance	82,570	82,570	75,323
Security & transport	69,766	69,766	33,333
Catering	522,969	522,969	439,443
Bank charges	11,921	11,921	1,754
Computer costs	172,491	172,491	145,757
Printing, postage and stationery	200,353	200,353	183,456
Other support costs	501,294	501,294	382,830
Governance costs	43,760	43,760	43,896
Wages and salaries	2,074,429	2,074,429	1,900,380
National insurance	147,563	147,563	122,158
Pension cost	429,513	429,513	427,785
	<b>6,039,285</b>	<b>6,039,285</b>	<b>4,931,371</b>

During the year ended 31 August 2016, the academy incurred the following Governance costs: £22,050 (2015 - £43,896) included within the table above in respect of Educational operations.

In 2015, the academy incurred the following Support costs: £4,931,371 in respect of Educational operations

# NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 August 2016

## 8. EXPENDITURE

	Staff costs 2016	Premises 2016	Other costs 2016	Total 2016	Total 2015
	£	£	£	£	£
Activities:					
Direct costs	12,830,761	1,703,285	1,045,257	15,579,303	14,271,889
Support costs	2,651,255	617,321	2,770,709	6,039,285	4,931,371
	<u>15,482,016</u>	<u>2,320,606</u>	<u>3,815,966</u>	<u>21,618,588</u>	<u>19,203,260</u>

In 2016, of the total expenditure, £3,487 (2015 - £194,330) was to unrestricted funds and £21,615,101 (2015 - £19,184,800) was to restricted funds.

## 9. EXPENDITURE - ANALYSIS OF SPECIFIC

**EXPENSES** Included within expenditure are the following transactions:

	Total	Individual items above £5,000	
	£	Amount	Reason
	£	£	
Compensation payments	36,000	30,000	Termination of employment
		6,000	Termination of employment

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 August 2016

### 10. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016	2015
	£	£
Depreciation/amortisation of fixed assets:		
- owned by the charity	1,718,869	1,618,435
Audit fees	41,610	33,005
Operating lease rentals	170,059	124,561
	<u><u>          </u></u>	<u><u>          </u></u>

### 11. AUDITORS' REMUNERATION

	2016	2015
	£	£
Fees payable to the academy's auditor and its associates for the audit of the academy's annual accounts	19,250	19,250
Fees payable to the academy's auditor and its associates in respect of:		
Audit-related assurance services	4,900	4,400
All other non-audit services not included above	17,460	8,380
	<u><u>          </u></u>	<u><u>          </u></u>
	2016	2015
	£	£
Fees payable to the academy's auditor and its associates in connection with the academy's pension scheme(s) in respect of:		
The auditing of accounts of the scheme(s)	2,150	975
	<u><u>          </u></u>	<u><u>          </u></u>

# NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 August 2016

## 12. STAFF COSTS

Staff costs were as follows:

	2016	2015
	£	£
Wages and salaries	<b>12,286,793</b>	11,482,916
Social security costs	<b>1,063,706</b>	894,079
Operating costs of defined benefit pension schemes	<b>1,974,388</b>	1,664,498
	<b>15,324,887</b>	14,041,493
Staff restructuring costs	<b>36,000</b>	44,500
Other costs	<b>121,129</b>	107,728
	<b>15,482,016</b>	14,193,721

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

	2016	2015
	No.	No.
Teaching	<b>255</b>	218
Admin and Support	<b>189</b>	159
Management	<b>23</b>	22
	<b>467</b>	399



# BEACON MULTI-ACADEMY TRUST LIMITED

FORMERLY KNOWN AS BEAL MULTI-ACADEMY TRUST A COMPANY LIMITED BY GUARANTEE

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

	2016 No.	2015 No.
In the band £60,001 - £70,000	5	4
In the band £70,001 - £80,000	0	1
In the band £80,001 - £90,000	1	0
In the band £90,001 - £100,000	0	1
In the band £100,001 - £110,000	2	1
In the band £110,000 - £120,000	2	0
In the band £140,001 - £150,000	0	1

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £36,250 (2015: £44,500). Individually, the payments were: £6,000 and £30,000.

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 contributions) received by key management personnel for their services to the academy trust was £421,670 (2015: £369,041).

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 August 2016

### 13. CENTRAL SERVICES

The academy has provided the following central services to its academies during the year:

- HR
- Finance
- Trust executive: support QA including VFM
- 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
- Audit services

The academy charges for these services on the following basis:

4% of total income (including cross Academy recharges) for Beal High School and The Forest Academy and 5% of total income (including cross Academy recharges) for Beal Business Innovation Hub.

The actual amounts charged during the year were as follows:

	2016	2015
	£	£
Beal High School	549,421	500,000
The Forest Academy	212,990	250,000
Beal Business Innovation Hub	42,113	13,000
	<hr/>	<hr/>
Total	804,524	763,000
	<hr/> <hr/>	<hr/> <hr/>

## 14. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees, the value of Trustees' remuneration and other benefits was as follows:

		2016	2015
		£	£
S Snowdon	Remuneration	115,000-120,000	145,000-150,000
	Pension contributions paid	15,000-20,000	20,000-25,000
K Burns	Remuneration	110,000-115,000	100,000-105,000

## 15. 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 the year is included in the total insurance cost.

# NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 August 2016

## 16. OTHER FINANCE INCOME

	2016	2015
	£	£
Interest income on pension scheme assets	180,000	156,000
Interest on pension scheme liabilities	(292,000)	(256,000)
	<u>(112,000)</u>	<u>(100,000)</u>

## 17. INTANGIBLE FIXED ASSETS

	Software Licences £
<b>Cost</b>	
At 1 September 2015 and 31 August 2016	77,919
<b>Amortisation</b>	
At 1 September 2015	57,141
Charge for the year	15,584
At 31 August 2016	<u>72,725</u>
<b>Carrying amount</b>	
At 31 August 2016	<u>5,194</u>
At 31 August 2015	<u>20,778</u>

## 18. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>						
At 1 September 2015	62,054,644	628,293	12,785	774,087	1,508,071	64,977,880
Additions	329,925	-	-	65,420	161,643	556,988
At 31 August 2016	62,384,569	628,293	12,785	839,507	1,669,714	65,534,868
<b>Depreciation</b>						
At 1 September 2015	2,607,024	166,081	9,376	165,629	543,239	3,491,349
Charge for the year	1,247,691	46,221	2,557	72,873	333,943	1,703,285
At 31 August 2016	3,854,715	212,302	11,933	238,502	877,182	5,194,634
<b>Net book value</b>						
At 31 August 2016	58,529,854	415,991	852	601,005	792,532	60,340,234
At 31 August 2015	59,447,620	462,212	3,409	608,458	964,832	61,486,531

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 August 2016

### 19. DEBTORS

	2016	2015
	£	£
Trade debtors	27,078	14,863
VAT debtor	54,086	202,254
Other debtors	28,541	50
Prepayments and accrued income	983,635	630,875
	<u>1,093,340</u>	<u>848,042</u>

### 20. CREDITORS: Amounts falling due within one year

	2016	2015
	£	£
Bank loans and overdrafts	77,806	-
Trade creditors	(534,186)	683,664
Other taxation and social security	462,714	401,269
Other creditors	3,451,333	788,704
Accruals and deferred income	168,053	527,294
	<u>3,625,720</u>	<u>2,400,931</u>

	2016	2015
	£	£
<b>Deferred income</b>		
Deferred income at 1 September 2015	104,697	88,333
Resources deferred during the year	40,029	104,697
Amounts released from previous years	(104,697)	(88,333)
	<u>40,029</u>	<u>104,697</u>

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

# NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 August 2016

## 21. STATEMENT OF FUNDS

	Brought Forward	Income	Expenditure	Transfers in/out	Gains/ (Losses)	Carried Forward
	£	£	£	£	£	£
<b>Unrestricted funds</b>						
Unrestricted funds	926,486	256,406	(181,623)	-	-	1,001,269
<b>Restricted funds</b>						
General Annual Grant (GAG)	828,018	14,921,123	(15,487,852)	-	-	261,289
Start up grants	-	23,110	(23,110)	-	-	-
Pupil premium	-	574,467	(574,467)	-	-	-
Other DfE/EFA grant	-	249,164	(249,164)	-	-	-
Other government grants	-	1,504,137	(1,504,137)	-	-	-
NELTA	62,429	523,312	(470,423)	-	-	115,318
Other generated funds	392,668	1,027,219	(1,419,887)	-	-	-
Pension reserve	(3,002,000)	-	(195,000)	-	(1,674,000)	(4,871,000)
	<u>(1,718,885)</u>	<u>18,822,532</u>	<u>(19,924,040)</u>	<u>-</u>	<u>(1,674,000)</u>	<u>(4,494,393)</u>
<b>Restricted Fixed Asset Fund</b>						
Assets held for depreciation	61,507,309	-	(1,718,869)	556,988	-	60,345,428
Other capital funding	-	669,523	-	(493,620)	-	175,903
Devolved capital formula	-	63,368	-	(63,368)	-	-
	<u>61,507,309</u>	<u>732,891</u>	<u>(1,718,869)</u>	<u>-</u>	<u>-</u>	<u>60,521,331</u>

## STATEMENT OF FUNDS (continued)

Total restricted funds	<b>59,788,424</b>	<b>19,555,423</b>	<b>(21,642,909)</b>	-	<b>(1,674,000)</b>	<b>56,026,938</b>
Total of funds	<b>60,714,910</b>	<b>19,811,829</b>	<b>(21,824,532)</b>	-	<b>(1,674,000)</b>	<b>57,028,207</b>

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

Unrestricted funds are applied to the general work of the academy to support activities inside and outside the curriculum.

Restricted funds are applied specifically in accordance with the rules of each grant and support the education provision delivered by the academy. Restricted fixed asset funds are applied to the maintenance and improvement of all the academy's fixed assets.



# NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 August 2016

## 21. STATEMENT OF FUNDS (continued)

### ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2016 were allocated as follows:

	Total 2016	Total 2015
	£	£
Beal High School	406,662	818,048
The Forest Academy	933,182	1,312,790
Beal Innovation Hub	8,844	64,202
Central services	29,188	14,561
Total before fixed asset fund and pension reserve	<u>1,377,876</u>	2,209,601
Restricted fixed asset fund	60,521,331	61,507,309
Pension reserve	(4,871,000)	(3,002,000)
Total	<u>57,028,207</u>	<u>60,714,910</u>

## ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2016	Total 2015
	£	£	£	£	£	£
Beal High School	8,510,050	1,698,896	148,824	2,717,868	13,075,638	11,280,499
The Forest Academy	3,936,931	559,717	89,599	746,261	5,332,508	5,375,410
Beal Business Innovation Hub	353,780	21,895	6,200	43,038	424,913	226,091
Central services	30,000	370,997	35	871,573	1,272,605	759,695
	<b>12,830,761</b>	<b>2,651,505</b>	<b>244,658</b>	<b>4,378,740</b>	<b>20,105,664</b>	<b>17,641,695</b>

## 22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016	Restricted funds 2016	Restricted fixed asset funds 2016	Total funds 2016	Total funds 2015
	£	£	£	£	£
Intangible fixed assets	-	-	5,194	5,194	20,778
Tangible fixed assets	-	-	60,340,234	60,340,234	61,486,531
Current assets	1,079,075	3,924,521	175,903	5,179,499	4,610,532
Creditors due within one year	(77,806)	(3,547,914)	-	(3,625,720)	(2,400,931)
Provisions for liabilities and charges	-	(4,871,000)	-	(4,871,000)	(3,002,000)
	<u>1,001,269</u>	<u>(4,494,393)</u>	<u>60,521,331</u>	<u>57,028,207</u>	<u>60,714,910</u>

# NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 August 2016

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

	2016	2015
	£	£
Net (expenditure)/income for the year (as per Statement of financial activities)	(2,012,703)	1,728,399
<b>Adjustment for:</b>		
Depreciation charges	1,703,285	1,602,851
Losses on investments	(18,577)	(21,013)
Dividends, interest and rents from investments	15,584	15,584
Increase in debtors	(245,298)	(227,437)
Increase/(decrease) in creditors	1,224,789	(674,531)
Capital grants from DfE and other capital income	(732,891)	(2,590,713)
Defined benefit pension scheme finance cost	195,000	179,000
<b>Net cash provided by operating activities</b>	<b>129,189</b>	<b>12,140</b>

## 24. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016	2015
	£	£
Cash in hand	4,008,353	3,762,490
Overdraft facility repayable on demand	77,806	-
<b>Total</b>	<b>4,086,159</b>	<b>3,762,490</b>

## 25. CONTINGENT LIABILITIES

During the period of the funding agreement, should any asset for which a capital grant was received be sold or otherwise disposed of, in the event of the Academy not reinvesting the proceeds, it will be required to pay the grant related proportion of the proceeds to the EFA.

Should the funding agreement be terminated for any reason, the Academy shall repay to the EFA the current value of the academy's land and buildings and other assets, to the extent that such assets were funded by sums received from the EFA.

## 26. PENSION COMMITMENTS

The academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by 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 August 2016. There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

### Teachers' Pension Scheme

#### INTRODUCTION

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

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

#### Valuation of the Teachers' Pension Scheme

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

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

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

**The employer's pension costs paid to TPS in the period amounted to £1,371,230 (2015 - £1,089,598). A copy of the valuation report and supporting documentation is on the Teachers' Pensions website ([www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx](http://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx)).**

# NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 August 2016

## 26. PENSION COMMITMENTS (continued)

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

### LOCAL GOVERNMENT PENSION SCHEME

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £651,000 (2015 - £624,000), of which employer's contributions totalled £521,000 (2015 - £496,000) and employees' contributions totalled £130,000 (2015 - £128,000). The agreed contribution rates for future years are 23.1% for employers and var% for employees.

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

Principal actuarial assumptions:

	2016	2015
Discount rate for scheme liabilities	2.00 %	3.70 %
Expected return on scheme assets at 31 August	8.70 %	3.70 %
Rate of increase in salaries	3.10 %	3.50 %
Rate of increase for pensions in payment / inflation	2.10 %	2.60 %

The current mortality assumptions include sufficient allowance for future improvements in mortality rates.

The assumed life expectations on retirement age 65 are:

	2016	2015
Retiring today		
Males	22.0	22.0
Females	24.1	24.1
Retiring in 20 years		
Males	24.3	24.3
Females	26.7	26.7

# NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 August 2016

## 26. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2016	Fair value at 31 August 2015
	£	£
Equities	4,153,000	2,505,000
Debt instruments	1,466,000	1,503,000
Property	488,000	455,000
Cash	-	91,000
	<hr/>	<hr/>
Total market value of assets	<b>6,107,000</b>	4,554,000
	<hr/> <hr/>	<hr/> <hr/>

# NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 August 2016

## 26. PENSION COMMITMENTS (continued)

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

	2016	2015
	£	£
Current service cost (net of employee contributions)	<b>(604,000)</b>	(575,000)
Net interest cost	<b>(112,000)</b>	(100,000)
	<hr/>	<hr/>
Total	<b>(716,000)</b>	(675,000)
	<hr/> <hr/>	<hr/> <hr/>

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

	2016	2015
	£	£
Opening defined benefit obligation	<b>7,556,000</b>	6,599,000
Current service cost	<b>604,000</b>	575,000
Interest cost	<b>292,000</b>	256,000
Contributions by employees	<b>130,000</b>	128,000
Actuarial losses	<b>2,429,000</b>	51,000
Exchange differences on foreign schemes	<b>(33,000)</b>	(53,000)
	<hr/>	<hr/>
Closing defined benefit obligation	<b>10,978,000</b>	7,556,000
	<hr/> <hr/>	<hr/> <hr/>



# NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 August 2016

## 26. PENSION COMMITMENTS (continued)

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

	2016	2015
	£	£
Opening fair value of scheme assets	4,554,000	3,923,000
Return on plan assets (excluding net interest on the net defined pension liability)	180,000	156,000
Actuarial gains and (losses)	755,000	(96,000)
Contributions by employer	521,000	496,000
Contributions by employees	130,000	128,000
Assets acquired in a business combination	(33,000)	(53,000)
	<hr/>	<hr/>
Closing fair value of scheme assets	<b>6,107,000</b>	4,554,000
	<hr/> <hr/>	<hr/> <hr/>

The adoption of FRS 102 has not had an effect on the closing pension deficit in the comparative year. However, the analysis between support costs and actuarial gains and losses has changed.

## 27. LEASE COMMITMENTS

At 31 August 2016 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2016	2015
	£	£
<b>Amounts payable:</b>		
Within 1 year	<b>167,503</b>	111,306
Between 1 and 5 years	<b>170,610</b>	174,221
	<hr/>	<hr/>
Total	<b>338,113</b>	285,527
	<hr/> <hr/>	<hr/> <hr/>

## 28. 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.

## 29. RELATED PARTY TRANSACTIONS

One of the trustees, A Weinberg, is a councillor for the London Borough of Redbridge. The Academy uses various services from the London Borough of Redbridge as part of their normal course of business.

These transactions were conducted on normal commercial terms, at arm's length without the exercise of any influence by the related party involved.

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

## 30. FIRST TIME ADOPTION OF FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the Trustees have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

The policies applied under the academy's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure.