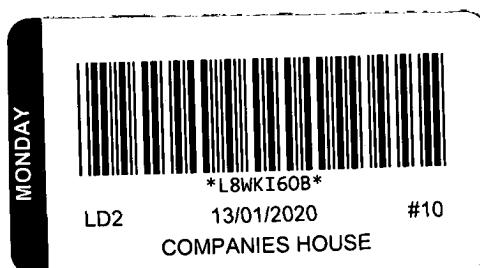


RET BECKET KEYS CHURCH OF ENGLAND FREE SCHOOL TRUST
(A Company Limited by Guarantee)

ANNUAL REPORT & FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

Company Registration Number 08096798 (England and Wales)



RET BECKET KEYS CHURCH OF ENGLAND FREE SCHOOL TRUST
FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2019

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RET BECKET KEYS CHURCH OF ENGLAND FREE SCHOOL TRUST
REFERENCE AND ADMINISTRATIVE DETAILS
YEAR ENDED 31 AUGUST 2019

Governors (Trustees)	Jenny Downs (Chair) Karen Lynch Iain Gunn Andrew Scott-Evans (Headteacher) Christine Savage David Brook (joined 1 April 2019) Father Mark North (joined 1 April 2019) Rev. Paul Hamilton
Company Secretary	Danny Lynch
Senior Management Team:	
Headteacher	Andrew Scott-Evans
Deputy Headteacher	Sally Trebess
Deputy Headteacher	Emma-Jane Sharp
Assistant Headteacher	David Hughes
Assistant Headteacher	Debbie Cavalier
Assistant Headteacher	Gus Fenn
Assistant Headteacher	Ross Pegs
Assistant Headteacher	Jamie Shields
Finance & Operations Manager	Nina Chapman
Principal and Registered Office	Manor House The Crescent Leatherhead Surrey KT22 8DY
Company Registration Number	08096798 (England and Wales)
Independent Auditor	UHY Hacker Young LLP Quadrant House 4 Thomas More Square London E1W 1YW
Bankers	Lloyds Chelmsford Legg St OSC 1 Legg St Chelmsford Essex CM1 1JS
Solicitors	Browne Jacobson LLP Victoria Square House Victoria Square Birmingham B2 4BU
Members	Russell Education Trust John McDermott Philip Ward Chelmsford Diocese Trust

RET BECKET KEYS CHURCH OF ENGLAND FREE SCHOOL TRUST

GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2019

The governors present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2019.

This report has been prepared in accordance with the Companies Act 2006 and also Part 8 of the Charities Act 2011 and serves the purpose of both a trustees' report under charity law and a directors' report under company law.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the company's Memorandum and Articles of Association, applicable laws and the requirements of 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 (FRS102).

The Trust operates an academy for pupils aged 11 to 19 serving a catchment area in Brentwood and the surrounding area. It has a pupil capacity of 1,050. The School had a roll of 1,013 in the school census in October 2019.

Principal Activities

The charitable company was incorporated on 7 June 2012 and commenced trading as an Academy on 1 September 2012. The principal activity since incorporation is that of running Becket Keys Church of England Free School.

The RET Becket Keys Church of England Free School Trust's principal activities are establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum with a designated Church of England religious character, and having regard to the advice of the Diocesan Board of Education.

Structure, Governance and Management

Constitution

The Academy Trust is a company limited by guarantee (registration number 08096798) and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The governors act as the trustees for the charitable activities of RET Becket Keys Church of England Free School Trust and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Becket Keys Church of England Free School Trust or RET Becket Keys Church of England School.

Details of the directors and trustees who served throughout the year are included in the Reference and Administrative Details section.

Members' Liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one period after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Governors' Indemnities

The School is part of the Department for Education's Risk Protection Arrangement that protect governors and officers from the financial impact of claims arising from negligent acts, errors or omissions occurring whilst on School business. The arrangement provides cover up to £10 million.

Method of Recruitment and Appointment or Election of Trustees

The number of Governors shall be not less than nine.

Subject to Articles 45 to 64 of the Articles of Association, the School shall have the following Governors:

- (a) One Governor, appointed by the Diocesan Bishop of Chelmsford;
- (b) One Governor, appointed by the Diocesan Board of Education for Chelmsford;
- (c) One Governor, appointed by the Anglican Primary School Trust;
- (d) Up to seven Governors, appointed by Russell Education Trust;
- (e) Two Parent Governors; and
- (f) The Headteacher
- (g) Any Additional Governors, appointed by the Secretary of State, where it is deemed necessary as per conditions set out in the model funding agreement.

All parent governors are elected. They are elected through nomination from similarly eligible members and the nominees must be proposed and seconded by similarly eligible members. If the number of nominations exceeds the number of vacancies a secret ballot must be held.

Russell Education Trust (RET), the Diocesan Board of Education, Anglican Primary School Trust, and the Bishop of Chelmsford governors are appointed by the appropriate group.

Policies and Procedures Adopted for the Induction and Training of Governors

During the year under review the governors held 5 Full Governing Body meetings, 4 Finance and Buildings Committee meetings, 3 Staffing and Development Committee meetings, 3 Community and Worship Committee meetings, and 4 Curriculum and Students Committee meetings.

All governors receive training in committees through a RET member governor, who is either an experienced Headteacher or Ofsted trained inspector, and through RET clerking on committees and the Governing Body.

RET BECKET KEYS CHURCH OF ENGLAND FREE SCHOOL TRUST GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2019

RET have provided induction training for new governors. The Board have been trained to understand their strategic role in promoting high standards and pupil safety.

All existing governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as governors.

The following policies and procedures have been adopted by the Governors:

- | | | |
|-------------------------------|-------------------------------------|---|
| • Admissions | • Data Protection | • Lettings |
| • Acceptable Use of ICT | • Privacy Notices | • Maternity, Paternity & Adoption Leave |
| • Accessibility Plan | • Dealing with Allegations of Abuse | • Mental Health |
| • Anti-bullying | • Disciplinary | • Minibus |
| • Anti-Bribery | • Drugs Education | • Off-site Educational Visits |
| • Anti-Drugs | • Drugs Incident Procedure | • Reasonable Use of Force |
| • Assessment | • Equal Opportunities | • Recruitment Selection |
| • Attendance | • Equalities Information and Advice | • Review of Staffing Structure |
| • Behaviour | • Exam Internal Appeals | • Risk Management |
| • Bereavement | • Exam Entries | • Relationships and Sex Education |
| • Best Value | • Exclusion | • Security |
| • Capability | • Expenses | • Sickness and Procedure |
| • Charging and Remissions | • Extra-Curricular | • Smoke Free |
| • Charitable Donations | • First Aid inc. Medical Needs | • Students with Medical Needs |
| • Child Protection | • Fraud & Corruption | • Sponsorship |
| • CCTV | • Freedom of Information | • Special Educational Needs |
| • Code of Conduct – Governors | • Gifts and Hospitality | • SEN Information Report |
| • Code of Conduct – Staff | • Governors' Allowances | • Shared Parental Leave |
| • Collective Worship | • Health and Safety | • Provider Access |
| • Complaints | • Homework | • Teacher Appraisal and Capability |
| • Cover | • Home to School Agreement | • Uniform |
| • Critical Incident | • Learning and Teaching | • Whistleblowing |
| • Curriculum | • Leave of Absence | |

Organisational Structure

The organisational structure is as follows:

- The Headteacher is the Accounting Officer.
- Overall responsibility for finances and for all other aspects of the school rests with the Governing Body.
- The Finance and Buildings Committee of the Governing Body undertakes detailed oversight of the school's finances in relation to its Financial Procedures.
- Financial management functions are provided by the Headteacher, and the Finance and Operations Manager, and through RET, particularly through RET's Chief Executive Officer and Head of Finance and Operations.
- Relationships between all the above are described in a comprehensive set of Financial Regulations.

Connected Organisations

The working relationship is set out in the Articles. RET Becket Keys Church of England Free School Trust entered into a Funding Agreement with the Secretary of State. At cost support from RET is continuing with RET providing Core and Additional Services to the school, in an arrangement agreed under a Tripartite Agreement with the Secretary of State. This is monitored by the Governing Body. RET continues to provide a high level of pro-bono services to the school.

Trade Union Facility Time

The Trust employed more than 49 full time employees during the financial year and therefore it must disclose trade union facility time in accordance with the requirements of the Trade Union (Facility Time Publication Requirements) Regulations 2017. The school recognises the valuable support and advice trade unions provide to teaching and non-teaching staff. No employees have put themselves forward to be union representatives, and therefore none have been appointed. Employees are where necessary referred to their unions to ensure they take appropriate advice in relation to employment matters.

Objectives and Activities

Objects and Aims

The principal object and activity of the charitable company is to advance for the public benefit education in the United Kingdom. The charitable company will establish, develop and manage a school with a designated Church of England religious character offering a broad and balanced curriculum conducted in accordance with the principles, practices and tenets of the Church of England, particularly in relation to arranging for religious education and daily acts of worship, and in having regard to the advice of the Diocesan Board of Education.

RET BECKET KEYS CHURCH OF ENGLAND FREE SCHOOL TRUST GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2019

Objectives, Strategies and Activities

The main objects of the School as contained within its articles of association sets out the following powers:

- to establish, maintain, carry on, manage and develop the school;
- to draw, make, accept, endorse, discount, and issue promissory notes, bills, cheques and other instruments, and to operate bank accounts in the name of the Academy Trust;
- to raise funds and to invite and receive contributions provided that in raising funds the Academy Trust shall not undertake any substantial permanent trading activities and shall conform to any relevant statutory regulations;
- to acquire, alter, improve and (subject to such consents as may be required by law) to charge or otherwise dispose of property;
- to employ such staff, as are necessary for the proper pursuit of the Object and to make all reasonable and necessary provision for the payments of pensions and superannuation to staff and their dependents;
- to establish or support, whether financially or otherwise, any charitable companies, trusts, associations or institutions formed for all or any of the Object;
- to provide educational facilities and services to students of all ages and the wider community for the public benefit;
- to offer scholarships, exhibitions, prizes and awards to pupils and former pupils, and otherwise to encourage and assist pupils and former pupils;
- to pay out of funds of the Academy Trust the costs, charges and expenses of and incidental to the formation and registration of the Academy Trust;
- to co-operate with other charities, other independent and maintained schools, voluntary bodies and statutory authorities operating in furtherance of the Object and to exchange information and advice with them;
- to carry out research into the development and application of new techniques in education in particular in relation to the areas of curricular specialisation of the Academy and to its approach to curriculum development and delivery and to publish the results of such research, and to develop means of benefiting from application of the experience of industry, commerce, other schools and the voluntary sector to the education of pupils in academies;
- to deposit or invest any funds of the Academy Trust not immediately required for the furtherance of its Object;
- to delegate the management of investments to a financial expert subject to controls to be set down by the Governors;
- to arrange for investments or other property of the Academy Trust to be held in the name of a nominee company acting under the control of the Governors or of a financial expert acting under their instructions, and to pay any reasonable fee required;
- to provide indemnity insurance to cover the liability of Governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust;
- to establish subsidiary companies to carry on any trade or business for the purpose of raising funds for the Academy Trust; and
- to do all such other lawful things as are necessary for or are incidental to or conducive to the achievement of the Object.

Public Benefit

The directors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charitable company's objectives and aims and in planning future activities for the year. The directors consider that the charitable company's aims are demonstrably for the public benefit.

Strategic Report

Achievements and Performance

Overview

Parents, Church of England primary school headteachers, and the Chelmsford Diocese recognised the need for a local Church of England secondary school, and approached the school standards specialists and academy sponsor, the Russell Education Trust (RET), to work with them to set up and run Becket Keys which opened in 2012.

The agreed school priorities were to:

- Recruit high quality, proven leaders and exceptional teaching staff, focussing on high standards and high expectations;
- Provide a mix of traditional and innovative curricula;
- Build a Christian school community where everyone is valued; and
- Retain a 'personal size' of around 150 in each year group and 300 in the sixth form.

Becket Keys provides a high-quality education in a caring Christian environment where every student is known, and achieves their potential at GCSE and A-Level. The school's first Ofsted inspection in May 2014 judged the school as "Outstanding" in all areas, recognising the exceptional performance of the school's students, and the quality of its staff. The school has now filled all seven-year groups with students sitting their first A-Level examinations in summer 2019.

Since the school's creation, high demand for places and an outstanding Ofsted inspection report suggested that the school was delivering on this vision. The evidence of the school's success was supported by its third set of GCSE results in 2019, and first set of A-Level results. Further details are provided in the Key Performance Indicators section below.

Leadership and Teaching

Becket Keys only employs exceptional teachers, all of whom must convince the school they are committed to its values, and demonstrate their classroom skills to RET inspectors, and the Diocese. RET provide the school's staff with regular, ongoing high-quality in-service training, to ensure they continually upgrade their expertise, in line with school and national expectations.

The school's subject leaders are responsible for ensuring that the school's schemes of work and teaching are of the standard required, with

RET BECKET KEYS CHURCH OF ENGLAND FREE SCHOOL TRUST GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2019

the school's senior team regularly and systematically checking that the school's classroom practice delivers the quality of education that its students require.

Curriculum

Becket Keys delivers a personalised curriculum that draws on best practice from independent and state schools nationally. The school prepares students for life beyond school by focussing on the core curriculum and subjects that reflect the needs of the future workplace. Parents and students get impartial advice on GCSE courses appropriate for each individual, with inputs from Universities, higher education and employers.

Enrichment

Curriculum enrichment in and beyond the classroom is central to the Becket Keys experience. Each subject provides activities to extend learning. This includes visiting authors and artists running workshops, and peripatetic teachers providing tuition for a range of musical instruments. Offsite learning is also important, with field trips, visits to sites of historical interest, concerts, and theatre trips. Students in every year group have opportunities to attend residential and adventurous activities overseas and in the UK.

Learning at Becket Keys is not just a classroom activity. All staff run very popular clubs and activities related to their subjects, and their personal interests. The school expects every student to take up some of the offers. Some activities are led by students with particular expertise and interests, supervised by staff.

Sport and Music

The school has excellent sporting facilities, and a strong relationship with the local Sports Trust. The school plays an active part in local competitive sport and uses specialist instructors alongside its PE staff to promote skill and success at the highest levels. Music is clear strength of the school. The school aims to build on the Church of England's musical traditions and has talented musicians on the staff and amongst its students. Singing and playing is part of the school's collective worship and it encourages students and staff to join its choirs, music groups and orchestra.

Partnerships and Service

The school aims to work in close partnership with the family of schools in Brentwood and the Diocese of Chelmsford, for the benefit of local children and young people. At a school level, the most important partnerships are with parents. The school works together with parents and carers to promote each student's happiness, academic success and personal growth.

Becket Keys embeds community service as part of the curriculum, so that the school develops well organised and fruitful relationships with its neighbours and the locality. Whilst students' use of facilities (and that of neighbouring schools' students) is the school's priority, extensive community use of our site takes place out of hours. The school expects these arrangements with local clubs and other organisations to flourish.

Going Concern

After making appropriate enquiries, the governing body has a reasonable expectation that RET Becket Keys Church of England Free School 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 can be found in the Statement of Accounting Policies.

Key Performance Indicators

RET Becket Keys School has increased from its original intake of 116 students in September 2012 to 1,013 students across seven year groups in October 2019. The school is oversubscribed for years 11-16, and therefore has a waiting list, and is expecting to continue to be oversubscribed in 2020-21. The school has exceptionally high rates of attendance – consistently one of the highest in the County.

RET Becket Keys had its first Ofsted inspection in May 2014 and the school was judged "Outstanding" in all areas, recognising the exceptional performance of our students, and the quality of our staff. The Ofsted inspection report drew attention to the high quality of the teaching.

"The quality of teaching is consistently good, with much that is outstanding. The impact of this high-quality teaching is clearly evident in the quality of students' work in their books, and in their positive attitudes towards learning. They arrive promptly for lessons, are orderly and respectful and share excellent relations with staff."

The report noted that the impact of this outstanding teaching was the students' exceptional progress.

"More-able students make exceptional progress due to the high quality of teaching they receive. Inspectors found the quality of written work of the higher ability students in Year 8 English lessons was similar to the standards expected at GCSE level."

The school had a Statutory Inspection of Anglican and Methodist Schools (SIAMS) in January 2016. The report described the distinctiveness and effectiveness of Becket Keys as a Church of England school as outstanding in all areas. The report noted the following strengths:

- The school's explicit Christian ethos effectively drives forward its growth and development as a church school;
- The high quality of relationships and exemplary behaviour of students expresses the school's 'character education' approach based on its Christian values of respect, responsibility and forgiveness;
- The school's daily worship programme is central to school life and supports the religious, spiritual and moral development of students very well; and
- The commitment and effectiveness of the school's leadership team and governing body promotes well its high standards of attainment and progress based on its Christian ethos.

RET BECKET KEYS CHURCH OF ENGLAND FREE SCHOOL TRUST GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2019

The School received its third set of GCSE results in August 2019, and these were very strong. The school's Progress 8 Score is anticipated to be around +0.32 (confirmed figure will be published in January). This means the school's students are getting about a third higher grades across 8 subjects compared to the National Average. This places Becket Keys in the top 10-15% of schools in the country. Furthermore, Attainment 8 Score for the entire cohort is 56.3 (top 5% in the country)

EBacc entry rate is 52% with and EBacc Achievement rate of 48% for a standard pass and 41% for a strong pass.

80% of students achieved at least 5A*-C/9-4, including English and Mathematics with the highlights including:

- All students performed exceptionally well in English, with 92% achieving 9-4 and 25% achieving 7,8,9
- In Mathematics, 84% of students achieved 9-4 and 22% achieved 7,8,9
- 32% of students took triple science. The pass rate was 100%.
- 82% of students who took it gained at least a grade 4 in the Science Double Award.
- 50 students took Spanish, of which 100% passed 9-4
- 25 students took Mandarin, of which 100% passed 9-4
- 70 students took Geography, of which, 90% gained 9-4
- 96 students took History, of which, 89% gained 9-4
- 143 students took Religion & Philosophy, 86% achieved a 4 or above and 40% gained a 7, 8, or 9

The School received its first set of A-Level results in August 2019, and these were strong. 87 students sat A-Level exams with 37% achieving grade A*-B, 59% A*-C and 96% being awarded A*-E.

Almost half (47%) of the school's students gained at least one A* to B grade in their envelope. More than 8 in 10 students walked away with three A level passes (82%) with the average grade being a C+. The small cohort of students taking vocational courses, on average, gained a Merit.

The school's focus on the Facilitating Core Subjects continued to reap rewards at A level with 100% pass rates in English Literature, Physics, Further Mathematics. 96% pass rates in Mathematics and Biology. 88% pass rate in Chemistry.

Financial Review

Overview

RET Becket Keys Church of England School's key source of funding is General Annual Grant and Start-Up Grant provided by the Education and Skills Funding Agency (ESFA). All of the grant monies received from the ESFA during the year to 31 August 2019 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities (SOFA). The funds have been applied to the School's Educational Operations.

During 2018-19 the school recorded a surplus of £98k excluding the movement on the pension reserve. This underspend has led to an increase in the school's free revenue reserves from £176k to £274k as per the table below. The School's Governing Body received regular reports during the year outlining the financial position of the school.

	Reserves at 31 August 2018 £000	Movement Surplus/(Deficit) £000	Reserves at 31 August 2019 £000
Restricted General Funds – Excluding Pension Reserve	(753)	(158)	(911)
General Unrestricted Funds	929	256	1,185
Free Restricted & Unrestricted Reserves	176	98	274
Pension Reserve	(426)	(261)	(687)
Total Restricted & Unrestricted Reserves	(250)	(163)	(413)

The School has also received specific grants from the ESFA for building works; fixtures, fittings and equipment; and IT equipment. In accordance with the Charities' Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), these grant monies are shown in the SOFA as restricted income in the fixed asset fund. The restricted asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

At 31 August 2019 the net book value of fixed assets was £15,821k and movements in tangible fixed assets are shown in note 11 to the financial statements. The assets were exclusively used for providing education and the associated support services to the students of the School. The school has a balance on its capital reserves of £35k that is available to meet capital priorities.

Reserves Policy

The School broadly aims to carry forward a prudent level of resources to cover the medium and long term needs for renewal and placement, unforeseen contingencies and to contribute to major capital developments. The amount to be carried forward from the General Annual Grant is subject to the current restrictions operated by the Department for Education. The General Unrestricted Fund reserve more than offsets the balance on General Annual Grant, and the Governing Body will therefore keep the situation under review and transfer funds if it deems this necessary.

Investment Policy

In the short-term cash balances are strong and it looks like these balances will continue to grow. An investment policy will be drafted in the future and will reflect the school's financial position at that time.

RET BECKET KEYS CHURCH OF ENGLAND FREE SCHOOL TRUST GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2019

Principal Risks and Uncertainties

Financial and Risk Management Objectives and Policies

The School does not consider that it has any material financial risk that cannot be met from current reserves. Where significant financial risk remains governors have ensured they have adequate financial protection through the Department for Education's Risk Protection Arrangement.

The School has an effective system of internal control that is detailed in the Risk Management section of this report. The final procedures are developed through the Finance and Buildings Committee.

Risk Management

The Governors are responsible for the management of risks to which the Academy Trust is exposed. The Governors have undertaken reviews of risks associated with its activities, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy and its finances.

The key controls used by the Academy Trust include but are not limited to:

- Detailed terms of reference for all committees;
- Adoption of a clear Development Plan identifying key strategic planning objectives and the resources required to achieve them;
- Comprehensive budget planning, monitoring and review;
- Clear financial delegation levels;
- Formal written policies;
- Risk register;
- Clear safeguarding and vetting procedures as required by law to protect children and young people;
- Rigorous review of educational achievement to ensure continuing high standards; and
- Comprehensive planning and review of admissions procedures;

The Governors are satisfied that these systems are consistent with guidelines issued by the Charities Commission. The school has a detailed set of Financial Regulations in place which, together with the associated systems and procedures, are subject to on-going review.

The school's funding is dependent upon the number of pupils on roll. As a result of the school's initial successes, the robustness of its plans to continue this success, the strength of interest in the applications for 2019-20 and over subscription in 2018-19 provide significant comfort to the school's governing body.

There remains a risk that building, ICT or other contractors may go into administration or liquidation due to the adverse financial climate. The school will continue to manage this risk through its approach to tendering.

Fundraising Activities

The school raises a limited amount of funds to support its operating activities and enhancements to the school environments. The funds are raised through direct appeals to parents and occasional small-scale events that also serve to encourage the growth and development of the school community. The school is mindful of the need not to pressurise parents and therefore avoids unreasonably intrusive or persistent fundraising approaches. Furthermore, requests for contributions always emphasise that any parental or community donations are voluntary. The school's Charging and Remissions Policy and Gifts and Hospitality Policy set a framework for the management of fundraising activities.

Plans for Future Periods

Curriculum

The school has a robust School Development plan that it has formulated in conjunction with Russell Education Trust drawing upon the strength of their school improvement experience. The key objectives for the next academic year are as follows:

Quality of education

- Feedback:
 - o Improve teaching and learning through regular, systematic feedback and slick systematic accountability based around our revised BKS teaching model.
- Increase rates of progress in Mathematics:
 - o Further increase rates of progress in mathematics
 - o Closer checks on progress over time
 - o More emphasis on sharing good practice, regular feedback to students, learning from mistakes, challenging students with new materials and moving them on more rapidly right across the year groups
 - o Do not allow students to move down groups if they have high prior attainment
- Improve levels of literacy:
 - o Reading: Inspire and engage in reading for pleasure, teach annotation, prioritise library development
 - o Speaking: address poor spoken English, correct mistakes, "say it again/better", use more technical and advanced and ambitious vocabulary
 - o Writing: develop planning and make plain its importance, know what you want to say before you write it.
- Improve rates of progress and attainment in foundation subjects at KS4
 - o Art, Art Textiles, PE.
- Curriculum
 - o Clear on intent, expert in implementation, effective impact measured through reasonable methodology

RET BECKET KEYS CHURCH OF ENGLAND FREE SCHOOL TRUST GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2019

Behaviour and attitudes

- Expected excellence: create a culture of expected excellence, every lesson, every day, supported by simple consistency to reduce incidents of classroom disruption, litter and lateness.

Personal development

- Emphasise the school's Christian Values: emphasise, teach and model the school's seven Christian Values and use Character Education restorative justice.

Leadership and management

- Recruit well: Recruit carefully, in budget, and induct rapidly to our standards
- Raise revenue/reduce costs: Further increase numbers into Sixth Form, increase use of the school site, whilst reducing costs at every opportunity.
- Links with community for mutual benefit: Seek out links with local community members for funding, careers support, practical help. Also look for opportunities to serve the local area to give Becket Keys students opportunities to experience their values in action
- Share workload: Share workload across the school and trust, align effort to our priorities, streamlining and simplifying as much as possible.
- Sixth-Form Provision: Share levels of delivery expertise across A-Level teachers to ensure all subjects achieve similarly high outcomes with all teachers presenting demanding work and helping to extend the most able students and rates of progress across all subjects being similarly strong.

Infrastructure

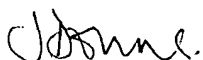
A significant refurbishment of the school's buildings was completed in autumn 2013 followed by the completion of the second phase of works to replace the school's windows which was completed during the 2013-14 academic year. The school received approval from the Education and Skills Funding Agency for additional funding to meet the additional costs of refurbishing the classroom block that is needed to accommodate all teaching groups. Works commenced in summer 2016 to the new Justin Welby Building and this started being used by the school in September 2017. The school's new sports hall was completed in summer 2018. The project was funded by a Condition Improvement Funding grant from the Education and Skills Funding Agency. The school has also had new fencing and gates installed as part of a CIF Safeguarding Project.

Auditor

In so far as all the trustees are aware:

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

The auditors are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting. The Trustees' report, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 13 December 2019 and signed on the board's behalf by



Mrs Jenny Downs
Chair

RET BECKET KEYS CHURCH OF ENGLAND FREE SCHOOL TRUST

GOVERNANCE STATEMENT

Scope of Responsibility

As governors, we acknowledge we have overall responsibility for ensuring that RET Becket Keys Church of England School has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss.

The governing body has delegated the day-to-day responsibility to the Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between RET Becket Keys Church of England School and the Secretary of State for Education. The Headteacher is also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Trustees' responsibilities. The full governing body has formally met four times during the year covered by these accounts. Attendance at meetings of the governing body was as follows:

Governor	Meetings attended	Out of a possible
Jenny Downs (Chair)	5	5
Iain Gunn	4	5
Karen Lynch	4	5
Pauline Davidson	-	2
Andrew Scott-Evans (Headteacher and Accounting Officer)	5	5
Adam Pope	1	5
Christine Savage	5	5
John Chambers	3	5
Rev. Paul Hamilton	2	5
Rev. Jane Bradbury	-	1
Amelia Mauger	-	1
David Brook	-	1
Father Mark North	1	1

Finance and Buildings Committee

The Finance and Buildings Committee is a sub-committee of the main governing body. Its purpose is to consider and advise the governing body on matters related to finance, building and premises. Within this remit its purpose is to:

- Consider the school's indicative funding, notified annually by the Education and Skills Funding Agency (ESFA), and to assess its implications for the school, in consultation with the headteacher, in advance of the financial year, drawing any matters of significance or concern to the attention of the governing body.
- Consider and recommend acceptance/non-acceptance of the school's budget, at the start of each financial year.
- Liaise with and receive reports from the Curriculum and Students and the Staffing and Development committees, as appropriate, and to make recommendations to those committees about the financial aspects of matters being considered by them. In particular, to contribute to the formulation of the school's development plan, through the consideration of financial priorities and proposals, in consultation with the Headteacher and the first review by the Staffing and Development Committee.
- Receive and make recommendations on the broad budget headings and areas of expenditure to be adopted each year, including the level and use of any contingency fund or balances, ensuring the compatibility of all such proposals with the priorities set out in the development plan.
- Monitor, review and challenge expenditure on a regular basis and ensure compliance with the overall financial plan and financial procedures of the school, (and with the financial regulations of the ESFA), drawing any matters of concern to the attention of the governing body. To review virements or proposed virements in accordance with the school's financial procedures.
- Monitor and review procedures for ensuring the effective implementation and operation of financial procedures, on a regular basis, including the implementation of bank account arrangements and, where appropriate, to make recommendations for improvement.
- Receive, consider and approve the end of year accounts prior to sending on to the full Governing Body for their consideration.
- Act as the Audit Committee of the Governing Body – i.e. to receive and consider the auditor's report; to recommend acceptance to the full governing body, including any recommendations for action arising from them.
- Recommend to the full governing body the appointment or reappointment of the auditors.
- Review the Responsible Officer's reports.
- Carry out annual benchmarking against similar schools.
- Review health and safety within the school.
- Oversee development work to the school's site as it grows in numbers and requires further buildings to come into use.

RET BECKET KEYS CHURCH OF ENGLAND FREE SCHOOL TRUST

GOVERNANCE STATEMENT

Attendance at Finance and Buildings Committee meetings of the current governing body members in the year were as follows:

Governor	Meetings attended	Out of a possible
Iain Gunn (Chair)	4	4
Jenny Downs	4	4
Karen Lynch	1	4
Andrew Scott-Evans	4	4
Pauline Davidson	-	3
Rev. Jane Bradbury	-	-
Amelia Mauger	-	-
Father Mark North	1	1

Review of Value for Money

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

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

1. **Reducing expenditure within high value contracts**
Becket Keys re-tendered its catering and cleaning contracts in 2018 with a new contract commencing in September 2018. This led to the appointment of new contractors for both services. The school worked with the appointed catering and cleaning providers to reduce costs.
2. **Expanding lettings provision**
The School expanded its lettings portfolio by seeking out new customers such that its new and existing facilities generated additional income for the school's education operations.
3. **Continued review of teaching staff**
During 2018-19 the school identified cost savings and staffing efficiencies through the application of its rigorous staffing and curriculum planning process.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in RET Becket Keys Church of England Free School Trust for the year ended 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The governing body 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 governing body is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ended 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governing body.

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 governing body;
- regular reviews by the Finance and Buildings Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties; and
- identification and management of risks.

The governing body considered the need for a specific internal audit function and took the decision to provide an internal audit function using a peer review model under which qualified accountants from across Russell Education Trust are reviewing compliance with each school's internal controls. The scope of work was set by the Becket Keys Finance and Buildings Committee. The results of the internal audit checks were reported to the Finance and Buildings Committee and no material issues were identified.

Internal audit's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular, the checks carried out in the current period included charge card usage. The internal audit function reports to the board of governors, through the Finance and Buildings Committee on the operation of the systems of control and on the discharge of the governing body's financial responsibilities.

RET BECKET KEYS CHURCH OF ENGLAND FREE SCHOOL TRUST

GOVERNANCE STATEMENT

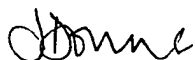
Review of Effectiveness

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

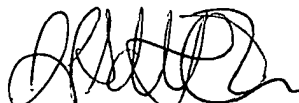
- the work of the internal audit function;
- the work of the external auditor;
- the financial management and governance self-assessment process; and
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Buildings Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the governing body on 10 December 2019 and signed on its behalf by:



Mrs Jenny Downs
Chair



Mr A Scott-Evans
Headteacher and Accounting Officer

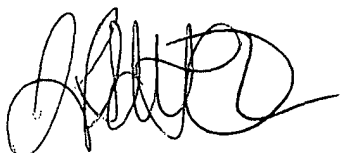
RET BECKET KEYS CHURCH OF ENGLAND FREE SCHOOL TRUST
STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

Statement of Regularity, Propriety and Compliance

As Accounting Officer of RET Becket Keys Church of England Free School Trust, I have considered my responsibility to notify the academy trust governing body and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration, I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the academy trust governing body are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2018.

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



Mr A Scott-Evans
Accounting Officer

10 December 2019

RET BECKET KEYS CHURCH OF ENGLAND FREE SCHOOL TRUST

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The governors (who act as trustees for charitable activities of RET Becket Keys Church of England Free School trust and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the governors' report and the financial statements in accordance with the Annual Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the governors to prepare financial statements for each financial year. Under company law, the governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the statement of affairs of the Charitable company and of its incoming resources and application of resources, including its income and expenditure for that year. In preparing these financial statements, the governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards FRS102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by order of the members of the governing body on 10 December 2019 and signed on its behalf by:



Mrs Jenny Downs
Chair

RET BECKET KEYS CHURCH OF ENGLAND FREE SCHOOL TRUST

INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RET BECKET KEYS CHURCH OF ENGLAND FREE SCHOOL TRUST

Opinion

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

In our opinion, RET Becket Keys Church of England Free School Trust financial statements (the "financial statements"):

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditors' responsibilities for the audit of the financial statements' section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditors' report thereon. The governors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Governors' Report including the incorporated strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Governors' Report, including the incorporated strategic report, have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report, including the incorporated strategic report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RET BECKET KEYS CHURCH OF ENGLAND FREE SCHOOL TRUST
INDEPENDENT AUDITORS' REPORT

Responsibilities of governors

As explained more fully in the Statement of Governors' Responsibilities, the governors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the governors are responsible for assessing the academy's trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the governors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

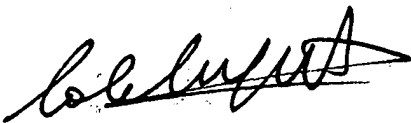
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report

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



Colin Wright (Senior Statutory Auditor)
For and on behalf of UHY Hacker Young

Chartered Accountants
Statutory Auditor

Quadrant House
4 Thomas More Square
London
E1W 1YW

17 December 2019

RET BECKET KEYS CHURCH OF ENGLAND FREE SCHOOL TRUST
STATEMENT OF FINANCIAL ACTIVITIES
(including Income and Expenditure Account and Statement of Recognised Gains and Losses)
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2019 £000	Total 2018 £000
Income and endowments						
Donations and capital grants	3	36	-	210	246	701
Charitable activities:						
- Funding for the academy trust's educational operations	4	-	4,847	-	4,847	4,389
Other trading activities	5	342	52	-	394	345
Total		378	4,899	210	5,487	5,435
Resources expended						
Charitable activities:						
- School's educational operations	6	121	5,173	216	5,510	5,383
Total		121	5,173	216	5,510	5,383
Net income / (expenditure)		257	(274)	(6)	(23)	52
Gross transfer between funds		-	-	-	-	-
Other recognised (losses) / gains:						
Actuarial gains / (losses) on defined benefit pension scheme	21	-	(146)	-	(146)	193
Other recognised gains / (losses)	14	-	-	-	-	125
Net movement in funds		257	(420)	(6)	(169)	370
Reconciliation of Funds						
Total funds brought forward		929	(1,179)	15,862	15,612	15,242
Total funds carried forward	14	1,186	(1,599)	15,856	15,443	15,612

The Statement of Financial Activities also complies with the requirements for an Income and Expenditure Account under the Companies Act 2006.

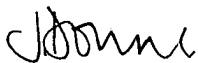
All of the academy's activities derive from continuing operations in the current financial year and acquisitions in the prior financial year.

A comparative Statement of Financial Activities for the year ended 31 August 2018 is shown in note 2 to the financial statements.

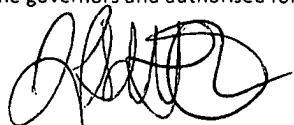
RET BECKET KEYS CHURCH OF ENGLAND FREE SCHOOL TRUST
BALANCE SHEET AT 31 AUGUST 2019

	Notes	2019 £000	2019 £000	2018 £000	2018 £000
Fixed assets					
Tangible assets	11		15,821		15,762
Current assets					
Debtors	12	375		458	
Cash at bank and in hand	19	675		358	
		<u>1,050</u>		<u>816</u>	
Liabilities					
Creditors: amounts falling due within one year	13	<u>(741)</u>		<u>(540)</u>	
Net current assets			<u>309</u>		<u>276</u>
Total assets less current liabilities			<u>16,130</u>		<u>16,038</u>
Net assets excluding pension liability			<u>16,130</u>		<u>16,038</u>
Defined benefit pension scheme liability	21		<u>(687)</u>		<u>(426)</u>
Net assets including pension liability			<u>15,443</u>		<u>15,612</u>
Funds of the academy:					
Restricted income funds					
- fixed asset fund	14		15,856		15,862
- general fund	14		(912)		(753)
- pension reserve	14		<u>(687)</u>		<u>(426)</u>
Total restricted funds			<u>14,257</u>		<u>14,683</u>
Unrestricted income funds					
- general fund	14		<u>1,186</u>		<u>929</u>
Total unrestricted funds			<u>1,186</u>		<u>929</u>
Total funds			<u>15,443</u>		<u>15,612</u>

The financial statements were approved by the governors and authorised for issue on 10 December 2019 and are signed on their behalf by:



Mrs Jenny Downs
Chair



Mr A Scott Evans
Accounting Officer

Company Number: 08096798

RET BECKET KEYS CHURCH OF ENGLAND FREE SCHOOL TRUST
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2019

		2019	2018
	Notes	£000	£000
Cash flows from operating activities			
Net cash provided by / (used in) operating activities	17	381	(439)
Cash flows (used in) / from financing activities			
Cash flows (used in) investing activities	18	(64)	(1,320)
Change in cash and cash equivalents in the reporting period		<u>317</u>	<u>(1,759)</u>
Cash and cash equivalents at 1 September 2018	19	358	2,117
Cash and cash equivalents at 31 August 2019	19	<u>675</u>	<u>358</u>

RET BECKET KEYS CHURCH OF ENGLAND FREE SCHOOL TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting Policies

Basis of preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their 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 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006. Becket Keys Church of England Free School Trust meets the definition of a public benefit entity under FRS 102.

A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Going concern

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

Incoming resources

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

- **Grants receivable**

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

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

- **Sponsorship income**

Sponsorship income provided to the school trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance related conditions, where the receipt is probable and it can be measured reliably. There was no sponsorship income received during the year.

- **Donations**

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

- **Other income**

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

- **Donated services and gifts in kind**

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

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

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.

Expenditure on raising funds

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

Charitable activities

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

RET BECKET KEYS CHURCH OF ENGLAND FREE SCHOOL TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

Tangible fixed assets

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet.

Depreciation on the relevant assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds depreciation on such assets is charged to the unrestricted fund.

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

• Long leasehold land & buildings	life of lease
• Fixtures & equipment and plant & machinery	20% straight line
• Computer equipment & software	20% straight line
• Motor vehicles	20% straight line

Assets or buildings in the course of construction are included at cost, based on the certified or other direct costs incurred to 31 August. Depreciation on these assets is not charged until they are brought into use.

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.

Liabilities

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

Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably. 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.

Leased Assets

Rentals under operating leases are charged on a straight-line basis over the lease term.

Financial Instruments

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

- **Financial assets**
Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 12. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.
- **Cash at bank**
This is classified as a basic financial instrument and is measured at face value. None are included in this model but if relevant the suggested disclosure could be as follows, with valuation in line with SORP 2015.
- **Financial liabilities**
Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 13. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Taxation

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

Pensions Benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS'), the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes.

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The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 21, 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 and the contributions are recognised in the period to which they relate.

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

Fund Accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Education and Skills Funding Agency or the Department for Education.

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. 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.

Critical assumptions for LGPS

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

For 2018-19 there have been some specific issues which have impacted on the actuarial assumptions and closing pension scheme liability of all LGPS employers:

1. McCloud/Sargeant Judgement

This relates to legal rulings regarding age discrimination arising from public sector pension scheme transitional arrangements. Actuarial evidence suggested that the impact of making an allowance for this judgement would be material, and so the academy trust asked the actuary to make an allowance in the figures.

In order to quantify the constructive obligation, the actuary has made calculations using an approximate approach. One critical assumption under this method is that salaries will increase at least CPI plus 1.5%. Further, the approximate approach does not take into account the specific age profile of the employer's pension scheme members.

The impact of McCloud/Sargeant has been included within the past service cost and projected service cost, detailed in note 21.2.d and amounts to £25k.

2. Guaranteed Minimum Pension (GMP)

GMP is a portion of pension that was accrued by individuals who were contracted out of the State Second Pension between 6 April 1978 and 6 April 1997. In October 2018 the High Court ruled in the Lloyds Bank case that equalisation for the effect of unequal GMPs between genders is required. As a result of an on-going debate on how this impacts on public service pension schemes, there has been national debate about the point at which a past service cost is triggered. Briefing notes provided by the actuary have indicated that a 'trigger event' is yet to occur for the LGPS and so no allowance has been made for GMP in the LGPS liability included within these financial statements. It is, in any case, considered likely that any impact would be immaterial.

3. Discount rates

There has been a change in financial assumptions over the period, including the discount rate. The discount rate has been reduced significantly which has resulted in a less positive balance sheet position than if the discount rate at the start of the period had been

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used. The impact comes through as part of the actuarial movement shown on Statement of Financial Activities.

4. Mortality assumptions

Details of the changes in mortality assumptions are shown in note 21.2.b. The actuary calculations use a model prepared by the Continuous Mortality Investigation (CMI) which is updated on an annual basis, incorporating the latest mortality data in the national population. This year the mortality assumptions use an updated CMI model which now anticipates a significant reduction in projected life expectancies. The lower life expectancy assumptions result in a more positive balance sheet position than if the mortality rates at the start of the period had been used, and the impact comes through as part of the actuarial movement shown on Statement of Financial Activities

2. Comparative SoFA

In accordance with the requirement under SORP 2015 the Trust must disclose the comparative information for all amounts presented in the SoFA. The trust's SoFA for 2017-18 is provided below to allow comparisons with the 2018-19 SoFA.

		Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2018 £000	Total 2017 £000
	Note					
Incoming and endowments						
Donations and Capital Grants	3	28	-	673	701	4,619
Charitable activities:	4					
- Funding for the academy trust's educational operations		-	4,389	-	4,389	3,967
Other trading activities	5	330	15	-	345	261
Total		358	4,404	673	5,435	8,847
Resources expended						
Charitable activities:						
- School's educational operations	7	207	4,901	275	5,383	4,877
Total		207	4,901	275	5,383	4,877
Net income / (expenditure)		151	(497)	398	52	3,970
Gross transfer between funds		-	58	(58)	-	-
Other recognised gains / (losses):						
Actuarial (losses) / gains on defined benefit pension scheme	21	-	193	-	193	55
Other recognised gains / (losses)		-	-	125	125	-
Net movement in funds		151	(246)	465	370	4,025
Reconciliation of Funds						
Total funds brought forward		778	(933)	15,397	15,242	11,217
Total funds carried forward	14	929	(1,179)	15,862	15,612	15,242

3. Donations and Capital Grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2019 £000	Total 2018 £000
Capital grants	-	192	192	662
Donations	36	18	54	39
	36	210	246	701

The income from donations and capital grants was £246k (2018: £701k) of which £36k was unrestricted (2018: £28k), £nil restricted general (2018: £nil) and £210k restricted fixed assets (2018: £663k).

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4. Funding for the Trust's educational operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2019 £000	Total 2018 £000
DfE / ESFA revenue grants				
- General Annual Grant (GAG)	-	4,648	4,648	4,157
- Start Up Grants	-	-	-	63
- Other DfE / ESFA grants	-	151	151	109
	-	4,799	4,799	4,329
Other Government grants				
- SEN grant	-	48	48	60
	-	48	48	60
Total	-	4,847	4,847	4,389

Funding for the Trust's educational operations was £4,847k (2018: £4,389k) of which £nil was unrestricted (2018: £nil) and £4,847k restricted (2018: £4,389k).

5. Other trading activities

	Unrestricted Funds £000	Restricted General Funds £000	Total 2019 £000	Total 2018 £000
Hire of facilities	76	-	76	67
Other income	266	52	318	278
	342	52	394	345

Income from other trading activities was £394k (2018: £345k) of which £342k was unrestricted (2018: £330k) and £52k restricted (2018: £15k).

6. Expenditure

Non Pay Expenditure

	Staff Costs £000	Premises £000	Other Costs £000	Total 2019 £000	Total 2018 £000
Academy's education operations:					
- Direct costs	3,204	216	268	3,688	3,453
- Allocated support costs	634	404	784	1,822	1,930
Total expenditure	3,838	620	1,052	5,510	5,383

Net income / (expenditure) for the period includes:

	2019 £000	2018 £000
Depreciation	216	275
Fees payable to auditor for audit	13	15

7. Charitable Activities

	Total 2019 £000	Total 2018 £000
Direct costs – educational operations	3,688	3,453
Allocated support costs – educational operations	1,822	1,930
	5,510	5,383

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Analysis of support costs	Educational Operations	Total 2019	Total 2018
	£000	£000	£000
Support staff costs	634	634	653
Technology costs	89	89	87
Premises costs	404	404	328
Other support costs	687	687	847
Governance costs	8	8	16
Total Support Costs	1,822	1,822	1,930

8. Staff costs

a. Staff Costs

Staff costs during the year were:

	2019	2018
	£000	£000
Wages and salaries	2,927	2,712
Social security costs	279	274
Pension costs	607	576
Apprenticeship levy	(18)	14
	3,795	3,576
Supply staff costs	43	51
	3,838	3,627

b. Staff Numbers

The average number of persons (including senior management team) employed by the academy during the year was as follows:

Charitable activities	2019	2018
	No.	No.
Teachers	62	63
Administration and support	35	37
	97	100

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

	2019	2018
	No.	No.
£60,001 - £70,000	3	2
£90,001 - £100,000	-	-
£100,001 - £110,000	1	1

c. Key Management Personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed in the Reference and Administrative Details. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £550k (2018: £449k).

9. Governors' remuneration and expenses

The headteacher only receives remuneration in respect of services provided undertaking the role of Headteacher and not in respect of his services as a governor. Other governors did not receive any payments, other than expenses, from the academy in respect of their role as governors. The value of governors' remuneration was as follows:

A Scott-Evans (Headteacher and Trustee):

Remuneration £100,501 - £110,000 (2018: £100,101 - £105,101)

Employer's pension contributions paid £15,001-£20,000 (2018: £15,001-£20,000)

During the year ended 31 August 2019, travel and subsistence expenses payable to the headteacher totalled £309 (2018: £140). Other related party transactions involving the trustees are set out in note 22.

10. Governors' and Officers' Financial Liabilities

In accordance with normal commercial practice, the academy has arranged for cover to protect governors and officers from the financial impact of claims arising from negligent acts, errors or omissions occurring whilst on academy business. The school has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. The scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on school business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme membership.

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11. Tangible Fixed Assets

	Leasehold Land and Buildings £000	Furniture and Equipment £000	Computer Equipment £000	Motor Vehicles £000	Total £000
Cost					
At 1 September 2018	16,824	532	680	25	18,061
Additions	262	11	1	-	274
Disposals	-	-	-	-	-
At 31 August 2019	17,086	543	681	25	18,335
Depreciation					
At 1 September 2018	1,270	427	575	25	2,297
Charged in year	133	42	41	-	216
Disposals	-	-	-	-	-
At 31 August 2019	1,403	469	617	25	2,514
Net book values					
At 31 August 2019	15,683	74	64	-	15,821
At 1 September 2018	15,553	105	104	-	15,762

12. Debtors

	2019 £000	2018 £000
Trade debtors	79	7
Prepayments	114	98
VAT recoverable	89	141
Accrued income	93	212
	375	458

13. Creditors: Amounts falling due within one year

	2019 £000	2018 £000
Trade creditors	225	268
Other taxation and social security	72	72
Pensions	59	57
Other creditors	152	11
Accruals and deferred income	233	132
	741	540

Deferred Income

	2019 £000	2018 £000
Deferred income at 1 September 2018	20	7
Resources deferred in the year	7	20
Amounts released from previous years	(20)	(7)
Deferred income at 31 August 2019 (included above)	7	20

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14. Funds

14.1 Analysis of Funds

	Balance at 1 September 2018 £000	Incoming Resources £000	Resources Expended £000	Gains, Losses and Transfers £000	Balance at 31 August 2019 £000
Restricted general funds					
General Annual Grant (GAG)	(753)	4,648	(4,807)	-	(912)
Start-up Grant	-	-	-	-	-
Pupil Premium	-	151	(151)	-	-
Pension reserve	(426)	-	(115)	(146)	(687)
Activities for Generating Funds	-	52	(52)	-	-
Local authority grants	-	48	(48)	-	-
Other Government Grant	-	-	-	-	-
	(1,179)	4,899	(5,173)	(146)	(1,599)
Restricted fixed asset funds					
DfE/ESFA building grants	9,932	134	(216)	-	9,850
DfE/Other capital grants	58	58	-	-	115
Capital expenditure from GAG	-	-	-	-	-
Voluntary Income	5,873	18	-	-	5,891
	15,862	210	(216)	-	15,856
Total restricted funds	14,683	5,109	(5,389)	(146)	14,257
Unrestricted funds					
General funds	929	378	(121)	-	1,186
Total unrestricted funds	929	378	(121)	-	1,186
Total funds	15,612	5,487	(5,510)	(146)	15,443

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

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

	Balance at 1 September 2017 £000	Incoming Resources £000	Resources Expended £000	Gains, Losses and Transfers £000	Balance at 31 August 2018 £000
Restricted general funds					
General Annual Grant (GAG)	(438)	4,157	(4,530)	58	(753)
Start-up Grant	-	63	(63)	-	-
Pupil Premium	-	96	(96)	-	-
Pension reserve	(495)	-	(124)	193	(426)
Activities for Generating Funds	-	15	(15)	-	-
Local authority grants	-	60	(60)	-	-
Other Government Grant	-	13	(13)	-	-
	(933)	4,404	(4,901)	251	(1,179)
Restricted fixed asset funds					
DfE/ESFA building grants	9,436	645	(275)	125	9,931
DfE/Other capital grants	41	17	-	-	58
Capital expenditure from GAG	58	-	-	(58)	-
Voluntary Income	5,862	11	-	-	5,873
	15,397	673	(275)	67	15,862
Total restricted funds	14,464	5,077	(5,176)	318	14,683
Unrestricted funds					
General funds	778	358	(207)	-	929
Total unrestricted funds	778	358	(207)	-	929
Total funds	15,242	5,435	(5,383)	318	15,612

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

Start-up grant: received for expenditure delivering a range of activities following the opening of the RET Becket Church of England Free School Trust.

General Annual Grant: must be used for the normal running costs of the Academy including salary costs, overheads, premises costs and curriculum costs. Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

Other DfE/ESFA and government grants: includes funding received from the DfE and Local Education Authorities for specific purposes.

Fixed asset fund: includes grants received from the DfE and other sources to finance the purchase of tangible fixed assets.

Pension reserve: the element of the local government pension fund liability attributable to the Academy.

Transfer between funds: a transfer from unrestricted funds to the restricted fixed asset fund was necessary to fund capital expenditure carried out during the year.

14.2 Analysis of net assets between funds

Fund balances at 31 August 2019 are represented by:

	Unrestricted funds £000	Restricted general funds £000	Restricted fixed asset funds £000	Total Funds 2019 £000	Total funds 2018 £000
Tangible fixed assets	-	-	15,821	15,821	15,762
Current assets	1,185	(170)	35	1,050	816
Current liabilities	-	(741)	-	(741)	(540)
Pension scheme liability	-	(687)	-	(687)	(426)
Total net assets	1,185	(1,598)	15,856	15,443	15,612

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

	Unrestricted funds £000	Restricted general funds £000	Restricted fixed asset funds £000	Total Funds 2018 £000	Total funds 2017 £000
Tangible fixed assets	-	-	15,762	15,762	14,044
Current assets	929	(213)	100	816	3,028
Current liabilities	-	(540)	-	(540)	(1,335)
Pension scheme liability	-	(426)	-	(426)	(495)
Total net assets	929	(1,179)	15,862	15,612	15,242

15. Capital commitments

	2019 £000	2018 £000
Contracted for, but not provided in the financial statements	Nil	Nil

16. Commitments under operating leases

At 31 August 2019 the academy had no annual commitments under non-cancellable operating leases (2018: £nil).

17. Reconciliation of net (expenditure) / income to net cash (outflow) / inflow from operating activities

	2019 £000	2018 £000
Net income	(23)	52
Depreciation (note 11)	216	275
Capital grants from DfE and other capital income (note 3)	(210)	(673)
Defined benefit pension scheme costs less contributions payable (note 21)	106	113
Defined benefit pension scheme finance cost (note 21)	9	11
Other recognised gains	-	125
Decrease in debtors (note 12)	84	453
Increase / (decrease) in creditors (note 13)	199	(795)
Net cash (used in) / provided by operating activities	381	(439)

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18. Cash flows from investing activities

	2019 £000	2018 £000
Purchase of tangible fixed assets	(274)	(1,993)
Capital grants from DfE/ESFA	192	662
Voluntary capital income	18	11
Net cash (used in) / provided by investing activities	<u>(64)</u>	<u>(1,320)</u>

19. Analysis of cash and cash equivalents

	2019 £000	2018 £000
Cash in hand and at bank	675	358
Total cash and cash equivalents	<u>675</u>	<u>358</u>

20. Members' Liabilities

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.

21. Pension and Similar Obligations

Overview

The academy's employees belong to two principal pension schemes which are both defined-benefit schemes:

1. Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and
2. Local Government Pension Scheme (LGPS) for non-teaching staff which is managed by Essex Pension Fund.

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

Contributions amounting to £59,091 (2018: £57,440) were payable to the schemes at 31 August 2019 and are included within creditors.

1. Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pensions Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.08%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%. A copy of the latest valuation report can be found by following this link to the Teachers' Pension Scheme website

Scheme Changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension

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schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

The pension costs paid to TPS in the period amounted to £580,014 (2018: £532,973).

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.]

2. Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme with the assets held in separate trustee-administered funds. The scheme name is Essex Pension Fund. The total contributions made for the year ended 31 August 2019 was £158,297 (2018: £148,542) of which employer's contributions totalled £123,461 (2018: £114,957) and employees' contributions totalled £34,837 (2018: £33,585). The agreed contribution rates for 2019-20 are 19.9% for employers and between 5.5% and 7.5% for employees.

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

2.a Principal Actuarial Assumptions

	At 31 August 2019	At 31 August 2018
Rate of increase in salaries	3.70%	3.80%
Rate of increase for pensions in payment / inflation	2.20%	2.30%
Discount rate for scheme liabilities	1.90%	2.65%
Inflation assumption (CPI)	2.20%	2.30%
Inflation assumption (RPI)	3.20%	3.30%
Commutation of pensions to lump sums	50.00%	50.00%

2.b Mortality Expectations

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

	At 31 August 2019	At 31 August 2018
<i>Retiring today</i>		
Males	21.3	22.3
Females	23.6	24.8
<i>Retiring in 20 years</i>		
Males	23.0	24.5
Females	25.4	27.1

2.c Estimated Share of Assets and Expected Rates of Return

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

	Fair value at 31 August 2019 £000	Fair value at 31 August 2018 £000
Equities	690	545
Gilts	60	46
Other Bonds	61	50
Property	87	76
Cash	32	29
Alternative Assets	107	77
Other Managed Funds	56	33
Total market value of assets	1,093	856
Present value of scheme liabilities	(1,780)	(1,282)
Deficit in the scheme	(687)	(426)

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2.d Amounts recognised in the Statement of Financial Activities

	2019 £000	2018 £000
Current service cost (net of employee contributions)	205	229
Past service cost	25	-
Net interest cost	9	11
Total operating charge	<u>239</u>	<u>240</u>

2.e Movements in the Present Benefit Obligations

	2019 £000	2018 £000
At 1 September 2018	1,282	1,156
Current service cost	205	229
Employee contributions	35	34
Change in financial assumptions	290	(167)
Change in demographic assumptions	(91)	-
Experience loss / (gain) on defined benefit obligation	25	-
Interest on pension liabilities	34	30
At 31 August 2019	<u>1,780</u>	<u>1,282</u>

2.f Movements in the Present Value Defined Benefit Assets

	2019 £000	2018 £000
At 1 September 2018	856	661
Interest on assets	25	19
Expected return on assets	53	26
Actuarial gain / loss	-	-
Employer contributions	124	116
Employee contributions	35	34
At 31 August 2019	<u>1,093</u>	<u>856</u>

22. Related Party Transactions

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

During the current year financial services to the value of £25,000 (2018: £25,000); core services of £111,300 (2018: £98,707), general support of £179,049 (2018: £158,790), and specific curriculum support services of £30,000 (2018: £30,000) were obtained from Russell Education Trust (RET). Furthermore, additional services were procured by the school through RET for maths, science, English school improvement consultants as well as specialist timetabling support, and the value of these at cost was £22,540 in 2017-18 (2018: £103,748).

There is no direct relationship between RET Becket Keys Church of England Free School Trust and RET's sponsor, Education London, and as in 2017-18 there were no financial transactions between these two parties in 2018-19.

RET BECKET KEYS CHURCH OF ENGLAND FREE SCHOOL TRUST
INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY

Independent Assurance Report on Regularity to the Governing Body of RET Becket Keys Church of England Free School Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 12 June 2015 and further to the requirements of the Education and Skills Funding Agency ('ESFA') as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by RET Becket Keys Church of England Free School Trust during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to RET Becket Keys Church of England Free School Trust and the ESFA in accordance with the terms of our engagement letter dated 12 June 2015. Our work has been undertaken so that we might state to the RET Becket Keys Church of England Free School Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than RET Becket Keys Church of England Free School Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of RET Becket Keys Church of England Free Trust accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of RET Becket Keys Church of England Free School Trust's funding agreement with the Secretary of State for Education and the Academies Financial Handbook extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity. A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion. Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion.

The work undertaken to draw our conclusion includes:

- Evaluation of the general control environment and operational effectiveness of the controls, policies and procedures;
- Confirmation that the internal delegations have been approved by the governing body, and conform to the limits set by the Department for Education;
- Review of the declaration of interests to ensure completeness;
- Review of minutes for evidence of declaration of interest;
- A sample of payments has been reviewed to confirm that each item has been appropriately authorised in accordance with the academy trust's delegated authorities;
- A sample of cash payments were reviewed for unusual transactions;
- A sample of expenditure items were reviewed against specific terms of grant funding within the funding agreement; and
- Formal representations have obtained from the governing body and the accounting officer acknowledging their responsibilities for matters relating to regularity and propriety.

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 from 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

UHY Hacker Young

UHY Hacker Young LLP
Chartered Accountants
Reporting Accountant
17 December 2019

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