

Company Registration Number: 08183461 (England & Wales)

BEACON HILL ACADEMY
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021



BEACON HILL ACADEMY
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	A Fish V Loganathan J Paddick L Bostock D Lodge
Trustees	A Fish, Chair of Trustees ² S Hewitt, Principal and Trustee ¹ V Loganathan, Trustee ¹ J Paddick, Trustee ¹ L Bostock, Trustee ² L Podstawka, Staff Trustee (resigned 22 September 2021) ¹ D Lodge, Trustee ² S Hand, Staff Trustee ² K Soni, Trustee ² J Drew, Staff Trustee (appointed 22 September 2021) ¹ ¹ Member of the Finance and Audit Committee ² Member of the Learning and Achievement Committee
Company registered number	08183461
Company name	Beacon Hill Academy
Principal and registered office	Erriff Drive South Ockendon Essex RM15 5AY
Company secretary	L Cook
Accounting Officer	S Hewitt
Senior leadership team	S Hewitt, Principal B Mullin, Vice Principal and Secondary Team Leader L Podstawka, Post 16 Leader J Bull, Vice Principal and Primary Team Leader L Bloomfield, Nursery and EYFS Leader G Terrell, Sensory and Communication Team Leader K Poppy, EYFS/Outreach Lead A Bull, Primary/Outreach Lead

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Independent auditors	MWS Chartered Accountants Registered Auditor Kingsridge House 601 London Road Westcliff-on-Sea Essex SS0 9PE
Bankers	Lloyds Bank plc 1-3 Market Place Romford RM1 3AA
Solicitors	Anthony Collins Solicitors 134 Edmund Street Birmingham B3 2ES

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

Beacon Hill Academy provides education to children aged between 2 and 19 in the Thurrock area. The current capacity of the academy is 75 with the number on roll of 68 as per the census at October 2020.

Structure, governance and management

a. Constitution

The Academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the Academy Trust. The company registration number is 08183461.

The Governors act as the Trustees for the charitable activities of Beacon Hill Academy and are also the directors of the charitable company for the purposes of company law.

The charitable company is known as Beacon Hill Academy.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

The Academy's principal activity is to provide education to boys and girls between the ages of 2 and 19, without prejudice, by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum, as set out in the Company's Memorandum and Articles of Association.

The Academy is constituted under a Memorandum of Association dated 13 August 2012.

b. 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 year 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.

c. Trustees' indemnities

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Trustees

Governor recruitment is through a combination of approaches, including the co-option of those with necessary skills from people with an interest in the school community. There are 2 dedicated places on the Governing Body for parents of children at the Academy. Nominations for Governors will be requested by a specific date. These nominations must include the reasons why the nominee wishes to become a Governor and the attributes they can bring to the Governing Body. These nominations will be considered by the members of the Academy Trust who will decide the successful candidate. Where no nominations are forthcoming, the Governing Body will identify possible future Governors to approach.

If a Parent Governor vacancy becomes available then information is circulated to all parents/carers. Prospective Governors can then be nominated and seconded. If more than one applicant applies, voting papers are sent out to all parent/carers. Staff Governor elections follow a similar procedure. If there is only one nomination the candidate may be elected unopposed.

The Chair and Vice-Chair are elected to the positions annually by the Governing Body, as are the Chairs of Sub Committees.

e. Policies adopted for the induction and training of Trustees

The School provides all new Governors with a comprehensive induction package covering a comprehensive range of issues and topics. This is to ensure they gain a better understanding of the role and responsibilities of being a school Governor so they can fulfil their role with confidence.

The Governing Body is committed to providing training for Governors specific to their roles and the requirements of the Academy and to aid this, the Academy purchases training from appropriate bodies.

f. Organisational structure

The Beacon Hill Academy is governed by the Governing Body and is constituted under a Memorandum of Association and Articles of Association.

The Governing Body is responsible for the strategic management of the school; deciding and setting key aspects such as the strategic direction, annual budgets, senior staff appointments, policy development and changes and ensuring compliance with legal requirements.

The Principal is the Accounting Officer and is supported by the senior leadership team. The Governing Body has delegated the day to day running of the Academy to the Principal and while it has retained responsibility for certain aspects of governance, the majority of roles and responsibilities are delegated to the Committees, as defined in the Academy's Standing Orders.

There are two Governors sub-committees, each with its own terms of reference; the Finance and Audit Committee and the Learning and Achievement Committee. In addition, there is a Pay Committee that meets once a year to decide on teachers' pay awards.

There are additional sub-committees that convene as and when required.

g. Arrangements for setting pay and remuneration of key management personnel

The pay and remuneration for all key management personnel at Beacon Hill Academy is detailed in the Academy's Pay Policy which is reviewed annually by the Governing Body. Within this document there is provision for accelerated progress up the pay scales to reflect exceptional performance. The document is available from the Academy office.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

Objectives and activities

a. Objects and aims

Beacon Hill is a place where:

- All pupils will get an education that is bespoke for their individual needs.
- Each pupil can achieve their own goals, tailored to their uniqueness.
- Learning is continuous for all.
- There will be a range of rich opportunities to develop pupils' strengths and to equip them for adult life.
- There will be opportunities to excel.
- There is no limit in our expectations, we will empower pupils so that nothing can hold them back and anything is possible.
- It is fun to learn and play.
- Pupils are happy and willing to learn.

Beacon Hill staff will:

- Give students confidence, making them ready to embrace the world around them.
- Show the pupils that they do and can fit in. We will ensure that they are accepted by others and are a valued part of the community.
- Challenge each student and push their boundaries. We will do the best for each pupil.
- Work together to be creative and think outside of the box.
- Be supported and support each other.
- Not give up, we share a 'can do' attitude.

We are proud of all of our pupils. No matter how small the steps, anything is a big achievement.

We will work with our community to encourage them to be actively involved and share in our successes. We will share outstanding practices and knowledge as we grow and succeed.

The Academy is committed to safeguarding and promoting the welfare of children and expects all staff and volunteers to share this commitment.

b. Objectives, strategies and activities

The Academy Development Plan has been tailored specifically to meet the overall objects and aims of the Academy, as outlined above. It is constantly reviewed and the key priorities are updated. It covers all aspects of achievements and standards across the curriculum; pupil progress, pupil health, behaviour and wellbeing; staff and management; premises and resources; community and promotion; and finance.

Priorities this year were set related to Covid recovery and mapped to the key Ofsted areas from the current inspection framework:

- Quality of education
- Behaviour and attitudes
- Personal Development
- Leadership and Management

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities (continued)

c. Public benefit

In setting our objectives and planning our activities, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

d. Volunteers

The Academy is grateful for the unstinting efforts of its volunteers, mainly parents and carers, who are involved in supporting the teaching and learning of the children. The Academy does not record a financial value for this time within the accounts.

Strategic report

Achievements and performance

In November 2019, Beacon Hill was inspected by Ofsted and continued to maintain its grading of Outstanding in all areas. Since March 2020 the work of the school has had to be managed differently due to the Covid pandemic. A significant number of pupils were identified as being Clinically Extremely Vulnerable and were not able to be educated on site. During academic year 2020 -2021 there has again been a blended offer of learning, designed individually to meet each pupils needs and circumstances. There have again been extensive periods of home learning for CEV pupils.

All pupils follow individual learning adventures and progress measures are set individually. Analysis of this over the year showed that most pupils retained and many gained skills over the period of the lockdown. The area of need identified was around physical skills maintenance and particularly identification and early support for pre-school aged pupils. Pupil premium funding has been directed at providing support in this area.

Close multi disciplinary work with health teams has helped to manage available resources as best as possible. Training has taken place with all staff to allow them to work in more creative ways, which formed part of all teachers whole school appraisal target.

The school improvement partner has continued to work closely supporting existing leaders and growing new ones.

Recruitment has been successful despite Covid with high numbers of applicants for all posts. The school has led on regional training for the introduction of the Engagement Model and this has allowed the creation of local groups to support and quality assure use of this model.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Achievements and performance (continued)

a. Key performance indicators

The Governors have set some specific KPIs which relate to Ofsted performance, fund balances, staffing costs, premises costs and pupil numbers.

These KPIs are regularly monitored regularly and reviewed by the finance and audit committee and have continued to be met.

The Academy implemented a revised personalised curriculum model in Sept 2019 and was subjected to an Ofsted Inspection in November 2019. The curriculum model was highly praised, and the inspection resulted in a 4th consecutive Outstanding judgement for the school.

Beacon Hill Academy's reputation has continued to grow, and it has maintained its focus on the very specific PMLD/SLD specialism. There are an increasing number of requests for out of borough placements and we expect numbers to be full during the next academic year.

Managing the predicted fund balances has again been challenging due to the additional school lockdown from January to March 2021 where again a significant number of pupils were not able to attend school and a blended/phased return took place for all pupils.

Due to the changing nature of the pupils together with the complexities of new cohorts, the building design on both sites remains extremely challenging. Work has had to take place to make classroom sizes adequate and unfortunately the school was unsuccessful in meeting CIF bid criteria to manage this. There continues to be no mechanism to get the building condition assessed in terms of suitability and this is proving to be the biggest challenge to use of finances both now and moving forward.

The provision of separate spaces for children who need AGPs has been challenging both financially and logistically and looks to be an ongoing situation.

The reduction in lettings has continued to affect income.

There has been some savings made in predicted staff costs due to the decision by one Vice Principal to reduce their working hours, but then leave. The leadership structure has not been able to be reviewed yet due to the other Vice Principal taking maternity leave.

Due to last minute teacher changes, some small groups are being led by Lead HLTAs under the direction of a UP3 teacher and this has again impacted the original budget forecast in those areas.

Pupil numbers for KPIs will vary during the year as pupils can join the Academy as soon as they reach an age of 2 years 6 months. This means that the number of pupils in Early Years increases throughout the year and we expect most places to be full by the end of the academic year.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Achievements and performance (continued)

Key performance indicators	Aug 2019	Aug 2020	Aug 2021
Ofsted rating	Outstanding – inspected May 2016	Outstanding – inspected Nov 2019	Outstanding – inspected Nov 2019
Total funds carried forward at end of year is positive	Yes	Yes	Yes
Total of unrestricted funds at end of year in surplus	Yes £428,334	Yes £457,578	Yes £466,364
Operating cash flows – Net incoming and outgoing resources for the year to be positive, prior to any depreciation charge and other recognised gains and losses	Yes £138,808	Yes £97,577	Yes £140,568
Net current assets/liabilities to be in a surplus ratio >1	7.90:1 (679,028/85,979)	4.91:1 (735,486/149,647)	6.98:1 (808,118/115,718)
Direct staff costs as a % of all expenditure (excl. depreciation) Min 60%	73% (1,978,573)	75% (2,087,561)	76% (2,224,365)
Total staff costs as a % of income from educational operations Min 75%	87% (2,194,178)	90% (2,296,750)	87% (2,426,130)
Premises costs – maintenance as a % of all expenditure (excl. depreciation)	1.7% (46,520)	2.8% (78,652)	3.3% (96,157)
Pupil number % of roll filled Min 90%	92%	91%	91%

b. Going concern

After making appropriate enquiries, the board of Trustees has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

Financial review

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

a. Reserves policy

The Governors review the reserve levels of the Academy annually. This review encompasses the nature of the income and expenditure streams, the needs to match income with commitments and the nature of reserves. The Governors take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review – see recent financial and operational risks identified.

The Trustees have determined that the appropriate level of free reserves should be at least equivalent to 4 weeks expenditure, approximately £220,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipts of grants and to provide a cushion to deal with unexpected emergencies particularly urgent maintenance of specialist areas such as the pool. The Academy's current level of unrestricted reserves is £466,364.

The Trust's current level of unrestricted reserves are £246,364 above the appropriate level determined above. The academy anticipates a need for significant additional expenditure on buildings upkeep over the next few years, due to the unsuitability of both sites for the current and emerging cohorts. There are ongoing discussions with the Local Authority about longer term options but at present there is no clear resolution. There is also likely to be a continued increased staff spend due to the disparity between Thurrock support staff pay scales and the National Pay scales for support staff.

In addition the Trust has a restricted fund balance of £2,723,599 which consists predominantly of the leasehold land and buildings and a restricted pension fund reserve which is in deficit to the value of £3,942,000.

b. Principal risks and uncertainties

The Academy Trust has a comprehensive Risk Register, which is reviewed regularly.

Falling pupil numbers would impact on funding streams for the Academy, making a deficit budget a possibility and affecting long term viability. Consequently pupil forecasts are monitored carefully and appropriate action is taken.

Fundraising

Beacon Hill Academy does not have a fund raising group directly attached to the Academy. We may be approached from time to time from outside agencies who wish to make a donation such as the local rotary club. Discussions will then be held between the leadership team to identify suitable areas for organisations to contribute to. Governors are also informed and asked for advice if needed. The gifting and hospitality policy and financial regulations are adhered to in this situation. Donations are also received in memory of pupils who have died at the school.

If the Academy organises any internal fundraising then the relevant permissions and licences are obtained before this takes place.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Future developments

The Academy development plan for 2021 – 2022 identifies the following 3 key priorities:

- Community – although pupils have returned, they have been working very much in isolation in small class bubbles. They have also become very isolated at home from wider family members and their local community. We would like to focus next year on re-engaging as a school community and building links back up safely with our local community. We recognise that Early Years pupils have been particularly affected by this.
- Revitalise – We know that particularly physical skills and stamina have been difficult to maintain during their time at home as despite great efforts from their families they do not have access to the same facilities and spaces. Individual curriculum plans will have a key focus on this. The physical situation of the school buildings will also be pursued in this development area as the pandemic has shown the shortfalls of the current design and a long term solution needs to be found.
- Support and Share – The well-being of students, families and staff has been greatly impacted over the last year and we want to focus on supporting this. We are also aware how isolated members of our school community have become and we want to create more opportunities to share and to learn from each other.

The suitability of the building remains a major concern. Discussions with the Local Authority and ESFA are ongoing. The lease for the Post 16 provision needs renewing alongside discussions around re-location. We are awaiting the result of a LA funded feasibility study to consider short and long term plans for the Erriff Drive site.

Once the current Vice Principal returns from maternity leave, the leadership structure will be further reviewed.

Funds held as custodian

Although the Academy maintains restricted funds to deal with incoming resources that are earmarked for a particular purpose by donors and other funders, the Academy does not hold, and the Trustees do not anticipate that it will in the future hold, any funds as custodian for any third party.

Disclosure of information to auditors

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that 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 auditors are aware of that information.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 10 November 2021 and signed on its behalf by:

Anthony Fish – Chair of Trustees

A Fish
Chair of Trustees

Sue Hewitt

S Hewitt
Accounting Officer

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GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Beacon Hill Academy 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.

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The board of Trustees has delegated the day-to-day responsibility to the Principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Beacon Hill Academy and the Secretary of State for Education. They are also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

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GOVERNANCE STATEMENT (CONTINUED)

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met 5 times during the year.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
A Fish, Chair of Trustees	5	5
S Hewitt, Principal and Trustee	5	5
V Loganathan, Trustee	4	5
J Paddick, Trustee	5	5
L Bostock, Trustee	4	5
L Podstawka, Staff Trustee	5	5
D Lodge, Trustee	4	5
S Hand, Staff Trustee	5	5
K Soni, Trustee	3	5
J Drew, Staff Trustee	0	0

During the year ended 31 August 2021, no governors resigned or were appointed.

At present the board meets 5 times a year. In between meetings, monthly finance reports are circulated to all governors and questions shared and responded to remotely to all. The chair of finance and audit also regularly meets with the finance and premises manager. From September 2021 the number of board meetings has been increased to 6 per year.

The Finance and Audit Committee is a sub-committee of the main Board of Trustees. Its purpose is to approve the annual budget, monitor the financial affairs of the Academy and report thereon to the Board, arrange the audit of the Academy Accounts, monitor finance reporting to the Education and Skills Funding Agency, review the reports of the Responsible Officer and to provide guidance to the Board on financial matters.

Governors have discussed the frequency of meetings and agreed that in addition to yearly meetings, there will be financial reports sent to all members of Finance and Audit on a monthly basis. The Chair of the Finance and Audit committee will arrange further discussions with the Principal as necessary following these reports.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
S Hewitt	3	3
V Loganathan	2	3
J Paddick (Chair)	3	3
L Podstawka	2	3

The Learning and Achievement Committee is also a sub-committee of the main Board of Trustees. Its purpose is to deal with all matters concerning the curriculum.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
A Fish	1	3
S Hand	3	3
K Soni	2	3
L Bostock	2	3
D Lodge	3	3

The meetings for the Finance and Audit Committee and Learning and Achievement Committee usually take place at the same time and as a result Trustees may switch committee so that the meetings are quorate, which

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

has an impact on the attendance figure.

Review of value for money

As accounting officer, the Principal has responsibility for ensuring that the Academy delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the Academy's use of its resources has provided good value for money during each academic year, and reports to the board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the Academy has delivered improved value for money during the year by:

Improving Educational results

All of the pupils have Education, Health and Care Plans or are being assessed for these. Reviews of these are held in a person centred way with good support from colleagues from health and social care. The review content forms the starting point for personalised learning adventures for each pupil. Moderation against the learning adventures has been developed internally and cross moderation events with other local mainstream and special schools are hosted at Beacon Hill. The Academy is also a leading partner in the development of a regional moderation programme covering the Eastern Region. The new Adventures curriculum framework has been designed to link directly into this process.

Financial Governance and oversight

The Finance and Audit Committee has continued to scrutinise finance reports on a regular basis. They regularly meet with the finance team and external advisors to streamline the reporting process and make sure that key information is shared and analysed. The governors oversaw and scrutinised several additional building needs which arose as part of the Covid building risk assessment. Governors have identified and reviewed KPIs for future financial scrutiny.

Purchasing

More internal maintenance work continues to being carried out by the site manager and the relief caretaker whose skills have added to this capacity. They have also taken on more of the school grounds work.

The increased use of a purchase card has enabled the Academy to look for better value items particularly when purchasing online.

Contracts have continued to be reviewed each year and new suppliers identified. The Academy moved to online banking and this has made payment easier.

Income generation

The external lettings for the hall, hydro pool and training suite were all suspended when the school shut down due to the Covid pandemic and have not yet been resumed. The current risk assessment is regularly reviewed but does not yet indicate a safe way to do this. Governors are aware of the potential loss of income related to this.

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GOVERNANCE STATEMENT (CONTINUED)

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Beacon Hill Academy for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

The risk and control framework

The Academy's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees
- regular reviews by the Finance and Audit 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
- identification and management of risks

The Board of Trustees has decided not to appoint an internal auditor. However, the Trustees have appointed Juniper to carry out Independent Internal Controls Evaluation visits which fulfil this role.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. In particular the checks carried out in the current period included banking, payroll and expenses, income and governance.

On thrice yearly basis, the reviewer reports to the board of Trustees through the finance and audit committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

The ICE reports were shared with the Governing Body during the year, and there were no material control issues arising.

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GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

As accounting officer, the Principal 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 reviewer;
- the work of the external auditors;
- the school resource management self-assessment tool;
- the work of the executive managers within the Academy 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 audit 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 Board of Trustees on 10 November 2021 and signed on their behalf by:

Anthony Fish - Chair of Trustees

A Fish
Chair of Trustees

Sue Hewitt

S Hewitt
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Beacon Hill Academy I have considered my responsibility to notify the Academy board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, under the funding agreement in place between the Academy 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 2020.

I confirm that I and the Academy board of Trustees are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook 2020.

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

Sue Hewitt

S Hewitt
Accounting Officer
Date: 10 November 2021

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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Academies 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 Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 10 November 2021 and signed on its behalf by:

Anthony Fish - Chair of Trustees

A Fish
Chair of Trustees

Sue Hewitt

S Hewitt
Trustee

BEACON HILL ACADEMY
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
BEACON HILL ACADEMY**

Opinion

We have audited the financial statements of Beacon Hill Academy (the 'academy') for the year ended 31 August 2021 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Academy's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

BEACON HILL ACADEMY
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
BEACON HILL ACADEMY (CONTINUED)**

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the 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 our knowledge and understanding of the Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

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

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

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

BEACON HILL ACADEMY
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
BEACON HILL ACADEMY (CONTINUED)**

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks applicable to the Academy Trust and the industry in which it operates. We determined that the following laws and regulations were most significant:

The Companies Act 2006, Safeguarding (including statutory guidance Keeping Children Safe in Education), employment law and public sector pay and conditions. We enquired of management to obtain an understanding of how the Academy Trust is complying with those legal and regulatory frameworks and whether they had any knowledge of actual or suspected fraud. We corroborated the results of our enquiries through our review of the board minutes for the year. We did not identify any matters relating to non compliance with laws and regulation or matters in relation to fraud;

- We obtained an understanding of how the Company is complying with those legal and regulatory frameworks by making inquiries of management and those responsible for legal and compliance procedures;
- In assessing the potential risks of material misstatement, we obtained an understanding of the Company's operations, including its objectives and strategies to understand the expected financial statement disclosures and business risks that may result in risks of material misstatement;
- In assessing the appropriateness of the collective competence and capabilities of the engagement team, the engagement partner considered the engagement team's:
 - understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation
 - the specialist skills required and
 - knowledge of the industry in which the client operates.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
 - assessing the design effectiveness of controls management has in place to prevent and detect fraud;
 - challenging assumptions and judgements made by management in its significant accounting estimates;
 - identifying and testing journal entries, in particular manual journal entries made at year end for financial statement preparation; and
 - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves

BEACON HILL ACADEMY
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
BEACON HILL ACADEMY (CONTINUED)**

intentional concealment, forgery, collusion, omission or misrepresentation.

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

Jonathan Gorridge

Mr. Jonathan Gorridge F.C.A. (Senior statutory auditor)
for and on behalf of

MWS

Chartered Accountants
Registered Auditors
Kingsridge House
Westcliff-on-Sea
Essex
SS0 9PE

Date: 12 November 2021

BEACON HILL ACADEMY
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BEACON HILL ACADEMY AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 19th February 2013 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Beacon Hill Academy during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Beacon Hill Academy's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Beacon Hill Academy's funding agreement with the Secretary of State for Education dated 1st September 2012 and the Academies Financial Handbook, extant from 1 September 2020, 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 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Assessing the risk of material irregularity in the Academy Trust
- Commissioning a self-assessment review of the Trustees' governance arrangements and consideration of any material non-compliance with the Academies Financial Handbook
- Investigating any areas of significant risk identified
- Consideration of the work performed under our audit engagement and any impact this may have on our regularity conclusion or regularity risk assessment
- A review of the internal controls and internal audit procedures for areas of significant risk and performing further substantive testing where necessary

BEACON HILL ACADEMY
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BEACON
HILL ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

MWS

MWS
Chartered Accountants
Registered Auditors
Kingsridge House
Westcliff-on-Sea
Essex
SS0 9PE

Date: 15 November 2021

BEACON HILL ACADEMY
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and capital grants	4	-	7,135	7,165	14,300	9,670
Charitable activities		2,774,047	-	-	2,774,047	2,544,868
Other trading activities		-	-	8,809	8,809	31,893
Investments	7	-	-	80	80	308
Total income		2,774,047	7,135	16,054	2,797,236	2,586,739
Expenditure on:						
Charitable activities		2,931,426	197,421	7,268	3,136,115	2,964,404
Total expenditure		2,931,426	197,421	7,268	3,136,115	2,964,404
Net (expenditure)/income		(157,379)	(190,286)	8,786	(338,879)	(377,665)
Transfers between funds	18	(60,763)	60,763	-	-	-
Net movement in funds before other recognised gains/(losses)		(218,142)	(129,523)	8,786	(338,879)	(377,665)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	25	(193,000)	-	-	(193,000)	(148,000)
Net movement in funds		(411,142)	(129,523)	8,786	(531,879)	(525,665)
Reconciliation of funds:						
Total funds brought forward		(3,303,253)	6,567,517	457,578	3,721,842	4,247,507
Net movement in funds		(411,142)	(129,523)	8,786	(531,879)	(525,665)
Total funds carried forward		(3,714,395)	6,437,994	466,364	3,189,963	3,721,842

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 27 to 54 form part of these financial statements.

BEACON HILL ACADEMY
(A company limited by guarantee)
REGISTERED NUMBER: 08183461

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	14	6,445,055	6,570,064
		<u>6,445,055</u>	<u>6,570,064</u>
Current assets			
Debtors	15	55,808	45,559
Cash at bank and in hand		752,310	689,927
		<u>808,118</u>	<u>735,486</u>
Creditors: amounts falling due within one year	16	(115,718)	(149,646)
Net current assets		<u>692,400</u>	<u>585,840</u>
Total assets less current liabilities		<u>7,137,455</u>	<u>7,155,904</u>
Creditors: amounts falling due after more than one year	17	(5,492)	(7,062)
Net assets excluding pension liability		<u>7,131,963</u>	<u>7,148,842</u>
Defined benefit pension scheme liability	25	(3,942,000)	(3,427,000)
Total net assets		<u><u>3,189,963</u></u>	<u><u>3,721,842</u></u>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	18	6,437,994	6,567,517
Restricted income funds	18	227,605	123,747
		<u>6,665,599</u>	<u>6,691,264</u>
Restricted funds excluding pension asset	18	6,665,599	6,691,264
Pension reserve	18	(3,942,000)	(3,427,000)
Total restricted funds	18	<u>2,723,599</u>	<u>3,264,264</u>
Unrestricted income funds	18	466,364	457,578
Total funds		<u><u>3,189,963</u></u>	<u><u>3,721,842</u></u>

The financial statements on pages 24 to 54 were approved by the Trustees, and authorised for issue on 10 November 2021 and are signed on their behalf, by:

Anthony Fish - Chair of Trustees
A Fish
 Chair of Trustees

Sue Hewitt
S Hewitt
 Accounting Officer

BEACON HILL ACADEMY
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	20	140,568	97,577
Cash flows from investing activities	22	(76,616)	(53,853)
Cash flows from financing activities	21	(1,569)	(1,569)
Change in cash and cash equivalents in the year		62,383	42,155
Cash and cash equivalents at the beginning of the year		689,927	647,772
Cash and cash equivalents at the end of the year	23, 24	<u>752,310</u>	<u>689,927</u>

The notes on pages 27 to 54 form part of these financial statements

BEACON HILL ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. General information

The Academy Trust is a company limited by guarantee, it was incorporated in England and Wales.

The registered office is:

Beacon Hill School,
Erriff Drive,
South Ockendon,
Essex
RM15 5AY

The registered number is 08183461

2. Accounting policies

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

2.1 Basis of preparation of financial statements

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historic 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 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

2.2 Fund accounting

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

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

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

Investment income, gains and losses are allocated to the appropriate fund.

BEACON HILL ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. Accounting policies (continued)

2.3 Income

All incoming resources are recognised when the Academy has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

- **Grants**

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

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

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

- **Sponsorship income**

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of financial activities in the year in which it is receivable (where there are no performance-related conditions) where receipt is probable and it can be measured reliably.

- **Donations**

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

- **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the Academy has provided the goods or services.

2.4 Expenditure

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

BEACON HILL ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. Accounting policies (continued)

2.5 Going concern

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

2.6 Tangible fixed assets

Assets costing £5,000 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 directly to the restricted fixed asset fund in the Statement of financial activities. 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 and assets under construction, at rates calculated to write off the cost of each asset over its expected useful life, as follows:

Depreciation is provided on the following bases:

Long-term leasehold property	- 2% straight line basis
Furniture and equipment	- 25% reducing balance
Computer equipment	- 33.33% straight line basis

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.

2.7 Taxation

The Academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 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.

2.8 Debtors

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

BEACON HILL ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. Accounting policies (continued)

2.9 Cash at bank and in hand

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

2.10 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 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.

2.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 16 and 17. 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 the Academy's wholly owned subsidiary are held at face value less any impairment.

2.12 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

BEACON HILL ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. Accounting policies (continued)

2.13 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy 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 recognised gains and losses.

The Academy is a member of a multi-employer plan. Where it is not possible for the Academy to obtain sufficient information to enable it to account for the plan as a defined benefit plan, it accounts for the plan as a defined contribution plan.

2.14 Concessionary loans

As permitted by the Statement of Recommended Practice 2015 (FRS 102), it is the policy of the Academy to measure the loans at the amount received, with the carrying amount adjusted for any repayments and accrued interest (and adjusted if necessary to the settlement account if the loan or part of the loan is waived).

BEACON HILL ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

3. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability 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 25, 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The only critical area of judgement other than the LGPS Pension scheme deficit is that of depreciation, rates of which are chosen where considered reasonable for the types of asset in question.

4. Income from donations and capital grants

	Restricted fixed asset funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations and educational trips	-	7,165	7,165	3,587
Capital grants	7,135	-	7,135	6,083
	<u>7,135</u>	<u>7,165</u>	<u>14,300</u>	<u>9,670</u>
<i>Total 2020</i>	<u>6,083</u>	<u>3,587</u>	<u>9,670</u>	

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NOTES TO THE FINANCIAL STATEMENTS
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5. Funding for the Academy's educational operations

	Restricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
DfE/ESFA grants			
General Annual Grant (GAG)	750,000	750,000	772,500
Other DfE/ESFA grants			
Pupil Premium	30,059	30,059	29,716
PE and Sports Grant	16,280	16,280	16,280
Teachers pension and pay grants	50,371	50,371	51,049
Others	1,926	1,926	3,078
	<hr/> 848,636	<hr/> 848,636	<hr/> 872,623
Other Government grants			
Local authority grants	1,905,806	1,905,806	1,664,538
	<hr/> 1,905,806	<hr/> 1,905,806	<hr/> 1,664,538
COVID-19 additional funding (DfE/ESFA)			
Catch-up Premium	18,000	18,000	-
Other COVID-19 funding	1,605	1,605	7,707
	<hr/> 19,605	<hr/> 19,605	<hr/> 7,707
	<hr/> 2,774,047	<hr/> 2,774,047	<hr/> 2,544,868

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the academy's funding for Universal Infant Free School Meals and Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

The academy received £18,000 of funding for catch-up premium and costs incurred in the respect of this funding totalled to £16,780, with the remaining £1,220 to be spent in 2021/22.

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**NOTES TO THE FINANCIAL STATEMENTS
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6. Income from other trading activities

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Hire of facilities	-	-	13,154
Catering income	2,769	2,769	5,723
School sales	1,369	1,369	356
Other income	4,671	4,671	12,660
	<u>8,809</u>	<u>8,809</u>	<u>31,893</u>

7. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Short term deposits	80	80	308
	<u>80</u>	<u>80</u>	<u>308</u>

8. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £	Total 2020 £
Educational Operations:					
Direct costs	2,224,365	-	219,126	2,443,491	2,275,071
Allocated support costs	201,765	156,701	334,158	692,624	689,333
	<u>2,426,130</u>	<u>156,701</u>	<u>553,284</u>	<u>3,136,115</u>	<u>2,964,404</u>
<i>Total 2020</i>	<u>2,296,750</u>	<u>145,927</u>	<u>521,727</u>	<u>2,964,404</u>	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

9. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Educational Operations	2,443,491	692,624	3,136,115	2,964,404

Analysis of direct costs

	Educational Operations 2021 £	Total funds 2021 £	Total funds 2020 £
Staff costs	2,224,365	2,224,365	2,087,561
Educational supplies	48,332	48,332	44,953
Examination fees	509	509	495
Staff development	7,823	7,823	6,246
Educational consultancy	162,462	162,462	135,816
	2,443,491	2,443,491	2,275,071

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**NOTES TO THE FINANCIAL STATEMENTS
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9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational Operations 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Net pension finance charge	53,000	53,000	54,000
Staff costs	201,765	201,765	209,188
Depreciation	197,421	197,421	198,925
Recruitment and support	4,373	4,373	7,959
Maintenance of premises	96,157	96,157	78,652
Cleaning	16,763	16,763	17,225
Rent and rates	20,958	20,958	24,821
Energy costs	25,061	25,061	25,229
Insurance	1,725	1,725	1,588
Catering	9,367	9,367	9,010
Bank interest and charges	32	32	292
Legal and professional fees	43,086	43,086	42,405
Other support costs	22,916	22,916	20,039
	<u>692,624</u>	<u>692,624</u>	<u>689,333</u>

During the year ended 31 August 2021, the academy incurred Governance costs of £1,300 (2020: £1,558).

10. Net (expenditure)/income

Net (expenditure)/income for the year includes:

	2021 £	<i>2020 £</i>
Operating lease rentals	3,876	1,565
Depreciation of tangible fixed assets	197,421	198,925
Fees paid to auditors for:		
- audit	6,700	7,000
- other services	500	500
	<u>692,624</u>	<u>689,333</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	1,668,331	1,651,485
Social security costs	133,145	139,473
Pension costs	624,654	503,992
	<hr/> 2,426,130	<hr/> 2,294,950
Agency staff costs	-	1,800
	<hr/> <hr/> 2,426,130	<hr/> <hr/> 2,296,750

b. Staff numbers

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

	2021 No.	2020 No.
Management	1	1
Teachers	12	13
Admin and classroom support	78	78
	<hr/> 91	<hr/> 92

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NOTES TO THE FINANCIAL STATEMENTS
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11. Staff (continued)

c. Higher paid staff

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

	2021	<i>2020</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	1	<i>-</i>
In the band £80,001 - £90,000	1	<i>1</i>
	<u>1</u>	<u><i>1</i></u>

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2021, pension contributions for these employees amounted to £36,063 (2020 : £21,098).

d. Key management personnel

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £560,363 (2020 £447,577).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

12. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2021	2020
		£	£
S Hewitt, Principal and Trustee	Remuneration	90,000 -	85,000 -
		95,000	90,000
	Pension contributions paid	20,000 -	20,000 -
		25,000	25,000
L Podstawka, Staff Trustee	Remuneration	50,000 -	50,000 -
		55,000	55,000
	Pension contributions paid	10,000 -	0 - 5,000
		15,000	
S Hand, Staff Trustee	Remuneration	30,000 -	15,000 -
		35,000	20,000
	Pension contributions paid	5,000 -	0 - 5,000
		10,000	

During the year ended 31 August 2021, no Trustee expenses have been incurred (2020 - £NIL).

13. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2021 is included in the total insurance cost.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

14. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2020	7,303,755	1,705,272	170,426	9,179,453
Additions	31,166	32,471	8,775	72,412
At 31 August 2021	<u>7,334,921</u>	<u>1,737,743</u>	<u>179,201</u>	<u>9,251,865</u>
Depreciation				
At 1 September 2020	960,220	1,482,033	167,136	2,609,389
Charge for the year	133,549	58,997	4,875	197,421
At 31 August 2021	<u>1,093,769</u>	<u>1,541,030</u>	<u>172,011</u>	<u>2,806,810</u>
Net book value				
At 31 August 2021	<u>6,241,152</u>	<u>196,713</u>	<u>7,190</u>	<u>6,445,055</u>
At 31 August 2020	<u>6,343,535</u>	<u>223,239</u>	<u>3,290</u>	<u>6,570,064</u>

15. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	3,986	2,848
Other debtors	16,795	26,663
Prepayments and accrued income	35,027	16,048
	<u>55,808</u>	<u>45,559</u>

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NOTES TO THE FINANCIAL STATEMENTS
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16. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Salix loan	1,569	1,569
Trade creditors	1,112	23,159
Other taxation and social security	32,855	31,743
Other creditors	68,356	80,230
Accruals and deferred income	11,826	12,945
	115,718	149,646
	2021	2020
	£	£
Deferred income at 1 September 2020	7,046	6,760
Amounts released from previous years	(7,046)	(6,760)
Deferred income this year	946	7,046
	946	7,046

At the balance sheet date the school was holding income received in advance for:

School meals £189 (2020: £nil)
Premises income £nil (2020: £910)
Government grants £757 (2020: £936)
Local authority income £nil (2020: £5,200)

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**NOTES TO THE FINANCIAL STATEMENTS
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17. Creditors: Amounts falling due after more than one year

	2021	<i>2020</i>
	£	<i>£</i>
Salix loan	5,492	<i>7,062</i>
	<u>5,492</u>	<u><i>7,062</i></u>

The above relates to a Salix loan authorised by the Department for Education and issued by The Department for Business, Energy and Industrial Strategy at 0% interest.

The total carrying amount at the year end was £7,061. The total loan was for £12,554 and will be paid off £785 twice yearly for 8 years.

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
Unrestricted general funds	457,578	16,054	(7,268)	-	-	466,364
Restricted general funds						
General Annual Grant (GAG)	118,821	750,000	(586,079)	(60,763)	-	221,979
Other DFE/ESFA	4,926	100,241	(100,761)	-	-	4,406
Local Authority Grants	-	1,905,806	(1,905,806)	-	-	-
Covid catch up premium	-	18,000	(16,780)	-	-	1,220
Pension reserve	(3,427,000)	-	(322,000)	-	(193,000)	(3,942,000)
	<u>(3,303,253)</u>	<u>2,774,047</u>	<u>(2,931,426)</u>	<u>(60,763)</u>	<u>(193,000)</u>	<u>(3,714,395)</u>
Restricted fixed asset funds						
Inherited fixed assets	5,432,246	-	(149,282)	-	-	5,282,964
Capital expenditure from GAG	580,437	-	(16,955)	72,412	-	635,894
DFE/ESFA Capital Grants	6,083	7,135	-	(13,218)	-	-
DFE/ESFA CIF Grants	557,382	-	(31,184)	-	-	526,198
Salix loan	(8,631)	-	-	1,569	-	(7,062)
	<u>6,567,517</u>	<u>7,135</u>	<u>(197,421)</u>	<u>60,763</u>	<u>-</u>	<u>6,437,994</u>
Total Restricted funds	<u>3,264,264</u>	<u>2,781,182</u>	<u>(3,128,847)</u>	<u>-</u>	<u>(193,000)</u>	<u>2,723,599</u>
Total funds	<u><u>3,721,842</u></u>	<u><u>2,797,236</u></u>	<u><u>(3,136,115)</u></u>	<u><u>-</u></u>	<u><u>(193,000)</u></u>	<u><u>3,189,963</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds (continued)

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

Restricted general funds and other restricted funds:

These relate to the Academy's development and operational activities.

Restricted fixed asset fund:

These grants relate to capital funding to carry out works of a capital nature.

Pension reserve:

The pension reserve relates to the Academy's share of the deficit of the Local Government Pension Scheme.

Funds have been transferred in respect of the following:

£59,194 has been transferred from restricted general funds to restricted fixed asset fund representing capital expenditure made from revenue grant funding.

£1,569 has been transferred from restricted general funds to the restricted fixed asset fund representing the repayment of salix loan allocated within the restricted fixed asset fund.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2021.

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds (continued)

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
Unrestricted general funds	428,334	35,789	(6,545)	-	-	457,578
Restricted general funds						
General Annual Grant (GAG)	152,497	772,500	(739,595)	(66,581)	-	118,821
Other DFE/ESFA	4,896	49,074	(49,044)	-	-	4,926
Local Authority Grants	-	1,715,587	(1,715,587)	-	-	-
Coronavirus exceptional support	-	7,707	(7,707)	-	-	-
Pension reserve	(3,032,000)	-	(247,000)	-	(148,000)	(3,427,000)
	<u>(2,874,607)</u>	<u>2,544,868</u>	<u>(2,758,933)</u>	<u>(66,581)</u>	<u>(148,000)</u>	<u>(3,303,253)</u>
Restricted fixed asset funds						
Inherited fixed assets	5,594,541	-	(162,295)	-	-	5,432,246
Capital expenditure from GAG	524,431	-	(17,896)	73,902	-	580,437
DFE/ESFA Capital Grants	8,890	6,083	-	(8,890)	-	6,083
DFE/ESFA CIF Grants	576,116	-	(18,734)	-	-	557,382
Salix loan	(10,200)	-	-	1,569	-	(8,631)
	<u>6,693,778</u>	<u>6,083</u>	<u>(198,925)</u>	<u>66,581</u>	<u>-</u>	<u>6,567,517</u>
Total Restricted funds	<u>3,819,171</u>	<u>2,550,951</u>	<u>(2,957,858)</u>	<u>-</u>	<u>(148,000)</u>	<u>3,264,264</u>
Total funds	<u>4,247,505</u>	<u>2,586,740</u>	<u>(2,964,403)</u>	<u>-</u>	<u>(148,000)</u>	<u>3,721,842</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

18. Statement of funds (continued)

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	6,445,055	-	6,445,055
Current assets	341,755	-	466,364	808,119
Creditors due within one year	(114,150)	(1,569)	-	(115,719)
Creditors due in more than one year	-	(5,492)	-	(5,492)
Provisions for liabilities and charges	(3,942,000)	-	-	(3,942,000)
Total	(3,714,395)	6,437,994	466,364	3,189,963

Analysis of net assets between funds - prior year

	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	6,570,064	-	6,570,064
Current assets	271,823	6,084	457,578	735,485
Creditors due within one year	(148,077)	(1,569)	-	(149,646)
Creditors due in more than one year	-	(7,062)	-	(7,062)
Provisions for liabilities and charges	(3,427,000)	-	-	(3,427,000)
Total	(3,303,254)	6,567,517	457,578	3,721,841

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**NOTES TO THE FINANCIAL STATEMENTS
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20. Reconciliation of net expenditure to net cash flow from operating activities

	2021 £	2020 £
Net expenditure for the year (as per Statement of financial activities)	(338,879)	(377,665)
Adjustments for:		
Depreciation	197,421	198,925
Capital grants from DfE and other capital income	(7,135)	(6,083)
Interest receivable	(80)	(308)
Defined benefit pension scheme cost less contributions payable	269,000	193,000
Defined benefit pension scheme finance cost	53,000	54,000
(Increase)/decrease in revenue debtors	(10,249)	(14,302)
Increase/(decrease) in revenue creditors	(22,510)	50,010
Net cash provided by operating activities	140,568	97,577

21. Cash flows from financing activities

	2021 £	2020 £
Repayments of borrowing	(1,569)	(1,569)
Net cash used in financing activities	(1,569)	(1,569)

22. Cash flows from investing activities

	2021 £	2020 £
Dividends, interest and rents from investments	80	308
Purchase of tangible fixed assets	(83,831)	(60,244)
Capital grants from DfE Group	7,135	6,083
Net cash used in investing activities	(76,616)	(53,853)

23. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	752,310	689,927
Total cash and cash equivalents	752,310	689,927

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NOTES TO THE FINANCIAL STATEMENTS
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24. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	Other non- cash changes £	At 31 August 2021 £
Cash at bank and in hand	689,927	62,383	-	752,310
Debt due within 1 year	(1,569)	1,569	(1,569)	(1,569)
Debt due after 1 year	(7,062)	-	1,569	(5,493)
	<u>681,296</u>	<u>63,952</u>	<u>-</u>	<u>745,248</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

25. Pension commitments

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Essex County Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £38,922 were payable to the schemes at 31 August 2021 (2020 - £37,653) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the year amounted to £112,221 (2020 - £96,802).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

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25. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £307,000 (2020 - £270,000), of which employer's contributions totalled £245,000 (2020 - £213,000) and employees' contributions totalled £ 62,000 (2020 - £57,000). The agreed contribution rates for future years are 25.0 per cent for employers and 5.5 - 12.5 per cent for employees.

As described in note the LGPS obligation relates to the employees of the Academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy at the balance sheet date.

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

Principal actuarial assumptions

	2021	2020
	%	%
Rate of increase in salaries	3.90	3.25
Rate of increase for pensions in payment/inflation	2.90	2.25
Discount rate for scheme liabilities	1.65	1.60
Inflation assumption (CPI)	2.90	2.25
RPI increase	3.20	3.05

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

	2021	2020
	Years	Years
<i>Retiring today</i>		
Males	21.60	21.8
Females	23.60	23.8
<i>Retiring in 20 years</i>		
Males	22.90	23.2
Females	25.10	25.2

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25. Pension commitments (continued)

Sensitivity analysis

	2021 £000	2020 £000
Discount rate +0.1%	7,366	5,962
Discount rate -0.1%	7,739	6,264
Mortality assumption - 1 year increase	7,849	6,333
Mortality assumption - 1 year decrease	7,263	5,897
Salary increases +0.1%	7,564	6,123
Salary increases -0.1%	7,536	6,099

Share of scheme assets

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

	2021 £	2020 £
Equities	2,310,000	1,662,000
Gilts	91,000	115,000
Property	252,000	209,000
Cash and other liquid assets	100,000	73,000
Debt instruments	168,000	150,000
Alternative assets	400,000	312,000
Other managed funds	287,000	163,000
Total market value of assets	3,608,000	2,684,000

The expected return on assets is based on the long-term future expected investment return for each asset classes as at the beginning of the period (i.e. as at 1 September 2020) for the year to 31 August 2021. The returns on gilts and other bonds are assumed to be the gilt yield and the corporate bond yield (with an allowance for defaults) respectively at the relevant date. The returns on equities and property are then assumed to be a margin above gilt yields.

The actual return on scheme assets was £648,000 (2020 - £62,000).

The amounts recognised in the Statement of financial activities are as follows:

	2021 £	2020 £
Current service cost	(512,000)	(404,000)
Interest income	45,000	44,000
Interest cost	(98,000)	(98,000)
Administrative expenses	(2,000)	(2,000)
Total amount recognised in the Statement of financial activities	(567,000)	(460,000)

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25. Pension commitments (continued)

Changes in the present value of the defined benefit obligations were as follows:

	2021 £	2020 £
At 1 September	6,111,000	5,264,000
Current service cost	512,000	404,000
Interest cost	98,000	98,000
Employee contributions	62,000	57,000
Actuarial losses	796,000	306,000
Benefits paid	(29,000)	(18,000)
At 31 August	7,550,000	6,111,000

Changes in the fair value of the Academy's share of scheme assets were as follows:

	2021 £	2020 £
At 1 September	2,684,000	2,232,000
Interest income	45,000	44,000
Actuarial gains	603,000	158,000
Employer contributions	245,000	213,000
Employee contributions	62,000	57,000
Benefits paid	(29,000)	(18,000)
Administration costs	(2,000)	(2,000)
At 31 August	3,608,000	2,684,000

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NOTES TO THE FINANCIAL STATEMENTS
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25. Pension commitments (continued)

Impact of the McCloud/Sargeant judgement on the Local Government Pension Scheme

An allowance was made in 2019 for the Court of Appeal judgement in relation to the McCloud & Sargeant cases which relate to age discrimination within the Judicial & Fire Pension schemes respectively. On 27 June 2019 the Supreme Court denied the Government's request for an appeal, and on 15 July 2019 the Government released a statement to confirm that it expects to have to amend all public service schemes, including the LGPS.

The estimated impact on the total liabilities at 31 August 2019 was allowed for as a past service cost and has resulted in a slight increase in the defined benefit obligation as at 31 August 2021.

This adjustment is an estimate of the potential impact on the Trust's defined benefit obligation as provided by the scheme's actuary. The Actuary's assessment is based on analysis carried out by the Government Actuary's Department (GAD) and the Trust's liability profile.

The GAD assessment is based on a "worst-case" scenario whereby this case impacts on all active members in the scheme as at 31 March 2019. It is the view of the Trustees and their actuary that this is not a realistic estimate. The actuary has therefore adjusted their estimate to only include members who were active at 31 March 2012.

On 13 May 2021, the Government issued a ministerial statement on the proposed remedy to be applied to LGPS benefits in response to the McCloud and Sargeant cases. It is not anticipated that there are any material differences between the approach underlying the estimated allowance in 2019 and the proposed remedy.

Guaranteed Minimum Pension (GMP) Equalisation

As a result of the High Court's recent Lloyds ruling on the equalisation of GMPs between genders, a number of pension schemes have made adjustments to accounting disclosures to reflect the effect this ruling has on the value of pension liabilities. HM Treasury have confirmed that the judgement "does not impact on the current method used to achieve equalisation and indexation in public service pension schemes".

It is anticipated that the Fund will pay limited increases for members that have reached State Pension Age (SPA) by 6 April 2016, with the Government providing the remainder of the inflationary increase.

For members that reach SPA after this date, it was assumed that the Fund will be required to pay the entire inflationary increase. It is not therefore necessary to make any adjustments to the value placed on the liabilities as a result of the above outcome.

Goodwin case

Following a case involving the Teachers' Pension scheme, known as the Goodwin case, differences between survivor benefits payable to members with same-sex or opposite-sex survivors have been identified within a number of public sector pension schemes. As a result, the Government have confirmed that a remedy is required in all affected public sector pension schemes, which includes the LGPS.

It is anticipated that the impact on the value of LGPS liabilities as a whole, and for the majority of employers participating in the LGPS, will not be material. However, the impact on individual employers will vary depending on their specific membership profile.

Sufficient information is not currently available to assess the actual impact on the Academy Trust but as the worst case scenario for the scheme as whole is expected to be in the region of 0.025% no provision has been included within these financial statements.

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26. Operating lease commitments

At 31 August 2021 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	5,526	13,876
Later than 1 year and not later than 5 years	20,946	15,210
Later than 5 years	6,302	9,590
	<u>32,774</u>	<u>28,676</u>

27. Members' liability

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

28. Related party transactions

Owing to the nature of the Academy and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place in the period, other than certain trustees' remuneration and expenses already disclosed in note 12.

29. Controlling party

There is no ultimate controlling party.