

Company Registration No. 01067862 (England and Wales)
Charity Registration No. 309911

**THE BEACON EDUCATIONAL TRUST LTD
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**



THE BEACON EDUCATIONAL TRUST LTD
COMPANY INFORMATION
GOVERNORS, OFFICERS AND ADVISORS

The Governors who served during the year ended 31 August 2016 were as follows:-

Directors	D M Hollander (Chairman) M R Francis (Vice Chairman) (1) S J Allcock (2) Z J Arcari (3) M Bond (2) & (4) R J Garrett-Bowes (1) S Horrocks (2) & (4) P J Kirkbride (1) & (3) D A McGregor (4) J R Pardon (1) & (2) A J Reynolds (1) A R Thompson (2) A C Tomlinson (3) J D R Hardman (1) – appointed 7 November 2015
	(1) Member of the Finance and General Purposes Committee (2) Member of the Education Committee (3) Member of the Admissions and Marketing Committee (4) Member of the Human Resources Committee

Secretary	E Stothard
Company number	01067862
Registered charity number	309911
Registered office	Amersham Road, Chesham Bois Amersham Buckinghamshire HP6 5PF

Auditors	Crowe Clark Whitehill LLP Aquis House 49-51 Blagrove Street Reading Berkshire RG1 1PL
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Business address	Amersham Road, Chesham Bois Amersham Buckinghamshire HP6 5PF
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Bankers	National Westminster Bank plc Oakfield Corner, Hill Avenue Amersham Buckinghamshire HP6 5BU
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Officers	The Headmaster: W T Phelps MA (New York) BA AKC (Kings College London) The Bursar: E Stothard BSc ACA Clerk to the Trustees: C J Latham BSc
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THE BEACON EDUCATIONAL TRUST LTD
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THE BEACON EDUCATIONAL TRUST LTD

ANNUAL REPORT OF THE GOVERNORS

FOR THE YEAR ENDED 31 AUGUST 2016

The members of The Beacon Educational Trust Limited Governing Body present their annual report for the year ended 31 August 2016 under the Charities Act 2011 and the Companies Act 2006, thus including the Directors' Report and Strategic Report under the 2006 Act, together with the audited financial statements for the year.

DIRECTORS' REPORT

Constitution and Objects

The Beacon Educational Trust Limited is a charitable company limited by guarantee. Its charity registration number is 309911 and the company registration number is 01067862. The registered office and principal address of the company is Amersham Road, Chesham Bois, Amersham, Buckinghamshire, HP6 5PF.

The company is governed by its Memorandum and Articles of Association, which state that its object is to advance the education of the public. In furtherance thereof, the company operates The Beacon School, a preparatory school.

Aims, Objectives and Activities

Aim

The Beacon aims to inspire boys to achieve their best within a happy, safe and stimulating environment, providing education of the highest quality delivered by caring and dedicated teachers. To achieve this, the school continues with the support of parents to:

- Promote high standards of academic achievement through consistent expectation and encouragement.
- Nurture talent and provide opportunity for all in the areas of art, drama, music, sport and technology.
- Enable pupils to develop the social and emotional skills needed to believe in themselves, show consideration for others and value diversity.
- Foster lifelong thinking, learning and communication skills to enable pupils to work independently and as part of a team.

Primary objectives

Key elements of the school's strategy are to:

1. Maintain a broad curriculum that is directed towards independent and lifelong learning.
2. Uphold the traditional values associated with preparatory education, through its pastoral system, whilst ensuring that pupils are taught the skills and knowledge they will need to meet the challenges of the changing world.
3. Embed information technology into the curriculum as the principal means of enhancing teaching and learning.
4. Provide new and improved existing buildings and other facilities to support the educational, cultural and pastoral needs of the school.

Governance and Management

Governing body

The directors serve as trustees of the charity and under the terms of the above Articles are also members of the company. They are elected by the board of directors on the basis of nominations received from serving directors, the headmaster and others. Directors are selected on the basis of their skills and suitability. The chairman of the board is responsible for the induction of new directors, which includes making them aware of their responsibilities, the governing documents, administrative procedures, the history and philosophical approach of the company and previous annual reports and accounts.

THE BEACON EDUCATIONAL TRUST LTD
ANNUAL REPORT OF THE GOVERNORS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016

One third of the directors retire each year and are eligible to stand for re-election. The directors usually meet as a board three or more times per year to determine policy and to monitor the operations of the company. Their role is assisted by the work of the Board Committees which usually meet a few weeks before each regular meeting of the board. The day-to-day running of the school is delegated to the headmaster who, with the bursar, is assisted by other members of the school leadership team.

Employment policy

The School supports the attainment of the highest standards of education through rigorous and continuous evaluation of quality and performance, the application of best practice and a widespread desire to improve standards. The School co-operates with local organisations to widen public access to its facilities.

The School is an equal opportunities employer. Full and fair consideration is given to job applications from disabled persons and due consideration is given to their training and employment needs. Consultation with employees has continued with the aim of taking employees into account when decisions are made that are likely to affect their interests.

Remuneration Policy for Key Management

Remuneration of key management is set by the Governing Body after appropriate consultation and benchmarking in order to ensure recruitment and retention of quality staff.

PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are Governors at the time when this Governors' Report is approved has confirmed that:

- so far as that Governor is aware, there is no relevant audit information of which the School's auditors are unaware; and
- that Governor has taken all steps that ought to have been taken as a Governor in order to be aware of any relevant audit information needed by the School's auditors in connection with preparing their report and to establish that the School's auditors are aware of that information.

AUDITORS

Following the appointment of Crowe Clark Whitehill LLP (CCW) a resolution proposing the re-appointment of CCW as auditors to the company will be put to the Annual General Meeting.

THE BEACON EDUCATIONAL TRUST LTD
ANNUAL REPORT OF THE GOVERNORS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016

STRATEGIC REPORT

Mission Statement

The school strives to inspire its pupils to achieve their best within a happy, safe and stimulating environment and to provide education of the highest quality, delivered by caring and dedicated teachers.

Strategies to achieve the primary objectives

To achieve this aim the school:

- Promotes high standards of academic achievement through consistent expectation and encouragement.
- Nurtures talent, and provides opportunities for all, in the areas of art, drama, music, sport and technology.
- Enables pupils to develop the social and emotional skills needed to believe in themselves, show consideration for others and value diversity.
- Fosters lifelong thinking, learning and communication skills to enable pupils to work independently and as part of a team.

Five year plan

The directors have published their plan for the development of the school from 2011 to 2016 which has been successfully implemented. Following the appointment of our new Headmaster work is now underway to prepare the plan for the next 5 to 10 years. In setting objectives and planning the Governors have complied with their duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commissioners guidance on public benefit.

Achievements and performance

The School has continued to achieve excellent standards of performance with all leavers at the end of the academic year gaining entry to the senior school of their parents' choice. This included 13 scholarships as well as 49% of leavers departing with an award from a senior school.

Recruitment of pupils into the school continues to be very strong with waiting lists for a number of year groups.

Much work has continued this year with the Prep School Baccalaureate (PSB). This has involved a streamlining of core skills and aligning them to the Beacon core values: Integrity, Respect, Achievement, Well-being and Courage. The PSB is a national two year programme of study in year 7 and year 8.

Significant progress has been made to create extensive new facilities including the provision of 'state of the art' science labs, a substantial theatre space and additional classrooms. These have incorporated the latest technology in order to support both teaching & learning and information sharing. Improved security has been at the centre of this major development which will continue to be implemented across the School.

THE BEACON EDUCATIONAL TRUST LTD
ANNUAL REPORT OF THE GOVERNORS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016

Achievements and performance (continued)

An on-going focus has been given to the delivery and support of IT to the classroom via the Digital Curriculum - enabled by a significant investment in IT infrastructure including the provision of upgraded wireless internet access across the school and touchscreen technology in the classroom.

Sports, Drama, Music and Art continue to be major strengths which alongside academic progress develop pupils within a framework of independence, collaboration and leadership.

The Governors will continue to develop the 'Vision for the Future' by working closely with the new headmaster and in doing so harness the energy and enthusiasm of all for their programme of investment in facilities which aims to provide the very best educational and pastoral environment.

Public benefit

Bursaries and scholarships

The Directors continue to be committed to broadening access to the school by offering means-tested bursaries of up to 100% to enable more boys whose parents would not otherwise be able to afford the fees to benefit from the school's education and facilities.

In 2015/16, five boys in the School benefited from 100% fee bursaries, to a total value of £74,130 (2015: £71,820). These bursaries also covered all educational extras, such as uniform, equipment, school trips and other extra-curricular activities.

Beacon Bursary Fund

The Beacon Bursary Fund is a charity set up and run independently of the school, by four trustees. Its purpose is to assist with funding for the education of pupils of The Beacon School, whose parents encounter financial difficulties, and who might otherwise have to withdraw their son(s) from the school at a time detrimental to their educational progress. The fund derives its income from parental donations, gift aid and investment income. The contribution rate is reviewed annually by the trustees of the fund. In 2015/16 financial assistance to the value of £29,841 (2015 : £76,477) was given by the fund.

Community links

The school co-operates with local charities and community based organisations in order to widen public access and to share its cultural and sporting facilities.

In particular, the school's facilities are offered for modest rents to locally based clubs, and the school hosts sporting and academic competitions in which local schools participate.

The school has also developed a good working relationship with the local Residents' Association in order to minimise any negative impact of the school's activities on the local community.

Charitable Fund Raising

The School's on-going commitment to charitable fundraising has continued as demonstrated by events to support a number of national charities including Children-in-Need, Street Kids Direct, Comic Relief and Pace. This runs alongside the bursary programme which aims to widen access to the school by those who would not otherwise be able to afford to do so.

Volunteers

The school benefits from the fund-raising activities of parents through The Beacon Parents' Society, whose hard work and support is greatly appreciated by the directors.

THE BEACON EDUCATIONAL TRUST LTD
ANNUAL REPORT OF THE GOVERNORS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016

Financial Review

Results for the year

Total income amounted to £7,363,102 (2015: £6,737,570). Net incoming resources for the year were £813,093 compared with £732,142 in 2014/15.

During the year a total of £2,051,270 (2015: £4,526,855) was spent on capital projects to enhance the appearance, security and functionality of the school.

Reserves level and policy

The School's unrestricted funds stood at £12,081,274 (2015: £11,123,848) at the end of the period. After adjusting for unrestricted functional fixed assets for the charity's own use, there were no free reserves remaining.

The Governors' policy is to build up the company's reserves to enable it to finance the next stages of the school's five year plan. Currently this is anticipated to require reserves of £3 million. This will be achieved by building reserves from the generation of a modest surplus in each of the coming 5 years.

FUTURE PLANS

The company's future plans include:

- Continuing to provide education of the highest quality
- Refurbishment of dining room facilities and new kitchen
- Maintaining sound financial management

Risk Management

The Board keeps the school's activities under review and monitors the risks that arise from time to time, together with the systems and procedures established to manage them. The board monitors the effectiveness of the system of internal controls and other means, including insurance cover, by which those identified risks can be mitigated. The key controls used include:

- Formal agendas for all board and committee meetings.
- Detailed terms of reference for all committees.
- Comprehensive strategic planning, budgeting and management accounting.
- Established organisational structure and lines of reporting.
- Formal written policies.
- Clear authorisation and approval levels.
- Vetting procedures for the protection of the children.

The major risks are maintenance of academic standards (mitigated via recruitment procedures as well as appraisal process), child protection (mitigated via strict adherence to safeguarding rules) and quality of school facilities (mitigated via 5 year plan).

Through these procedures, the board is satisfied that major risks should be identified and mitigated against so far as practicable whilst recognising that systems provide only reasonable but not absolute assurance that all risks are identified.

THE BEACON EDUCATIONAL TRUST LTD
ANNUAL REPORT OF THE GOVERNORS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016

This Annual Report, prepared under the Charities Act 2011 and the Companies Act 2006, was approved by the Governors of the Beacon Educational Trust Limited on 10 December 2016 including in their capacity as company directors approving the Strategic Report contained therein and is signed as authorised on its behalf by:



D M Hollander - Chairman
Director

THE BEACON EDUCATIONAL TRUST LTD

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors (who are also directors of The Beacon Educational Trust Ltd for the purposes of company law) are responsible for preparing the Governors' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, 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 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE BEACON EDUCATIONAL TRUST LTD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE BEACON

EDUCATIONAL TRUST LTD

We have audited the financial statements of The Beacon Education Trust Limited for the year ended 31 August 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow and the related notes set out on pages 13 to 24.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and the charitable company's trustees as a body in accordance with section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's trustees as a body for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Accounting and Reporting Responsibilities, the Governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information of the Annual Report of the Governors to identify material inconsistencies with the audited financial statements and to identify any information that is materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

THE BEACON EDUCATIONAL TRUST LTD
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE BEACON
EDUCATIONAL TRUST LTD (CONTINUED)

Opinion on financial statements

In our opinion the financial statements:

- the financial statements give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure for the year then ended ; and
- 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.


Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Annual Report of the Governors including the Strategic Report is consistent with the financial statements.

Matters on which we are required to report by exception

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

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



Alastair Lyon
Senior Statutory Auditor
For and on behalf of Crowe Clark Whitehill LLP
Statutory Auditor

Date: 19 December 2016

Aquis House
49-51 Blagrove Street
Reading
RG1 1PL

THE BEACON EDUCATIONAL TRUST LTD
STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
INCOME AND ENDOWMENTS FROM:					
Charitable activities:					
School fees receivable	4a	7,066,668	-	7,066,668	6,470,929
Ancillary trading income	4b	149,103	-	149,103	140,536
Other trading activities:					
Interest received		8,855	-	8,855	8,470
Rent and facility hire		106,965	-	106,965	91,700
Donations		17,077	14,434	31,511	25,935
Total		<u>7,348,668</u>	<u>14,434</u>	<u>7,363,102</u>	<u>6,737,570</u>
EXPENDITURE ON:					
Charitable activities:					
School operating costs		6,425,372	884	6,426,256	5,950,706
Expenditure on raising funds:					
Financing costs	6	<u>123,753</u>	<u>-</u>	<u>123,753</u>	<u>54,722</u>
Total	7a	<u>6,549,125</u>	<u>884</u>	<u>6,550,009</u>	<u>6,005,428</u>
Net income and expenditure		799,543	13,550	813,093	732,142
Transfer between funds		157,883	(157,883)	-	-
NET MOVEMENT IN FUNDS		957,426	(144,333)	813,093	732,142
<i>Funds brought forward 1 September 2015</i>		<u>11,123,848</u>	<u>157,883</u>	<u>11,281,731</u>	<u>10,549,589</u>
Funds carried forward at 31 August 2016		<u>12,081,274</u>	<u>13,550</u>	<u>12,094,824</u>	<u>11,281,731</u>

All incoming resources and resources expended are derived from continuing operations.

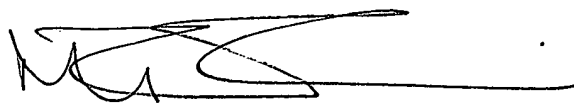
The notes on pages 13 to 24 form part of these financial statements

THE BEACON EDUCATIONAL TRUST LTD
COMPANY NUMBER: 01067862
BALANCE SHEET
31 AUGUST 2016

	Notes	2016 £	2015 £
FIXED ASSETS			
Tangible assets	8	17,093,277	15,726,752
CURRENT ASSETS			
Debtors	9	134,489	156,820
Cash at bank and in hand		<u>2,125,994</u>	<u>883,300</u>
		2,260,483	1,040,120
CREDITORS: Amounts falling due within one year	10	<u>(1,917,193)</u>	<u>(1,442,856)</u>
NET CURRENT ASSETS		<u>343,290</u>	<u>(402,736)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		17,436,567	15,324,016
CREDITORS: Amounts falling due after more than one year	11a	<u>(5,341,743)</u>	<u>(4,042,285)</u>
TOTAL NET ASSETS		<u>12,094,824</u>	<u>11,281,731</u>
Unrestricted funds	13	12,081,274	11,123,848
Restricted funds	14	<u>13,550</u>	<u>157,883</u>
TOTAL FUNDS	15	<u>12,094,824</u>	<u>11,281,731</u>

These financial statements were approved and authorised for issue by the Board and were signed on its behalf on
10th December 2016


D M Hollander
Chairman


M R Francis
Vice Chairman

The notes on pages 13 to 24 form part of these financial statements

THE BEACON EDUCATIONAL TRUST LTD
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	2016 £'000	2015 £'000
Cash Flows from Operating Activities			
Net movement in funds		813,093	732,142
Depreciation		684,745	534,639
Decrease/(increase) in debtors		22,331	(701)
Increase/(decrease) in creditors		229,303	186,690
Interest paid		119,045	50,502
Interest received		<u>(8,855)</u>	<u>(8,471)</u>
Cash Used in Operating Activities		1,859,662	1,494,801
Cash Flows From investing Activities			
Interest received		8,855	8,471
Purchase of tangible fixed assets		<u>(2,051,270)</u>	<u>(4,526,855)</u>
Cash Provided by (used in) Investing Activities		(2,042,415)	(4,518,384)
Cash flows from financing activities			
Repayment of long term bank loan		(108,525)	(106,929)
New long term bank loan		1,500,000	1,800,000
Advanced fees utilised		(840,835)	(687,015)
Receipts from advanced fees		993,852	830,377
Interest Paid		<u>(119,045)</u>	<u>(50,502)</u>
Cash used in Financing Activities		1,425,447	1,785,931
Change in cash and cash equivalents in the year		1,242,694	(1,237,652)
Cash and cash equivalents at the beginning of the year		883,300	2,120,952
Total cash and cash equivalents at the end of the year		<u>£ 2,125,994</u>	<u>£ 883,300</u>
		At 31 August 2016 £	At 31 August 2015 £
Cash at bank		<u>2,125,994</u>	<u>883,300</u>
Total cash and cash equivalents at the end of the year		<u>£ 2,125,994</u>	<u>£ 883,300</u>

The notes on pages 13 to 24 form part of these financial statements

THE BEACON EDUCATIONAL TRUST LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. Company information

The Beacon Educational Trusts principal activity continued to be the provision of a Day School for 3-13 year old boys. The incorporated charity (Charity registration number 309911, Company registration number 01067862), is incorporated and domiciled in the UK. The address of the registered office is Amersham Road, Chesham Bois, Amersham, Buckinghamshire, HP6 5PF.

2. ACCOUNTING POLICIES

a) Accounting Convention

The financial statements have been prepared in accordance with 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) (effective 1 January 2015) – Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Beacon Educational Trust Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). Information on the impact of first-time adoption of FRS 102 is given in note 22.

b) Going concern

Having reviewed the funding facilities available to the School together with the expected on-going demand for places and the School's future projected cash flows, the Governors have a reasonable expectation that the School has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

c) Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Directors in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

d) Incoming resources

All incoming resources are included in the statement of financial activities when the charitable company is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Amounts billed for termly fees and extra curricula activities are recognised as incoming resources when receivable. Amounts received prior to the balance sheet date for autumn term fees are recorded as fees received in advance, as are amounts received for future fee periods under the fee prepayment scheme. Fees receivable are stated after deducting allowances, bursaries and other remissions granted by the school.

e) Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources.

Governance costs comprise the costs of running the company, including external audit, and legal advice for the School's Governors, and all costs of complying with constitutional and statutory requirements, such as the costs of Committee meetings and of preparing the statutory accounts and satisfying public accountability.

THE BEACON EDUCATIONAL TRUST LTD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016

2. ACCOUNTING POLICIES (CONTINUED)

f) Tangible fixed assets

Depreciation is provided on tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:-

Freehold buildings	- 2% per annum (straight line)
Minor works	- 10% per annum (straight line)
Fixtures, fittings and equipment	- 10% per annum (straight line)
Motor vehicles	- 25% per annum (straight line)
Computer equipment	- 33% per annum (straight line)

Assets under £500 are not capitalised.

g) Pension costs

The School contributes to the Teachers' Superannuation Scheme at rates set by the Scheme Actuary and advised to the School by the Scheme Administrator.

The School also contributes to a defined contribution scheme schemes for non-teaching staff.

The contributions are charged in the Statement of Financial Activities in the year in which they are payable.

The pension costs charged in the year for the Teachers' Pension Scheme are based on the contributions made to the centralised Government pension scheme run by the Department of Education as stated in note 18 to these financial statements.

h) Operating leases

Rentals payable under operating leases are charged to the income and expenditure account as incurred.

i) Taxation

The company is a registered charity. It has no liability to corporation tax on any of its sources of income or on any chargeable gains realised to date.

j) Financial instruments

Basic financial instruments include debtors and creditors. Debtors and creditors are initially recognised at transaction value and subsequently measured at amortised cost. Note 20 provides more information on financial instruments where future cash flows are anticipated, with financial assets referring to fixed asset investments and debtor balances excluding prepayments, and financial liabilities referring to all creditor balances excluding deferred income

3. Significant judgements and estimates

In the application of the charity's accounting policies, which are described in note 2. Trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects the current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described in the accounting policies and are summarised below:

THE BEACON EDUCATIONAL TRUST LTD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016

4a. FEES RECEIVABLE

	2016 £	2015 £
School fees receivable consist of:		
Gross Fees	7,203,514	6,622,214
Less: Bursaries & allowances	<u>(136,846)</u>	<u>(151,285)</u>
Net Fees receivable	<u><u>7,066,668</u></u>	<u><u>6,470,929</u></u>

4b. ANCILLARY TRADING INCOME

Fees in Lieu of Notice	20,955	31,525
School fees refund Scheme	27,739	26,225
School bus	23,828	18,792
Registration charges	15,575	16,600
Learning support fees	14,141	15,200
After school care	6,822	6,748
Deposits forfeited	5,000	5,000
Music tuition and instrument hire	3,855	2,240
Miscellaneous income	<u>31,188</u>	<u>18,206</u>
	<u><u>149,103</u></u>	<u><u>140,536</u></u>

THE BEACON EDUCATIONAL TRUST LTD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016

5. STAFF COSTS

	2016 £	2015 £
Wages and salaries	3,538,027	3,425,629
Social security costs	320,863	290,105
Pension contributions	<u>433,493</u>	<u>325,670</u>
	<u>4,292,383</u>	<u>4,041,404</u>

The average number of employees in the year was:-

	No.	No.
Teachers and teaching assistants	85	80
Support	31	31
Welfare	6	6
Premises	<u>2</u>	<u>21</u>
	<u>124</u>	<u>138</u>

The number of employees whose remuneration exceeded £60,000 was:

	No.	No.
Between £60,000 - £70,000	3	3
Between £110,000 - £120,000	1	-
Between £130,000 - £140,000	<u>-</u>	<u>1</u>

Of the employees whose annual remuneration exceeded £60,000, 3 (2015: 3) have retirement benefits accruing under a defined benefit scheme. Total employer contributions in the year to the Scheme were £ (2015: £24,186).

None of the Governors received any remuneration during the year (2015: Nil). During the year 0 (2015: 0) Governors were reimbursed travelling expenses totalling £Nil (2015: £Nil).

Key management personnel consisted of the Headteacher, Deputy Heads and the Bursar, they received aggregate remuneration of £353,261 (2015: £349,618)

During the year Beacon Educational Trust provided for £Nil (2015: £65,000) of redundancy costs for the restructure of the school. These expenses were approved by the governors for payment.

6. Interest Payable

	2016 £	2015 £
On bank loans and overdrafts	119,045	50,502
Advance payment of fees discount	<u>4,708</u>	<u>4,220</u>
	<u>123,753</u>	<u>54,722</u>

THE BEACON EDUCATIONAL TRUST LTD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016

7a. EXPENDITURE – Analysis of total resources expended

	Staff costs £	Other £	Depreciation £	2016 £	2015 £
Charitable activities:					
Teaching costs	3,504,464	411,477	222,450	4,138,391	3,794,492
Welfare costs	52,903	354,896	-	407,799	375,110
Premises costs	123,441	509,414	444,484	1,077,339	883,498
Support costs	611,575	157,951	17,811	787,337	883,191
Governance costs	-	15,390	-	15,390	14,415
	<u>4,292,383</u>	<u>1,449,128</u>	<u>684,745</u>	<u>6,426,256</u>	<u>5,950,706</u>
Cost of generating funds:					
Finance costs	-	123,753	-	123,753	54,722
TOTAL RESOURCES EXPENDED	<u>4,292,383</u>	<u>1,572,881</u>	<u>684,745</u>	<u>6,550,009</u>	<u>6,005,428</u>

7b. NET INCOMING RESOURCES

	2016 £	2015 £
These are stated after charging:		
Auditors' remuneration : for audit	14,160	11,470
: for other services	900	1,000
Depreciation on tangible fixed assets : owned assets	684,745	534,639
Profit/(loss) on sale of tangible fixed assets	<u>-</u>	<u>-</u>

THE BEACON EDUCATIONAL TRUST LTD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016

8. TANGIBLE FIXED ASSETS

	Freehold land & buildings £	Assets under the course of construction £	Furniture & equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation						
1 September 2015	13,749,452	4,262,501	678,711	472,721	71,243	19,234,628
Additions	693,457	1,102,654	127,788	127,371	-	2,051,270
Transfers	<u>4,770,749</u>	<u>(4,841,005)</u>	<u>16,549</u>	<u>53,707</u>	<u>-</u>	<u>-</u>
31 August 2016	<u>19,213,658</u>	<u>524,150</u>	<u>823,048</u>	<u>653,799</u>	<u>71,243</u>	<u>21,285,898</u>
Depreciation						
1 September 2015	2,832,783	-	375,735	259,283	40,075	3,507,876
Charge for the year	<u>444,484</u>	<u>-</u>	<u>59,926</u>	<u>162,524</u>	<u>17,811</u>	<u>684,745</u>
31 August 2016	<u>3,277,267</u>	<u>-</u>	<u>435,661</u>	<u>421,807</u>	<u>57,886</u>	<u>4,192,621</u>
Net book values						
31 August 2016	<u>15,936,391</u>	<u>524,150</u>	<u>387,387</u>	<u>231,992</u>	<u>13,357</u>	<u>17,093,277</u>
31 August 2015	<u>10,916,669</u>	<u>4,262,501</u>	<u>302,976</u>	<u>213,438</u>	<u>31,168</u>	<u>15,726,752</u>

9. DEBTORS

	2016 £	2015 £
Fees and disbursements	22,279	21,602
Other debtors	23,442	29,081
Prepayments	<u>88,768</u>	<u>106,137</u>
	<u>134,489</u>	<u>156,820</u>

THE BEACON EDUCATIONAL TRUST LTD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016

10. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Bank loan and overdraft	411,614	195,526
Trade Creditors	105,820	97,832
Deposits	22,250	20,000
Other taxes and social security	93,308	75,318
Other creditors	71,008	225,777
Autumn fees in advance	526,056	570,822
Fee prepayment schedule	254,177	153,465
Accruals and deferred income	<u>432,960</u>	<u>104,116</u>
	<u>1,917,193</u>	<u>1,442,856</u>

11a. CREDITORS: Amounts falling due after one year

	2016 £	2015 £
Bank loans	4,726,815	3,551,428
Fee Prepayment Schedule	321,928	224,857
Deposits	<u>293,000</u>	<u>266,000</u>
	<u>5,341,743</u>	<u>4,042,285</u>

11b. LOAN MATURITY

Bank loans are repayable as follows:

	2016 £	2015 £
In less than one year:	411,614	195,526
In more than one year but less than two years:	411,614	238,744
In more than two years but less than five years:	1,234,841	716,232
After more than five years:	<u>3,080,360</u>	<u>2,596,452</u>
	<u>5,138,429</u>	<u>3,746,954</u>

The bank loans are secured by a specific charge on the company's freehold properties.

The first bank loan has an outstanding balance at the year- end of £1,838,429 and is repayable by equal quarterly amounts over 25 years. Interest is payable at 1.75% above base rate.

The second bank loan (new in the year) has an outstanding balance at the year- end of £3,300,000, and once the capital holiday finishes in June 2016 is repayable by equal termly amounts over 20 years. Interest is payable at 2.22% above base rate.

THE BEACON EDUCATIONAL TRUST LTD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016

12. Fees in advance and Fee prepayment schedule

Lump sums may be paid to the Trust as advance payment of future fees. Assuming students will remain in the school, advance fees received will be applied as follows:

	2016 £	2015 £
Within 1 year	780,233	724,287
Within 2 to 5 years	<u>321,928</u>	<u>224,857</u>
	<u>£ 1,102,161</u>	<u>£ 949,144</u>

The balance represents the accrued liability.

The movements during the year were:

	£
<i>Balance at 1 September 2015</i>	949,144
Amounts received	<u>993,852</u>
Amounts utilised in the payment of fees	<u>(840,835)</u>
Balance at 31 August 2016	<u>£ 1,102,161</u>

13. UNRESTRICTED FUNDS

	<i>At 1 September 2015</i> £	Incoming Resources £	Resources expended £	Transfer of funds	<i>At 31 August 2016</i> £
Unrestricted funds	<u>11,123,848</u>	<u>7,348,668</u>	<u>(6,549,125)</u>	<u>157,883</u>	<u>12,081,274</u>
Total	<u>11,123,848</u>	<u>7,348,668</u>	<u>(6,549,125)</u>	<u>157,883</u>	<u>12,081,274</u>

14. RESTRICTED FUNDS

Fund name	<i>At 1 September 2015</i> £	Incoming Resources £	Resources expended £	Transfer of funds £	<i>At 31 August 2016</i> £
Restricted funds	<u>157,883</u>	<u>14,434</u>	<u>(884)</u>	<u>(157,883)</u>	<u>13,550</u>
Total	<u>157,883</u>	<u>14,434</u>	<u>(884)</u>	<u>(157,883)</u>	<u>13,550</u>

Restricted funds relates to donations from the Beacon Parent Society for the purchase of various assets

THE BEACON EDUCATIONAL TRUST LTD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	Total funds £
Tangible fixed assets	17,079,727	13,550	17,093,277
Current assets	343,290	-	343,290
Long term liabilities	<u>(5,341,743)</u>	<u>-</u>	<u>(5,341,743)</u>
Total	<u>£12,081,274</u>	<u>£ 13,550</u>	<u>£ 12,094,824</u>

16. COMMITMENTS

At the year end, the school had a contracted capital commitment of £588,220 (2015: £1,204,607).

17. OPERATING LEASE COMMITMENTS

At 31 August 2016 the School had annual commitments under non-cancellable operating leases as follows:

	2016 £	2015 £
EXPIRY DATE:		
Less than 1 year	6,653	8,871
Between 2 and 5 years	<u>-</u>	<u>6,653</u>
	<u>6,653</u>	<u>15,524</u>

THE BEACON EDUCATIONAL TRUST LTD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016

18. PENSION SCHEME

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £392,665 (2015: £288,765) and at the year-end £55,266. (2015: £44,598) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by the Teachers' Pensions Regulations 2010 and, from 1 April 2014, the Teachers' Pension Scheme Regulations 2014. Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set following scheme valuations undertaken by the Government Actuary Department. The latest valuation report in respect of the TPS was prepared at 31 March 2012 and was published in June 2014. This report confirmed that the employer contribution rate for the TPS will increase from 14.1% to 16.4% although, recognising that teaching establishments work on an academic and not financial year, the Government has deferred the implementation of this increase to 1 September 2015.

The Department of Education is also proposing that scheme administration costs will be devolved to scheme employers in the form of an administration charge. The Department provisionally estimates that the administration charge will be 0.08% of the employers' salary costs which would increase the employer payment rate from 16.4% to 16.48%.

The next revision to the employer contribution rate is not expected to take effect until 1 April 2019. This will follow on from the next actuarial valuation which is due at 31 March 2016. This valuation will also determine the opening balance of the cost cap fund and provide an analysis of the cost cap as required by the Public Service Pensions Act 2013.

Other Pensions

In addition to the above, the Company contributes on a defined contribution basis to personal pension plans. Contributions totalling £40,481 (2015: £36,905) were payable to these funds for the year.

There were £5,065 unpaid contributions (2015: £4,895) at the year end.

19. RELATED PARTY TRANSACTIONS

The wife of Mr D Hollander, a Governor, is employed by the school as a teaching assistant. She is employed and paid on normal commercial terms.

THE BEACON EDUCATIONAL TRUST LTD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016

20. FINANCIAL INSTRUMENTS

	2016	2015
	£	£
Financial assets measured at amortised cost	2,171,715	933,983
Financial liabilities measured at amortised cost	6,156,775	4,535,997

The group's income, expense, gains and losses in respect of financial instruments are summarised below:

	2016	2015
	£	£
Interest income and expense:		
Total interest income for financial assets held at amortised cost	8,855	8,471
Total interest expense for financial liabilities held at amortised cost	123,753	50,501

Included within Financial instruments held at amortised cost are Fees and Disbursements, other debtors, cash at bank, trade creditors, bank loans, deposits, bank overdraft and other creditors.

THE BEACON EDUCATIONAL TRUST LTD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016

21. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
INCOME AND ENDOWMENTS FROM:				
Income from charitable activities:				
School fees receivable	6,470,929	-	6,470,929	6,009,941
Ancillary trading income	140,536	-	140,536	80,866
Other trading activities:				
Interest received	8,470	-	8,470	11,845
Rent and facility hire	91,700	-	91,700	89,000
Donations	3,855	22,080	25,935	25,044
Total	<u>6,715,490</u>	<u>22,080</u>	<u>6,737,570</u>	<u>6,216,696</u>
EXPENDITURE ON:				
Charitable activities:				
School operating costs	5,950,706	-	5,950,706	5,515,209
Expenditure on raising funds:				
Financing costs	<u>54,722</u>	<u>-</u>	<u>54,722</u>	<u>51,117</u>
Total	<u>6,005,428</u>	<u>-</u>	<u>6,005,428</u>	<u>5,566,326</u>
NET INCOMING RESOURCES AND MOVEMENT IN FUNDS	710,062	22,080	732,142	650,370
<i>Funds brought forward 1 September 2014</i>	<u>10,413,786</u>	<u>135,803</u>	<u>10,549,589</u>	<u>9,899,219</u>
Funds carried forward at 31 August 2015	<u>11,123,848</u>	<u>157,883</u>	<u>11,281,731</u>	<u>10,549,589</u>

22. FIRST TIME ADOPTION OF CHARITIES SORP (FRS 102)

These financial statements for the year ended 31 August 2016 are the first accounts of The Beacon Educational Trust that comply with the Charities SORP (FRS 102). The date of transition to the Charities SORP (FRS 102) is 1 September 2014.

The policies applied under the entity's previous accounting framework are not materially different to Charities SORP (FRS102) and have not impacted on fund or the statement of financial activities.