

**BEECH LODGE SCHOOL LIMITED**

**(A company limited by guarantee)**

**UNAUDITED**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 AUGUST 2019**

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**BEECH LODGE SCHOOL LIMITED**  
**(A company limited by guarantee)**

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**BEECH LODGE SCHOOL LIMITED**  
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS  
FOR THE PERIOD ENDED 31 AUGUST 2019**

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<b>Trustees</b>	L J R Barnes R K Best D Szmigielska Shanly
<b>Company registered number</b>	08168311 (England and Wales)
<b>Charity registered number</b>	1151323
<b>Registered office</b>	Sorbon 24-26 Aylesbury End Beaconsfield Buckinghamshire HP9 1LW
<b>Accountants</b>	MHA MacIntyre Hudson Chartered Accountants Abbey Place 24-28 Easton Street High Wycombe Buckinghamshire HP11 1NT
<b>Bankers</b>	Barclays Bank Plc 34 Market Square Aylesbury Buckinghamshire HP20 1TT
<b>Solicitors</b>	Harrison Clark Rickerbys Ellenborough House Wellington Street Cheltenham Gloucestershire GL50 1YD
<b>Principal Operating Office</b>	Stubbings Lane Henley Road Maidenhead Berkshire SL6 6QL

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**BEECH LODGE SCHOOL LIMITED**  
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**TRUSTEES' REPORT**  
**FOR THE PERIOD ENDED 31 AUGUST 2019**

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The trustees are pleased to present their annual trustees' report together with the financial statements of the charity for the year ending 31 August 2019 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

**Objectives and activities**

● **Objectives and aims**

The principal object of the Charity is to advance to education of the pupils at Beech Lodge School by providing and assisting in the provision of specialised schooling and education services for children between 7 and 18 years of age.

There have been no changes in the objectives since the last annual report.

● **Objectives, strategies and activities**

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit. Beech Lodge School Limited is committed to providing quality care and education, creating a nurturing environment to foster resilience, develop a growth mindset and provide opportunities for achievement, enabling every child over time to reach their full potential.

● **Public benefit**

Beech Lodge School is an independent special school for children and young people who are unable to reach their potential in a mainstream setting. Many of the pupils who attend the school have social & emotional difficulties caused by early trauma and adverse childhood experiences, the consequences of which can be extremely challenging and lifelong. The school offers a bespoke, engaging and flexible curriculum tailored to meet pupil needs, interest and academic ability. Pupils access a range of subjects, qualifications and extra-curricular activities which enable them to fulfil their potential and prepare for the next stage of their lives. Pupils are taught in small classes with a high adult ratio and specialist teaching. The school works with Local Education Authorities who fund and place pupils at the school.

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**BEECH LODGE SCHOOL LIMITED**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE PERIOD ENDED 31 AUGUST 2019**

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**Achievements and performance**

• **Main achievements of the Charity**

Between January and August 2019 the school continued to grow with increased pupil admissions and the addition of more staff. Development of our new Lionheart Provision for children with Dyslexia and associated learning difficulties accelerated as we held a number of Open Days which were extremely well attended and in some cases significantly over-subscribed. Building work continued on the new wing as the new Lionheart provision - open September 2019 - increases our capacity to 98. We applied to the DfE for material change to increase numbers and to become officially registered as an Independent Special School (prior to that we were registered as an Independent School). The change in registration brings with it additional responsibilities but also recognises the specialist nature of the school. We had a material change inspection in August which approved the change.

Dan Gillespie, our interim Headteacher took up the post in January 19 to work alongside our current Head until she leaves on sabbatical and he takes up the post in September 19

We have been working with our Local Authority Royal Borough of Windsor and Maidenhead to erect a low ropes course on our site for the benefit of our pupils and children in the local area who the RBWM Youth Service Team work with. We raised funds via our PTA and secured a grant of £3000 from the Prince Philip Trust towards it.

One of the highlights of the Summer term was undoubtedly our immersive circus experience which involved 9 circus performers/trainers teaching circus skills to our pupils and staff for two weeks. We transformed the school hall into a circus tent and had a big top erected in the grounds. On the middle Saturday we held a public circus festival (Mayhem Circus Festival to which over 100 families and children attended. The two weeks culminated in a show by our pupils to their families – there was not a dry eye in the house and our children exceeded ours and their own expectations. We have written a report based on the findings from the two week experience which evidenced the social and emotional benefits of play and the circus.

In July our first cohort of GCSE pupils sat their exams and we were delighted with the results. All of them secured good pass grades including a 9 (A\* equiv) in Spanish. All leavers also secured their first choice destination which included 6th form in mainstream school, Agricultural College and Sixth Form College.

We continued our series of Trauma workshops to delegates from other schools which was very well received and also held a free Dyscalculia training session to staff from schools in the local area which was well attended.

We continue to be a much sought after school with an increasingly high profile and good reputation. We are proud of our achievements and hope to continue building on them over the next academic year.

**Financial review**

• **Going concern**

After making appropriate enquiries, the board of trustees has a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going-concern basis in preparing the financial statements.

Incoming resources were £807,273 (2018: £1,216,088) and resources expended were £926,959 (2018: £1,095,865) giving a deficit of £119,686 (2018: surplus of £120,223) for the year.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE PERIOD ENDED 31 AUGUST 2019**

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**Financial review (continued)**

• **Reserves policy**

Reserves are held to meet future commitments and will be reinvested into the facilities of the school and education of the children. At 31st August 2019 total reserves comprised:

Unrestricted: £48,275 (2018: £167,961).

The reserves held effectively represent the commitments due under the property lease.

• **Principal risks and uncertainties**

The trustees have assessed the major risks to which the Charity is exposed, using a RAG rating matrix. The likelihood and impact of various business risks, mainly pertaining to regulatory requirements and financial performance, have been assessed and appropriate actions have been put in place to mitigate exposure to the major risks.

• **Covid-19 Impact**

The Covid-19 pandemic has had an enormous impact on schools and on 20th March 2020 we closed the school following DfE advice for all pupils, other than those identified as being in the vulnerable/high risk group and pupils of key workers. We were able to implement a very robust and well received distance/home learning package for all pupils within a couple of days, so their education was not significantly interrupted. Feedback from families has been exceptionally good.

As far as income is concerned, we are fortunate that all fees for pupils funded by Local Authorities are guaranteed and they have been generally efficient in paying invoices and this makes up approx. 90% of our pupils. We provided a 25% discount for the first half of the summer term to our private fee-paying parents.

As far as expenditure is concerned, whilst the school is closed there is a saving on peripatetic staff except for some additional hours worked to support the vulnerable / key worker pupils. Running costs whilst closed have reduced as we are making use of the Meadow building for the vulnerable / key worker pupils and we have benefitted from some suppliers reducing their fees to allow for distance learning packages.

There is no immediate effect on our financial sustainability, however Local Authority budgets may be cut in future and that may need to be reflected in a reduction in fees going forward. Admissions are slow, but at the time of writing we have 6 new pupils agreed for September 2020 against 5 leavers.

With the uncertainty around education and schools generally we anticipate a reduction in admissions which will affect our projected growth, particularly in Lionheart which we envisage being predominately populated by independent fee payers whose personal circumstances may mean they are unable to afford the fees. We also may not be able to afford to recruit the additional specialist staff that we desire if their fees remain level which will mean our academic offering will be compromised.

The Covid-19 pandemic, at the time of writing, is an ever-evolving situation and it is being closely monitored alongside the advice of the DfE.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE PERIOD ENDED 31 AUGUST 2019**

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**Structure, governance and management**

• **Constitution**

The Charity is incorporated as a charitable company limited by guarantee and is a registered charity under number 1151323. It is governed by a Memorandum and Articles of Association dated 3rd August 2012 as amended by special resolution dated 19th December 2012.

Details of the trustees who served throughout the year and included in the Reference and Administrative Details on Page 1.

• **Methods of appointment or election of Trustees**

The management of the Charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

• **Organisational structure and decision-making policies**

The School is principally run by the Proprietary Body made up of the Trustees under the chairmanship of Daniela Shanly. Each of the members of the Proprietary Body sit on the school's Advisory Board which oversees the work of the school and helps secure the school's aims. The Advisory Board comprises a team of people who all have a connection with the school. The Advisory Board meets regularly and keeps abreast of responsibilities. It is strongly involved in strategic planning so that resources, both human and material are best used to meet the needs of pupils.

D Shanly takes overall responsibility for the effective running of the school, working closely with the Principal and Headteacher.

• **Pay policy for key management personnel**

The Founders and Bursar set the pay of the Headteacher, and the Founders and Headteacher set the pay of other key management personnel.

**Plans for future periods**

We will be completing the build of the school in readiness for September 2019 which will allow us to increase our capacity to 98 pupils. We will be landscaping the grounds substantially giving us football pitches, tennis courts and a Low Ropes Course (in partnership with RBWM).

In September 2019 will be opening Lionheart our new SpLD provision for children with Dyslexia and Dyscalculia. There is no similar specialist provision in the Thames Valley and it is our belief that a provision such as this utilising our nurturing approach is much needed in the area.

We will be updating our corporate image and changing our motto to 'Great Minds Think Differently' as a reflection not only of our children, but of the way we think about education generally.

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**BEECH LODGE SCHOOL LIMITED**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE PERIOD ENDED 31 AUGUST 2019**

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**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 £1, for the debts and liabilities contracted before they ceased to be a member.

**Statement of Trustees' responsibilities**

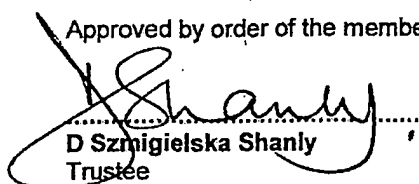
The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial period. 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 Charity 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 (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity 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 Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees on 26/5/20 and signed on their behalf by:

  
D Szmigielska Shanly  
Trustee



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**BEECH LODGE SCHOOL LIMITED**  
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**INDEPENDENT EXAMINER'S REPORT  
FOR THE PERIOD ENDED 31 AUGUST 2019**

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**Independent examiner's report to the Trustees of Beech Lodge School Limited ('the Charity')**

I report to the charity Trustees on my examination of the accounts of the Charity for the period ended 31 August 2019.

**Responsibilities and basis of report**

As the Trustees of the Charity (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the Charity's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

**Independent examiner's statement**

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Charity as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

This report is made solely to the Charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the Charity's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for my work or for this report.

Signed:



Dated:

29 May 2020

**BIANCA SILVA ACA**

Chartered Accountants  
Abbey Place  
24-28 Easton Street  
High Wycombe  
Buckinghamshire  
HP11 1NT

**BEECH LODGE SCHOOL LIMITED**  
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**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE PERIOD ENDED 31 AUGUST 2019**

	Note	Unrestricted funds 8 months ended 31 August 2019 £	Total funds 8 months ended 31 August 2019 £	Total funds 12 months ended 31 December 2018 £
<b>Income from:</b>				
Donations and legacies	3	4,854	4,854	151,208
Charitable activities	4	801,669	801,669	1,064,880
Other income	5	750	750	-
<b>Total income</b>		<b>807,273</b>	<b>807,273</b>	<b>1,216,088</b>
<b>Expenditure on:</b>				
Charitable activities	6	926,959	926,959	1,095,865
<b>Total expenditure</b>		<b>926,959</b>	<b>926,959</b>	<b>1,095,865</b>
<b>Net movement in funds</b>		<b>(119,686)</b>	<b>(119,686)</b>	<b>120,223</b>
<b>Reconciliation of funds:</b>				
Total funds brought forward		167,961	167,961	47,738
Net movement in funds		(119,686)	(119,686)	120,223
<b>Total funds carried forward</b>		<b>48,275</b>	<b>48,275</b>	<b>167,961</b>

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

The notes on pages 12 to 29 form part of these financial statements.

**BEECH LODGE SCHOOL LIMITED**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 08168311 (England and Wales)**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2019**

	Note	31 August 2019 £	31 December 2018 £
<b>Fixed assets</b>			
Tangible assets	11	57,714	52,041
Investments	12	2	2
		<u>57,716</u>	<u>52,043</u>
<b>Current assets</b>			
Debtors	13	622,152	502,871
Cash at bank and in hand		197,134	101,531
		<u>819,286</u>	<u>604,402</u>
Creditors: amounts falling due within one year	14	(828,727)	(488,484)
<b>Net current liabilities / assets</b>		<u>(9,441)</u>	<u>115,918</u>
<b>Total assets less current liabilities</b>		<u>48,275</u>	<u>167,961</u>
<b>Net assets excluding pension asset</b>		<u>48,275</u>	<u>167,961</u>
<b>Total net assets</b>		<u><u>48,275</u></u>	<u><u>167,961</u></u>
<b>Charity funds</b>			
Restricted funds	15	-	-
Unrestricted funds	15	48,275	167,961
<b>Total funds</b>		<u><u>48,275</u></u>	<u><u>167,961</u></u>

The Charity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit for the period in question in accordance with section 476 of Companies Act 2006.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

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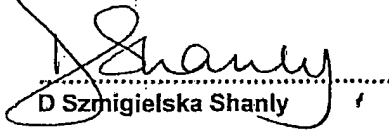
**BEECH LODGE SCHOOL LIMITED**  
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**BALANCE SHEET (CONTINUED)**  
**AS AT 31 AUGUST 2019**

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

  
D Szmigielska Shanly

The notes on pages 12 to 29 form part of these financial statements.

**BEECH LODGE SCHOOL LIMITED**  
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**STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 31 AUGUST 2019**

	<b>8 months ended 31 August 2019 £</b>	<i>12 months ended 31 December 2018 £</i>
<b>Cash flows from operating activities</b>		
Net cash used in operating activities	<b>116,917</b>	<i>131,120</i>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	<b>(21,314)</b>	<i>(57,216)</i>
<b>Net cash used in investing activities</b>	<b>(21,314)</b>	<i>(57,216)</i>
<b>Cash flows from financing activities</b>		
<b>Net cash provided by financing activities</b>	<b>-</b>	<i>-</i>
<b>Change in cash and cash equivalents in the period</b>	<b>95,603</b>	<i>73,904</i>
Cash and cash equivalents at the beginning of the period	<b>101,531</b>	<i>27,627</i>
<b>Cash and cash equivalents at the end of the period</b>	<b>197,134</b>	<i>101,531</i>

The notes on pages 12 to 29 form part of these financial statements

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**BEECH LODGE SCHOOL LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2019**

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**1. Accounting policies**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Beech Lodge School 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.

**1.2 Company status**

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

**1.3 Fund accounting**

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

**1.4 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 charity to continue as a going concern. The Trustees make this assessment in respect of a period of at least 12 months from the date of authorisation of the financial statements. Whilst the school has net current liabilities of £9,441 at 31 August 2019, management accounts after the year indicate a surplus for the year to 31 August 2020 which will eliminate this liability, and for this reason the directors believe the accounts should be prepared on a going concern basis.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2019**

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**1. Accounting policies (continued)**

**1.5 Income**

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

Donated services or facilities are recognised when the Charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the Charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the Trustees' report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the Charity which is the amount the Charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

**1.6 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.

Support costs are those costs incurred directly in support of expenditure on the objects of the Charity.

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

**1.7 Tangible fixed assets and depreciation**

All assets costing more than £50 are capitalised.

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.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2019**

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**1. Accounting policies (continued)**

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

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures and fittings	- 20% - 33% straight line
Computer equipment	- 25% straight line

**1.8 Investments**

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

Investments held as fixed assets are shown at cost less provision for impairment.

**1.9 Interest receivable**

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

**1.10 Operating leases**

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

**1.11 Debtors**

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

**1.12 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.



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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2019**

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**1. Accounting policies (continued)**

**1.13 Liabilities and provisions**

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

**1.14 Financial instruments**

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

**1.15 Pensions**

Retirement benefits to employees of the School are provided by the Teacher's Pension Scheme ('TPS'). This is a defined benefit scheme, contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Charity.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Charity 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 quinquennial valuations using a prospective benefit method. As stated in note 17, the TPS is a multi employer scheme and the Charity is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

**2. Critical accounting estimates and areas of judgement**

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

Critical accounting estimates and assumptions:

The Charity 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 Trustees do not consider there to be any critical accounting estimates or judgments used in preparing the financial statements.

**BEECH LODGE SCHOOL LIMITED**  
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**3. Income from donations and legacies**

	Unrestricted funds 8 months ended 31 August 2019 £	Total funds 8 months ended 31 August 2019 £	<i>Total funds 12 months ended 31 December 2018 £</i>
Donations	4,854	4,854	151,208
<i>Total 2018</i>	<u>151,208</u>	<u>151,208</u>	

**4. Income from charitable activities**

	Unrestricted funds 8 months ended 31 August 2019 £	Total funds 8 months ended 31 August 2019 £	<i>Total funds 12 months ended 31 December 2018 £</i>
Fees receivable	801,669	801,669	1,064,880
<i>Total 2018</i>	<u>1,064,880</u>	<u>1,064,880</u>	

**5. Other incoming resources**

	Unrestricted funds 8 months ended 31 August 2019 £	Total funds 8 months ended 31 August 2019 £	<i>Total funds 12 months ended 31 December 2018 £</i>
Loan interest receivable	750	750	-

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**6. Analysis of expenditure on charitable activities**

**Summary by fund type**

	Unrestricted funds 8 months ended 31 August 2019 £	Total funds 8 months ended 31 August 2019 £	<i>Total funds 12 months ended 31 December 2018 £</i>
Direct costs and support costs	926,959	<b>926,959</b>	1,095,865
<i>Total 2018</i>	1,095,865	1,095,865	

**7. Analysis of expenditure by activities**

	Activities undertaken directly 8 months ended 31 August 2019 £	Support costs 8 months ended 31 August 2019 £	Total funds 8 months ended 31 August 2019 £	<i>Total funds 12 months ended 31 December 2018 £</i>
Direct costs and support costs	620,581	306,378	<b>926,959</b>	1,095,865
<i>Total 2018</i>	796,795	299,070	1,095,865	

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**7. Analysis of expenditure by activities (continued)**

**Analysis of direct costs**

	<b>Educational Activities 8 months ended 31 August 2019 £</b>	<b>Total funds 8 months ended 31 August 2019 £</b>	<i>Total funds 12 months ended 31 December 2018 £</i>
Wages and Salaries	484,173	<b>484,173</b>	591,438
Depreciation	15,641	<b>15,641</b>	16,327
Staff development	13,170	<b>13,170</b>	14,620
Educational consultancy	53,927	<b>53,927</b>	65,519
Educational supplies	50,504	<b>50,504</b>	98,459
Speech therapy and consultancy	3,166	<b>3,166</b>	10,432
	<u>620,581</u>	<u><b>620,581</b></u>	<u>796,795</u>
<i>Total 2018</i>	<u>796,795</u>	<u>796,795</u>	

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**7. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

	<b>Educational Activities 8 months ended 31 August 2019 £</b>	<b>Total funds 8 months ended 31 August 2019 £</b>	<i>Total funds 12 months ended 31 December 2018 £</i>
Wages and salaries	73,586	<b>73,586</b>	24,272
Staff development	6,658	<b>6,658</b>	17,935
Technology costs	6,582	<b>6,582</b>	10,863
Maintenance of premises and equipment	30,060	<b>30,060</b>	29,355
Rent and rates	107,766	<b>107,766</b>	153,402
Administrative supplies	16,762	<b>16,762</b>	18,731
Legal and professional	15,291	<b>15,291</b>	1,405
Insurance	6,211	<b>6,211</b>	17,345
Other support costs	43,462	<b>43,462</b>	16,162
Governance costs	-	-	9,600
	<u>306,378</u>	<u><b>306,378</b></u>	<u>299,070</u>
<i>Total 2018</i>	<u>299,070</u>	<u>299,070</u>	

**8. Independent examiner's remuneration**

The independent examiner's remuneration amounts to an independent examiner fee of £3,450 (2018 - £ -), and audit fees of £ - (2018 - £7,200).

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**9. Staff costs**

	<b>8 months ended 31 August 2019 £</b>	<i>12 months ended 31 December 2018 £</i>
Wages and salaries	466,409	524,115
Social security costs	41,205	43,847
Other pension costs	50,145	47,748
	<u>557,759</u>	<u>615,710</u>

The average number of persons employed by the Charity during the period was as follows:

	<b>8 months ended 31 August 2019 No.</b>	<i>12 months ended 31 December 2018 No.</i>
Education	<u>29</u>	<u>23</u>

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

	<b>8 months ended 31 August 2019 No.</b>	<i>12 months ended 31 December 2018 No.</i>
In the band £60,001 - £70,000	-	1

The key management personnel of the charitable company is the Headteacher. The total amount of employee benefits (including employer national insurance and pension contributions) received by key management personnel for their services was £56,417 (2018: £80,973).

**10. Trustees' remuneration and expenses**

During the period, no Trustees received any remuneration or other benefits (2018 - £NIL).

During the period ended 31 August 2019, no Trustee expenses have been incurred (2018 - £NIL).

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**11. Tangible fixed assets**

	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost or valuation</b>			
At 1 January 2019	39,772	63,596	103,368
Additions	16,887	4,427	21,314
At 31 August 2019	56,659	68,023	124,682
<b>Depreciation</b>			
At 1 January 2019	17,050	34,277	51,327
Charge for the period	8,089	7,552	15,641
At 31 August 2019	25,139	41,829	66,968
<b>Net book value</b>			
At 31 August 2019	31,520	26,194	57,714
At 31 December 2018	22,722	29,319	52,041

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**12. Fixed asset investments**

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 January 2019	2
<b>At 31 August 2019</b>	<u>2</u>
<b>Net book value</b>	
At 31 August 2019	2
At 31 December 2018	<u>2</u>

**13. Debtors**

	31 August 2019 £	31 December 2018 £
<b>Due within one year</b>		
Trade debtors	467,469	372,570
Amounts owed by group undertakings	131,076	112,910
Prepayments and accrued income	23,607	17,391
	<u>622,152</u>	<u>502,871</u>



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**14. Creditors: Amounts falling due within one year**

	<b>31 August 2019 £</b>	<i>31 December 2018 £</i>
Trade creditors	87,523	46,949
Other taxation and social security	16,040	14,166
Other creditors	14,393	60,135
Accruals and deferred income	710,771	367,234
	<u>828,727</u>	<u>488,484</u>
	<b>31 August 2019 £</b>	<i>31 December 2018 £</i>
Deferred income at 1 January 2019	353,972	22,827
Resources deferred during the period	649,466	353,972
Amounts released from previous periods	(353,972)	(22,827)
	<u>649,466</u>	<u>353,972</u>

Deferred income represents fee income relating to the Autumn term.

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**15. Statement of funds**

**Statement of funds - current period**

	Balance at 1 January 2019 £	Income £	Expenditure £	Balance at 31 August 2019 £
<b>Unrestricted funds</b>				
General Funds	167,961	807,273	(926,959)	48,275

**Statement of funds - prior period**

	Balance at 1 January 2018 £	Income £	Expenditure £	Balance at 31 December 2018 £
<b>Unrestricted funds</b>				
Reserves	47,738	1,216,088	(1,095,865)	167,961

**16. Analysis of net assets between funds**

**Analysis of net assets between funds - current period**

	Unrestricted funds 31 August 2019 £	Total funds 31 August 2019 £
Tangible fixed assets	57,714	57,714
Fixed asset investments	2	2
Current assets	819,286	819,286
Creditors due within one year	(828,727)	(828,727)
<b>Total</b>	<b>48,275</b>	<b>48,275</b>

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**16. Analysis of net assets between funds (continued)**

**Analysis of net assets between funds - prior period**

	<i>Unrestricted funds 31 December 2018 £</i>	<i>Total funds 31 December 2018 £</i>
Tangible fixed assets	52,041	52,041
Fixed asset investments	2	2
Current assets	604,402	604,402
Creditors due within one year	(488,484)	(488,484)
<b>Total</b>	<b>167,961</b>	<b>167,961</b>

**17. Reconciliation of net movement in funds to net cash flow from operating activities**

	<i>8 months ended 31 August 2019 £</i>	<i>12 months ended 31 December 2018 £</i>
Net income for the period (as per Statement of Financial Activities)	<b>(119,686)</b>	120,223
<b>Adjustments for:</b>		
Depreciation charges	15,641	16,327
Increase in debtors	(119,281)	(382,248)
Increase in creditors	340,243	376,818
<b>Net cash provided by operating activities</b>	<b>116,917</b>	131,120

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**NOTES TO THE FINANCIAL STATEMENTS  
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**18. Analysis of cash and cash equivalents**

	<b>31 August 2019</b>	<i>31 December 2018</i>
	<b>£</b>	<b>£</b>
Cash in hand	197,134	101,531
<b>Total cash and cash equivalents</b>	<b>197,134</b>	<b>101,531</b>

**19. Analysis of Net Debt**

	<b>At 1 January 2019</b>	<b>Cash flows</b>	<b>At 31 August 2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	101,531	95,603	197,134
	<b>101,531</b>	<b>95,603</b>	<b>197,134</b>

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**20. Pension commitments**

**Teachers' Pension Scheme**

**Introduction**

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

**The Teachers Pension budgeting and valuation account**

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

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

**Valuation of Teachers Pension Scheme**

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

A copy of the latest valuation report can be found on the Teachers' Pension Scheme website at the following location:

<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>

**Scheme changes**

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

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**20. Pension commitments (continued)**

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

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

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

**21. Operating lease commitments**

At 31 August 2019 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	<b>31 August 2019 £</b>	<i>31 December 2018 £</i>
Not later than 1 year	<b>148,862</b>	<i>147,646</i>
Later than 1 year and not later than 5 years	<b>583,292</b>	<i>586,938</i>
Later than 5 years	<b>24,000</b>	<i>120,000</i>
	<hr/> <b>756,154</b> <hr/>	<hr/> <i>854,584</i> <hr/>

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**22. Related party transactions**

The Shanly Foundation donated £3,750 (2018: £151,000) to Beech Lodge School during the year. M Shanly is a trustee of the Shanly Foundation and is husband of D Szmigielska Shanly. There were no other disclosable related party transactions.

**23. Principal subsidiaries**

Beech Lodge School Services Limited is a wholly owned a subsidiary of the Charity. Its registered company number is 07863609. Its principal activity is education.

The financial results of the subsidiary for the period were:

	<b>31 August 2019 £</b>
<b>Beech Lodge School Services Limited</b>	
Income	<b>14,047</b>
Expenditure	<b>(30,605)</b>
Profit/(Loss)/ Surplus/ (Deficit) for the period	<b>(16,558)</b>
Net liabilities	<b>(104,022)</b>

**24. Post balance sheet events**

COVID-19 was identified in the United Kingdom in January 2020 which is after the financial statements year end of 31 August 2019. As such, the directors consider this to be a non adjusting post balance sheet event. Whilst there is likely to be disruption over the coming months and years, the directors consider the finances of the school to be stable as discussed in full detail in the Trustees report.