

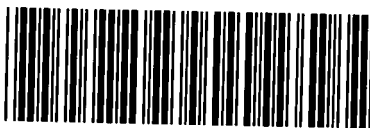
BEECH LODGE SCHOOL LIMITED
(A Company Limited by Guarantee)

UNAUDITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

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BEECH LODGE SCHOOL LIMITED
(A Company Limited by Guarantee)

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BEECH LODGE SCHOOL LIMITED
(A Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2017**

Trustees L J R Barnes (appointed 3 October 2017)
R K Best
D Szmigielska Shanly
D A Tucker (resigned 3 October 2017)

**Company registered
number** 08168311

**Charity registered
number** 1151323

Registered office Sorbon
24-26 Aylesbury End
Beaconsfield
Buckinghamshire
HP9 1LW

**Principal operating
office** Stubbings Lane
Henley Road
Maidenhead
Berkshire
SL6 6QL

Independent examiner Ms B Silva
MHA MacIntyre Hudson
Chartered Accountants
Abbey Place
24-28 Easton Street
High Wycombe
Buckinghamshire
HP11 1NT

Bankers Barclays Bank plc
34 Market Square
Aylesbury
Buckinghamshire
HP20 1TT

Solicitors Harrison Clark Rickerbys
Ellenborough House
Wellington Street
Cheltenham
Gloucestershire
GL50 1YD

BEECH LODGE SCHOOL LIMITED
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017

The Trustees (who are also directors of the charity for the purposes for the Companies Act) present their annual report together with the financial statements of Beech Lodge School Limited (the company) for the year ended 31 December 2017. The Trustees confirm that the Trustees' Report and financial statements of the company comply with current statutory requirements, the requirements of the company's governing document and the provisions of Charities SORP (FRS 102).

PRINCIPAL ACTIVITIES

Beech Lodge School Limited is registered as an Independent School with the Department for Education.

REVIEW OF ACTIVITIES

Since we opened the school in 2013, this has been a time of most significant change in the growth and development of the school.

We had our Independent Schools Inspectorate (ISI) Compliance Inspection in March 2017. We were one of the first schools to be inspected under the new regime, feedback was very positive from the Inspectors and all criteria for compliance were met.

Having successfully secured planning permission for our new premises, building work commenced and continued until we moved in before half term in November 2017. The old site at Home Farm will be converted back into a home and we terminated our rental contract for the Blossom House site at BCA. The new premises allow us to increase our capacity to 48 pupils in Phase 1. We will be commencing the build for Phase 2 in September 2018 which will allow us to increase our capacity to 96 for September 2019. Increase in facilities include a sports hall, more classrooms, office spaces and 10 acres of land.

There has been significant investment in IT systems as well as in the fabric of the building.

Applications for places at the school continued to exceed all our expectations and with our increased capacity to we held two Open Days which were fully attended and took many referrals from Local Authorities. We now work with 12 LEA's who place and fund children at the school.

Increase in pupil numbers from 22 to 36.

It was a difficult transition to the new premises for many of our existing pupils, so we only gradually increased our pupil numbers being mindful of the impact that can have on pupil and staff wellbeing. We anticipate being full to capacity in Phase 1 by January 2019.

We also received a significant amount of publicity about the work that we do educating children who have experienced Developmental Trauma. BBC's The One Show came to film us in December for a programme that was aired in January 2018. The response to that was overwhelming and we received recognition from our peers and industry bodies such as the Independent School's Council and Independent Schools Association.

We were then approached by BBC Victoria Derbyshire show who filmed a short 15 min documentary about the school and the work that we do which was aired in June. Again, an increase in awareness in the school prompted an increase in admissions enquiries as well as applications for staff vacancies.

Building work continues on the site with a new Transition and Therapeutic Hub opening in September 2018 to accommodate up to 10 children and young people who require a longer transition into the main school and therapeutic input.

BEECH LODGE SCHOOL LIMITED
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2017

During this period, 2 members of staff left our employment and we recruited 6 more teachers and teaching assistants as well as increasing our Administration staff including a new Finance and Compliance Manager.

CONSTITUTION

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

OBJECTS

The principal object of the Charity is to advance the 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 16 years of age.

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

METHOD 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

The School has an Advisory Board which oversees the work of the school and helps secure the school's aims. The Advisory Board under the Chairmanship of Daniela Shanly 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 Headteacher.

RELATED PARTY RELATIONSHIPS

As disclosed in the notes to the accounts, Beech Lodge School is supported by the Shanly Foundation, a registered charity of which D Tucker is a trustee.

RISK MANAGEMENT

The Trustees have assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of the Charity, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks. The principal risk and uncertainty facing the Charity relates to the dependence on the major donor, who has confirmed continuing support for the next two or three years.

BEECH LODGE SCHOOL LIMITED
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2017

Objectives and Activities

POLICIES AND OBJECTIVES

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 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 potential.

MAIN ACTIVITIES UNDERTAKEN TO FURTHER THE CHARITY'S PURPOSES FOR PUBLIC BENEFIT

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.

GOING CONCERN

After making appropriate enquiries, the trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

FINANCIAL REVIEW

Incoming resources were £752,319 (2016: £594,499) and resources expended were £796,308 (2016: £597,940) giving a deficit of £43,989 (2016: deficit of £3,441) for the year.

PAY POLICY FOR SENIOR STAFF

The Founders and Bursar set the pay of the Headteacher, and the Founders and Headteacher set the pay of the other staff.

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 31 December 2017 total reserves were £47,738 (2016: £91,727), effectively representing the commitments due under the property lease.

FUTURE DEVELOPMENTS

To continue with the build of our new school!

We will be commencing the build for Phase 2 in September 2018 which will allow us to increase our capacity to 96 for September 2019. Increase in facilities include a sports hall, more classrooms, office spaces and 10 acres of land.

Once we have built our flagship school with our much larger capacity, we will be looking to open more Beech Lodge Schools across the country as there is a very compelling and real need for small therapeutic schools with our vision, ethos and aims at the core.

BEECH LODGE SCHOOL LIMITED
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2017

In conclusion, as we continue to develop and grow we can stand back and look at what we have achieved for our pupils and their families and be very proud of their and our successes. With limited facilities (a converted barn and a portakabin) we have created a school that is gaining national recognition, is being hailed as a model for an alternative therapeutic education and the possibilities for us at the moment for us seem limitless.

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees (who are also directors of Beech Lodge School Limited 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 year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of 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 Trustees are required to:

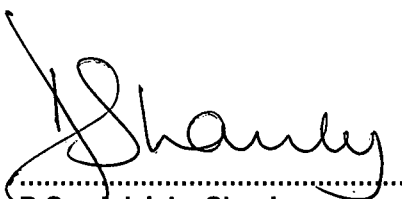
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material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

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

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

In preparing this report, the Trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the Trustees, on 20/09/18 and signed on their behalf by:


.....
D Szmigielska Shanly
Trustee

BEECH LODGE SCHOOL LIMITED
(A Company Limited by Guarantee)

INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017

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 year ended 31 December 2017.

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.

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

Since the Charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of The Institute of Chartered Accountants, which is one of the listed bodies.

I have completed my examination. I can 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.

Signed:  Dated: 25/09/18

B K SILVA ACA

MHA MacIntyre Hudson, Abbey Place, 24 - 28 Easton Street, High Wycombe, Buckinghamshire, HP11 1NT

BEECH LODGE SCHOOL LIMITED
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2017**

| | Note | Unrestricted funds 2017 £ | Total funds 2017 £ | Total funds 2016 £ |
|---|------|------------------------------------|-----------------------------|-----------------------------|
| INCOME FROM: | | | | |
| Donations | 2 | 159,700 | 159,700 | 149,406 |
| Charitable activities | 3 | 592,619 | 592,619 | 445,093 |
| TOTAL INCOME | | 752,319 | 752,319 | 594,499 |
| EXPENDITURE ON: | | | | |
| Charitable activities | | 796,308 | 796,308 | 597,940 |
| TOTAL EXPENDITURE | 4 | 796,308 | 796,308 | 597,940 |
| NET BEFORE OTHER RECOGNISED GAINS AND LOSSES | | (43,989) | (43,989) | (3,441) |
| NET MOVEMENT IN FUNDS | | (43,989) | (43,989) | (3,441) |
| RECONCILIATION OF FUNDS: | | | | |
| Total funds brought forward | | 91,727 | 91,727 | 95,168 |
| TOTAL FUNDS CARRIED FORWARD | | 47,738 | 47,738 | 91,727 |

The notes on pages 10 to 22 form part of these financial statements.

BEECH LODGE SCHOOL LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08168311

BALANCE SHEET
AS AT 31 DECEMBER 2017

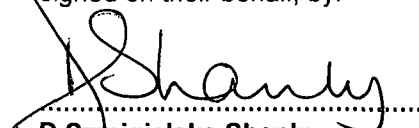
| | Note | £ | 2017 £ | £ | 2016 £ |
|---|------|-----------------------|----------------------|-----------------|---------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 9 | | 11,152 | | 20,184 |
| Investments | 10 | | 2 | | 2 |
| | | | <u>11,154</u> | | <u>20,186</u> |
| CURRENT ASSETS | | | | | |
| Debtors | 11 | 120,623 | | 92,933 | |
| Cash at bank and in hand | | 27,627 | | 29,860 | |
| | | <u>148,250</u> | | <u>122,793</u> | |
| CREDITORS: amounts falling due within one year | 12 | (111,666) | | (51,252) | |
| NET CURRENT ASSETS | | | <u>36,584</u> | | <u>71,541</u> |
| NET ASSETS | | | <u>47,738</u> | | <u>91,727</u> |
| CHARITY FUNDS | | | | | |
| Unrestricted funds | 13 | | <u>47,738</u> | | <u>91,727</u> |
| TOTAL FUNDS | | | <u>47,738</u> | | <u>91,727</u> |

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

The Trustees consider that the Charity is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the Charity to obtain an audit for the year in question in accordance with section 476 of the Act.

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on 20/04/18 and signed on their behalf, by:


D Szmigielska Shanly
 Trustee

The notes on pages 10 to 22 form part of these financial statements.

BEECH LODGE SCHOOL LIMITED
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017

| | Note | 2017 £ | 2016 £ |
|--|------|-----------|-----------|
| Cash flows from operating activities | | | |
| Net cash (used in)/provided by operating activities | 15 | (2,233) | 6,565 |
| Cash flows from investing activities: | | | |
| Purchase of tangible fixed assets | | - | (841) |
| Net cash used in investing activities | | - | (841) |
| Change in cash and cash equivalents in the year | | (2,233) | 5,724 |
| Cash and cash equivalents brought forward | | 29,860 | 24,136 |
| Cash and cash equivalents carried forward | 16 | 27,627 | 29,860 |

The notes on pages 10 to 22 form part of these financial statements.

BEECH LODGE SCHOOL LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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.

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 1. 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 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.

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.

BEECH LODGE SCHOOL LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

1. ACCOUNTING POLICIES (continued)

1.5 Expenditure

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

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.

1.6 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 incorporating Income and Expenditure Account.

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

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

1.7 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 fair 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 shown in the heading 'Gains/(losses) on investments' in the Statement of Financial Activities incorporating Income and Expenditure Account.

BEECH LODGE SCHOOL LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

1. ACCOUNTING POLICIES (continued)

1.8 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities incorporating Income and Expenditure Account on a straight line basis over the lease term.

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.

1.9 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 Debtors

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

1.11 Cash at bank and in hand

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

1.12 Pensions

Retirement benefits to employees of the School are provided by the Teachers' 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.

BEECH LODGE SCHOOL LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. INCOME FROM DONATIONS

| | Unrestricted funds 2017 £ | Total funds 2017 £ | Total funds 2016 £ |
|-------------------|------------------------------------|-----------------------------|-----------------------------|
| Donations | 159,700 | 159,700 | 149,406 |
| <i>Total 2016</i> | <i>149,406</i> | <i>149,406</i> | |

3. INCOME FROM CHARITABLE ACTIVITIES

| | Unrestricted funds 2017 £ | Total funds 2017 £ | Total funds 2016 £ |
|-------------------|------------------------------------|-----------------------------|-----------------------------|
| Fees receivable | 592,619 | 592,619 | 445,093 |
| <i>Total 2016</i> | <i>445,093</i> | <i>445,093</i> | |

4. ANALYSIS OF RESOURCES EXPENDED

| | Staff costs 2017 £ | Depreciation 2017 £ | Other costs 2017 £ | Total 2017 £ | Total 2016 £ |
|-----------------------|--------------------------|---------------------------|--------------------------|--------------------|--------------------|
| Charitable activities | 474,516 | 9,032 | 312,760 | 796,308 | 597,940 |
| <i>Total 2016</i> | <i>376,921</i> | <i>12,285</i> | <i>208,734</i> | <i>597,940</i> | |

BEECH LODGE SCHOOL LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

5. DIRECT COSTS

| | Educational activities | Total 2017 | <i>Total 2016</i> |
|-------------------------|-----------------------------------|-----------------------|-----------------------|
| | £ | £ | £ |
| Staff development | 26,133 | 26,133 | 14,617 |
| Educational consultancy | 61,813 | 61,813 | 48,861 |
| Educational supplies | 57,251 | 57,251 | 41,815 |
| Technology costs | 8,905 | 8,905 | 4,097 |
| Wages and salaries | 474,516 | 474,516 | 376,921 |
| Depreciation | 9,032 | 9,032 | 12,285 |
| | <u>637,650</u> | <u>637,650</u> | <u>498,596</u> |
| <i>Total 2016</i> | <u>498,596</u> | <u>498,596</u> | |

6. SUPPORT COSTS

| | Educational activities | Total 2017 | <i>Total 2016</i> |
|---------------------------------------|-----------------------------------|-----------------------|-----------------------|
| | £ | £ | £ |
| Maintenance of premises and equipment | 5,960 | 5,960 | 4,503 |
| Rent and rates | 97,732 | 97,732 | 54,600 |
| Administrative supplies | 18,814 | 18,814 | 7,634 |
| Legal and professional | 4,751 | 4,751 | 4,730 |
| Insurance | 14,769 | 14,769 | 11,635 |
| Other support costs | 13,932 | 13,932 | 13,542 |
| Governance costs | 2,700 | 2,700 | 2,700 |
| | <u>158,658</u> | <u>158,658</u> | <u>99,344</u> |
| <i>Total 2016</i> | <u>99,344</u> | <u>99,344</u> | |

In 2017 and 2016, the total expenditure for support costs was from unrestricted funds.

BEECH LODGE SCHOOL LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

7. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

| | 2017 £ | 2016 £ |
|--|-----------|-----------|
| Depreciation of tangible fixed assets: | | |
| - owned by the charity | 9,032 | 12,285 |
| Pension costs | 29,799 | 19,238 |
| Accountants remuneration - independent examination | 2,700 | 2,700 |
| Accountants remuneration - other services | 2,175 | 3,474 |

During the year, no Trustees received any remuneration (2016 - £Nil).

During the year, no Trustees received any benefits in kind (2016 - £Nil).

1 Trustee (2016: 1) received reimbursement of expenses amounting to £1,030 (2016 - £939).

8. STAFF COSTS

Staff costs were as follows:

| | 2017 £ | 2016 £ |
|-----------------------|-----------|-----------|
| Wages and salaries | 407,724 | 330,330 |
| Social security costs | 35,457 | 27,353 |
| Other pension costs | 31,335 | 19,238 |
| | 474,516 | 376,921 |

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

| | 2017 No. | 2016 No. |
|-------------|-------------|-------------|
| Educational | 18 | 15 |

No employee received remuneration amounting to more than £60,000 in either year.

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 £70,726 (2016: £70,519).

BEECH LODGE SCHOOL LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

9. TANGIBLE FIXED ASSETS

| | Fixtures and fittings £ | Computer equipment £ | Total £ |
|--|-------------------------------|----------------------------|------------|
| Cost | | | |
| At 1 January 2017 and 31 December 2017 | 12,736 | 33,416 | 46,152 |
| Depreciation | | | |
| At 1 January 2017 | 4,938 | 21,030 | 25,968 |
| Charge for the year | 4,047 | 4,985 | 9,032 |
| At 31 December 2017 | 8,985 | 26,015 | 35,000 |
| Net book value | | | |
| At 31 December 2017 | 3,751 | 7,401 | 11,152 |
| At 31 December 2016 | 7,798 | 12,386 | 20,184 |

10. INVESTMENTS

| | Shares in group undertakings £ |
|--|---|
| Cost | |
| At 1 January 2017 and 31 December 2017 | 2 |

Subsidiary undertakings

The following were subsidiary undertakings of the company:

| Name | Holding | 2017 £ | 2016 £ |
|-------------------------------------|---------|-----------|-----------|
| Beech Lodge School Services Limited | 100% | - | 2 |

| Name | Business | Registered office |
|-------------------------------------|----------------------|--|
| Beech Lodge School Services Limited | Educational services | Sorbon, Aylesbury End, Beaconsfield, Buckinghamshire, HP9 1LW |

Beech Lodge School Services Limited made a loss of £35,557 in the period to 31 December 2017. The reserves held at 31 December 2017 by Beech Lodge School Services Limited was £(70,999).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

11. DEBTORS

| | 2017 £ | 2016 £ |
|------------------------------------|----------------|---------------|
| Amounts owed by group undertakings | 17,512 | - |
| Other debtors | 103,111 | 92,933 |
| | <u>120,623</u> | <u>92,933</u> |

12. CREDITORS: Amounts falling due within one year

| | 2017 £ | 2016 £ |
|------------------------------------|----------------|---------------|
| Amounts owed to group undertakings | - | 5,479 |
| Other taxation and social security | 11,378 | 9,371 |
| Other creditors | 59,168 | 2,500 |
| Accruals and deferred income | 41,120 | 33,902 |
| | <u>111,666</u> | <u>51,252</u> |

Deferred income

| | |
|--------------------------------------|---------------|
| Deferred income at 1 January 2017 | 24,637 |
| Resources deferred during the year | 22,827 |
| Amounts released from previous years | (24,637) |
| Deferred income at 31 December 2017 | <u>22,827</u> |

Deferred income relates to fees received in advance.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

13. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

| | Balance at 1 January 2017 £ | Income £ | Expenditure £ | Balance at 31 December 2017 £ |
|---------------------------|--------------------------------------|-------------|------------------|---|
| Unrestricted funds | | | | |
| Reserves | 91,727 | 752,319 | (796,308) | 47,738 |

STATEMENT OF FUNDS - PRIOR YEAR

| | Balance at 1 January 2016 £ | Income £ | Expenditure £ | Balance at 31 December 2016 £ |
|----------------------|--------------------------------------|-------------|------------------|---|
| General funds | | | | |
| Reserves | 95,168 | 594,499 | (597,940) | 91,727 |

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

| | Unrestricted funds 2017 £ | Total funds 2017 £ |
|-------------------------------|------------------------------------|-----------------------------|
| Tangible fixed assets | 11,152 | 11,152 |
| Fixed asset investments | 2 | 2 |
| Current assets | 148,250 | 148,250 |
| Creditors due within one year | (111,666) | (111,666) |
| | <u>47,738</u> | <u>47,738</u> |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

| | <i>Unrestricted funds 2016 £</i> | <i>Total funds 2016 £</i> |
|-------------------------------|--|---------------------------------------|
| Tangible fixed assets | 20,184 | 20,184 |
| Fixed asset investments | 2 | 2 |
| Current assets | 122,793 | 122,793 |
| Creditors due within one year | (51,252) | (51,252) |
| | <u>91,727</u> | <u>91,727</u> |

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

| | <i>2017 £</i> | <i>2016 £</i> |
|---|-------------------|-------------------|
| Net expenditure for the year (as per Statement of Financial Activities) | (43,989) | (3,441) |
| Adjustment for: | | |
| Depreciation charges | 9,032 | 12,285 |
| (Increase)/decrease in debtors | (27,691) | 3,632 |
| Increase/(decrease) in creditors | 60,415 | (5,911) |
| Net cash (used in)/provided by operating activities | <u>(2,233)</u> | <u>6,565</u> |

16. ANALYSIS OF CASH AND CASH EQUIVALENTS

| | <i>2017 £</i> | <i>2016 £</i> |
|--------------|-------------------|-------------------|
| Cash in hand | 27,627 | 29,860 |
| Total | <u>27,627</u> | <u>29,860</u> |

17. PENSION COMMITMENTS

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, unfunded, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010, and the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided

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17. PENSION COMMITMENTS (continued)

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 – these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act.

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

Valuation of the Teachers' Pension Scheme

The latest actuarial review of the TPS was carried out as at 31 March 2012 and in accordance with The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014.

The valuation report was published by the Department on 9 June 2014. The key results of the valuation are:

- employer contribution rates were set at 16.4% of pensionable pay; in line with current regulations, not including the additional 0.08% employers pay for the cost of Scheme administration;
- total scheme liabilities for service to the effective date of £191.5 billion, and notional assets of £176.6 billion, giving a notional past service deficit of £15.0 billion;
- an employer cost cap of 10.9% of pensionable pay;
- actuarial assessments are undertaken in intervening years between formal valuations for financial reporting purposes, using updated membership data.

The new employer contribution rate and administration levy for the TPS were implemented in September 2015.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website at the following location:

<https://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuationreport.aspx>

Scheme Changes

Lord Hutton, who chaired the Independent Public Service Pensions Commission, published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions

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17. PENSION COMMITMENTS (continued)

with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012, and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in since April 2012.

The arrangements for a reformed Teachers' Pension Scheme, in line with the remainder of the recommendations made by Lord Hutton, have now been implemented. The Career Average Revalued Earnings (CARE) scheme was implemented from 1 April 2015, whereby benefits will accrue on a career average basis and there is a normal pension age aligned to the state pension age.

The employer's pension costs paid to TPS in the period amounted to £29,799 (2016 - £XX,XXX).

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.

18. OPERATING LEASE COMMITMENTS

At 31 December 2017 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

| | 2017 £ | 2016 £ |
|-------------------------|----------------|---------------|
| Amounts payable: | | |
| Within 1 year | 121,113 | 37,671 |
| Between 1 and 5 years | 480,000 | 25,113 |
| After more than 5 years | 220,000 | - |
| Total | <u>821,113</u> | <u>62,784</u> |

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19. RELATED PARTY TRANSACTIONS

During the year, donations totalling £159,700 were received from the Shanly Foundation, a registered charity of which D Tucker is a trustee (2016 - £140,000). Payments totalling £4,510 (2016: £20,744) were made to the Shanly Foundation.

During the year, the charitable company received monies on behalf of Beech Lodge School Services Limited, the subsidiary company, amounting to £2,949. The charitable company had paid costs on behalf of Beech Lodge School Services Limited amounting to £25,941. At 31 December 2017, the charitable company was owed £17,512 (2016: owed £5,479) to Beech Lodge School Services Limited.

There were no other related party transactions other than those disclosed above or in note 7.