

Company Registration No. 07733196 (England and Wales)

**BEECH HILL SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNORS' REPORT AND AUDITED ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

# BEECH HILL SCHOOL

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# BEECH HILL SCHOOL

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Governors

Mr D Mellalieu (Chair of governors) \*  
Mr J Moss (Principal)  
Mr M Chew (Vice chairman) (Resigned 31 December 2013) \*  
Mr M Hussain (Community governor) (Resigned 26 September 2013)  
Mrs M Sadiq (Parent governor) \*  
Mr N Najib (Parent governor) \*  
Mr O Muuse (Parent governor) \*  
Mrs F Lewis (Staff governor) \*  
Mr M Sharp (Staff governor) \*  
Mrs S Hussain (Vice-principal) \*  
Mr D Senior (Resigned 26 September 2013)  
Mr B Lewis (Resigned 26 September 2013)  
Mr M Amin (Resigned 24 October 2013)  
Mrs S Loreen (Appointed 12 December 2013) \*  
Mr N Hussain (Appointed 6 March 2014)  
Mrs R Hussain (Appointed 12 December 2013) \*

\* members of the finance and general purposes committee

### Members

Mr D Mellalieu  
Mr J Moss  
Mrs M Sadiq  
Mr B Lewis

### Senior management team

- Principal	Mr J Moss
- Vice-Principal	Mrs S Hussain
- Deputy Head Teacher	Mrs H Crowther
- Deputy Head Teacher	Mrs F Lewis
- Assistant Head Teacher	Miss H Vickerstaffe

### Company registration number

07733196 (England and Wales)

### Registered office

Mount Pleasant Avenue  
Halifax  
HX1 5TN

### Independent auditor

Simpson Wood Limited  
Bank Chambers  
Market Street  
Huddersfield  
HD1 2EW

### Bankers

Lloyds Bank plc  
Commercial Street  
Halifax

# BEECH HILL SCHOOL

## REFERENCE AND ADMINISTRATIVE DETAILS

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Yorkshire Bank  
7 Waterhouse Street  
Halifax  
HX1 1XZ

### **Solicitors**

Ramsdens Solicitors LLP  
Ramsdens  
Oakley House  
1 Hungerford Road, Edgerton  
Huddersfield  
HD3 3AL

# BEECH HILL SCHOOL

## GOVERNORS' REPORT

### *FOR THE YEAR ENDED 31 AUGUST 2014*

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The governors present their annual report together with the accounts and independent auditor's reports of the charitable company for the period 1 September 2013 to 31 August 2014. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

#### **Structure, governance and management**

##### Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The governors are the trustees of Beech Hill School and are also the directors of the charitable company for the purposes of company law. Details of the governors who served during the year are included in the Reference and Administrative Details on page 1.

##### Members' liability

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

##### Governors' indemnities

In accordance with normal commercial practice the school has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on school business. The insurance provides cover up to £5,000,000 for Executive Liability, £5,000,000 for Employment Practices Liability and £5,000,000 for Organisation Liability.

##### Method of recruitment and appointment or election of governors

The school may appoint up to 12 governors and the members may appoint staff governors who should not exceed one third of the total of governors. The local authority may appoint a governor and the headteacher is deemed to be an official governor.

Where there is a vacancy for a parent governor the school makes sure that all parents have the potential to apply to become a governor. The school ensures that if there is a vote it is undertaken fairly and managed properly with the results made public to all concerned.

The school can co-op up to three additional governors.

All governors terms of office is a maximum of four years unless they retire or resign. This does not apply to the headteacher.

##### Policies and procedures adopted for the induction and training of governors

The school has a governor handbook and they are encouraged to attend training courses as often as they can. The school has a service level agreement with the local authority for a governor training package.

# BEECH HILL SCHOOL

## GOVERNORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2014**

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### Organisational structure

The governors are responsible for setting general policy, approving the School Development Plan, approving the school budget, monitoring the school by the use of budgets and making major decisions about the direction of the school, capital expenditure and senior staff appointments.

The Senior Leadership Team are The Principal, The Vice-Principal, two Deputy head teachers and one Assistant head teacher. These managers control the school at an executive level implementing the policies laid down by the governors and reporting back to them. As a group, the Senior Leadership Team are responsible for the authorisation of spending within agreed budgets and the appointment of staff, through appointment boards. For teaching posts the appointment boards always contain at least one governor.

The Senior Leadership Team are responsible for the day to day operation of the school, in particular organising the teaching staff and curriculum, overseeing the curriculum delivery and coordinating staff and children well-being.

### Connected organisations including related party relationships

There are no connected organisations or related party relationships.

### **Objectives and activities**

#### Objects and aims

To provide education for pupils of different abilities between the ages of 3 and 11.

We aim:

- To have committed staff who inspire and motivate individual children to achieve their highest standards.
- To broaden pupils' horizons through an exciting and engaging creative curriculum.
- To make good progress especially in English and Maths.
- To provide a stimulating, challenging and creative learning environment.
- To maintain high expectations for our children's performance.
- To develop a healthy lifestyle.
- To have a well-informed school and community that feels valued, is well served, and plays an integral role in school life.
- To be proud of our school and promote an ethos and environment in which children enjoy learning.
- To develop enthusiastic, independent and confident learners.
- To ensure our pupils are to be able to make responsible choices which take into consideration the feelings of others.
- To develop pupils who feel valued as an individual and as a member of the school community.
- To understand the need to treat others as equals regardless of sex, race or religion.
- To develop our children's sporting and artistic talent.
- To promote children's rights and empower them to become global citizens in like with Unicef's Rights Respecting Award

# BEECH HILL SCHOOL

## GOVERNORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2014**

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### Objectives, strategies and activities

At Beech Hill we believe that every child matters. There is driving determination to ensure that pupils and adults in the school reach their full potential. Our ethos is a simple one '**Learning without Limits**'.

To this end we:

- Developed a shared vision across the school community involving all stakeholders.
- Reviewed all schools policies.
- Re-structured the Senior Leadership team and built greater capacity into middle management- Executive Head teacher, Head teacher, 2 deputy Head teachers, 1 Assistant Head teacher, 2 TLR post holders and 1 temporary TLR post holder.
- Created a new teaching block for Y5/6.
- Refurbished parts of the school to create a purpose built ICT suite and cooking kitchen to support the teaching of food technology.
- Continue to offer School Direct places with Leeds Metropolitan University and 4 other 'Good' or 'Outstanding' schools in Calderdale.
- Employed 5 new high quality teachers from our pool of School Direct Trainees.
- Developed our middle managers through gaining the National College for Leadership's NPQML programme.
- Continue to develop our teaching teams throughout the school.
- Continue to employ our own School Improvement Partner supporting other schools throughout Calderdale and Thameside.
- Have been given approval from the EFA to lower the school's age range to 2 years to admit 2 year olds who can access the free 2 year old funding.

### Public benefit

The governors have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties.

# BEECH HILL SCHOOL

## GOVERNORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2014

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#### **Strategic report**

##### Achievements and performance

#### **Academic:**

We had another successful year in terms of achievements:

Our end of KS1 results show an upward trend and are closer to the National average for our core pupils (Pupils who attended Beech Hill Reception).

Our end of KS2 SATs indicated that 2013-14 was another successful year. Our attainment and progress show that the vast majority of our pupils leave Beech Hill at or above National expectations. 100% of the cohort made expected progress in reading, writing and mathematics. The expected progress of Pupil Premium children is also above the national average for 2013 showing that the school is getting better at targeting these pupils through the use of the Pupil Premium funding to ensure they achieve better results.

Level 4 SATs score in 2014 (after disapplication of 5 pupils who entered from abroad in Y5/6) were:

Maths	92%
Reading	93%
Writing(Teacher Assessment)	83%

The percentage of pupils achieving Level 5 also shows improvement when compared to last year and this is the first year we have had 3 pupils achieving level 6 in writing.

Our progress (Value Added) scores in all subjects (Reading, Writing and Maths) are significantly above the national average (RAISE 2014). This indicates that our pupils make significant progress from their starting point of well below national average at the age of 3.

2 pupils were successful in gaining a place at the local grammar schools.

This level of attainment and progress is maintained throughout the school with the majority of our pupils working at age related expectations.

#### **Sporting:**

We have had another successful year for sporting achievements. Our Girl's cricket team performed magnificently to win the Calderdale final and reached quarter final stage of the Yorkshire finals

The under 9's mixed cricket team won the Calderdale final and came runners up in the Yorkshire finals.

Other achievement are:

- High 5 Netball Champions ( Family of schools)
- Football Winners (Sowerby Family of School)
- High 5 Netball (Calderdale final – Brooksbank School)
- Mini Red Tennis (Calderdale champions)
- Mini Red Tennis (West Yorkshire Finals – bronze medallists)
- Tag Rugby Winners –(Calderdale)
- Mini Orange Tennis (Calderdale runners Winners)
- Mini Orange Tennis (West Yorkshire Finals – finished fourth)
- Sports hall athletics winners

# BEECH HILL SCHOOL

## GOVERNORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2014**

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### **Curriculum:**

The creative curriculum was further enhanced through establishing a framework for monitoring the foundation subjects as well as ensuring that the basic skills and school drivers were planned for. The school was the first in Calderdale to achieve the Rights Respecting Schools Award celebrating the school's commitment to the UN Conventions and rights of the child. The school gained the Safe Award and has achieved Arts Mark Gold Award. This award builds on our previous award of Artsmark and recognises the school's excellence in arts and cultural provision. The curriculum was further enriched through specialist teaching in music, art and sport. We continue to provide extended schools provision through its breakfast club and after school clubs. Holiday activities were organised targeting the talented sports pupils and pupils in Reception who needed extra transition into Year 1.

The Global Learning Programme is a new programme which will create a national network of schools committed to equipping their students to make a positive contribution to a globalised world by helping their teachers to deliver effective teaching and learning about development and global issues. Beech Hill has been chosen as an 'Expert Centre'; this means we will act as a 'hub' and host the training for partner schools in the local area.

The subject managers and leadership team have been working hard to ensure the school is ready to implement the 'new National Curriculum' from September 2014. This will continue to be a priority for 2014-15.

Total pupils on roll in the period ended 31 August 2014 was: 601; this is split between the year groups as follows:

Nursery:	81
Reception:	89
Year 1:	86
Year 2:	57
Year 3:	91
Year 4:	65
Year 5:	73
Year 6:	59

### Going concern

After making appropriate enquiries, the board of governors has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the board of governors continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

### **Financial review**

Most of the Academy's income is obtained from the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The main other income elements are a rapidly expanding catering service, school improvement partner service and a link with Leeds Carnegie regarding the Academy being used as a learning centre. The grants received from the EFA during the period ended 31 August 2013 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the period ended 31 August 2014, the total expenditure (excluding fixed asset funds) of £3,033,174 was covered by the recurrent grant funding and associated income streams. The excess of income over expenditure for the period (excluding restricted fixed asset funds and pension deficit) was £793,170.

# BEECH HILL SCHOOL

## GOVERNORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2014**

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### Reserves policy

The governors review reserve levels of the academy annually. This review encompasses the nature of income and expenditure streams, this to match income with commitment and the nature of reserves. The Governors take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

The Academy's current level of reserves (total funds less the amount held in fixed assets and restricted funds) is £44,225, all of which are free reserves.

The academy trust is carrying a net deficit of £48,747 on restricted general funds (excluding pension reserve) plus unrestricted funds because of the significant fixed asset expenditure which has mainly been funded by the GAG.

The academy trust is taking action to return these funds to surplus by expanding the school capacity which will generate additional funds. As the capital investment reduces the funds are expected to turn to surplus in a short period of time.

### Investment policy and powers

The academy has an investment policy that is reviewed annually, this gives the head the authority to invest in appropriate investments should the need arise. Due to various capital projects the school currently has no investments.

### Principal risks and uncertainties

The Governors have assessed the major risks to which the school is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the school, and its finances, all of which are outlined on the Risk Register. The Governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (eg in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems including operational procedures (eg vetting of new staff and visitors, supervision of school grounds) and internal financial controls in order to minimise risk. Where significant financial risk still remains, they have ensured that they have adequate insurance cover. The school has a very effective system of internal financial controls and this is explained in more detail in the statement of internal control.

The main risk to the Academy is that the school is funded according to pupils on roll, so a drop in students could affect the financial stability of the school. Other than this there is no other potential risk that could affect the financial stability of the school.

### Financial and risk management objectives and policies

Beech Hill School's income is obtained from the EFA in line with the funding agreement of the Academy. As such, the Academy's exposure to financial risks is limited to cash flow and liquidity risks.

Beech Hill School has a pension deficit of £585,000 relating to the LGPS defined benefit scheme.

# BEECH HILL SCHOOL

## GOVERNORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2014**

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### Plans for future periods Future Priorities 2014-15

**Priority 1: To continue to raise the achievement of all pupils.**

**Priority 2: To maintain a high standard of teaching across all subjects.**

**Priority 3: To maintain high standards of learning behaviour as reflected in the Rights Respecting ethos.**

**Priority 4: To implement the New Curriculum and ensure it reflects our values and ethos.**

**Priority 5: To continue to drive the school forward through effective Leadership and Management.**

Monitoring, evaluation, reflection and guidance as a Leadership team priority for:-

- Academy policies and practices
- Academy visioning, values, pledges and home/academy agreement
- Health and safety
- Financial practices
- Curriculum impact

### **Auditor**

In so far as the governors are aware:

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

A resolution proposing that Simpson Wood Limited be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of governors, as the company directors, on 10 December 2014 and signed on its behalf by:

Mr D Mellalieu  
**Chair of governors**

# BEECH HILL SCHOOL

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2014**

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### Scope of responsibility

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

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

### Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The board of governors has formally met 5 times during the year. Attendance during the year at meetings of the board of governors was as follows:

<b>Governors</b>	<b>Meetings attended</b>	<b>Out of possible</b>
Mr D Mellalieu (Chair of governors)	2	4
Mr J Moss (Principal)	0	4
Mr M Chew (Vice chairman) (Resigned 31 December 2013)	1	2
Mr M Hussain (Community governor) (Resigned 26 September 2013)	0	0
Mrs M Sadiq (Parent governor)	3	4
Mr N Najib (Parent governor)	4	4
Mr O Muuse (Parent governor)	2	4
Mrs F Lewis (Staff governor)	4	4
Mr M Sharp (Staff governor)	4	4
Mrs S Hussain (Vice-principal)	4	4
Mr D Senior (Resigned 26 September 2013)	0	0
Mr B Lewis (Resigned 26 September 2013)	0	0
Mr M Amin (Resigned 24 October 2013)	1	1
Mrs S Loreen (Appointed 12 December 2013)	3	3
Mr N Hussain (Appointed 6 March 2014)	1	2
Mrs R Hussain (Appointed 12 December 2013)	2	3

# BEECH HILL SCHOOL

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2014

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The finance and general purposes committee is a sub-committee of the main board of governors. Its purpose is to monitor the finances of the school, approve capital projects, approve the budgets and to work closely with the responsible officer to improve systems within the school.

Attendance at meetings in the year was as follows:

<b>Governors</b>	<b>Meetings attended</b>	<b>Out of possible</b>
Mr D Mellalieu (Chair of governors)	3	3
Mr M Chew (Vice chairman) (Resigned 31 December 2013)	1	1
Mrs M Sadiq (Parent governor)	1	3
Mr N Najib (Parent governor)	3	3
Mr O Muuse (Parent governor)	2	3
Mrs F Lewis (Staff governor)	1	3
Mr M Sharp (Staff governor)	2	3
Mrs S Hussain (Vice-principal)	3	3
Mrs S Loreen (Appointed 12 December 2013)	2	3
Mrs R Hussain (Appointed 12 December 2013)	1	3

#### **The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Beech Hill School for the period 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and accounts.

#### **Capacity to handle risk**

The board of governors has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of governors.

#### **The risk and control framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of governors;
- regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of governors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the governors have appointed Simpson Wood, the external auditor, to perform additional checks.

# BEECH HILL SCHOOL

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2014**

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The auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a termly basis, the auditor reports to the board of governors on the operation of the systems of control and on the discharge of the financial responsibilities of the board of governors.

### **Review of effectiveness**

As accounting officer the principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the external auditor;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance and general purposes committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of governors on 10 December 2014 and signed on its behalf by:

Mr D Mellalieu  
**Chair of governors**

Mr J Moss  
**Principal**

# **BEECH HILL SCHOOL**

## **STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

***FOR THE YEAR ENDED 31 AUGUST 2014***

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As accounting officer of Beech Hill School I have considered my responsibility to notify the academy trust board of governors and the Education Funding Agency of material irregularity, impropriety and non-compliance with Education Funding Agency terms and conditions of funding, under the funding agreement in place between the academy trust and Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.

Approved on 10 December 2014 and signed by:

Mr J Moss  
**Accounting Officer**

# BEECH HILL SCHOOL

## STATEMENT OF GOVERNORS' RESPONSIBILITIES

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The governors (who act as trustees for Beech Hill School and are also the directors of Beech Hill School for the purposes of company law) are responsible for preparing the Governors' Report and the accounts in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the governors to prepare accounts for each financial year. Under company law the governors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these accounts, the governors are required to:

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

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

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

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

Approved by order of the board of governors on 10 December 2014 and signed on its behalf by:

Mr D Mellalieu  
**Chair of governors**

# BEECH HILL SCHOOL

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BEECH HILL SCHOOL

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We have audited the accounts of Beech Hill School for the year ended 31 August 2014 set out on pages 19 to 40. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 issued by the EFA.

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

### **Respective responsibilities of governors and auditors**

As explained more fully in the Governors' Responsibilities Statement set out on page 14, the governors, who are also the directors of Beech Hill School for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

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

### **Scope of the audit of the accounts**

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the governors; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Governors' Annual Report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on accounts**

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 issued by the EFA.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Governors' Report for the financial year for which the accounts are prepared is consistent with the accounts.

# **BEECH HILL SCHOOL**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF BEECH HILL SCHOOL**

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### **Matters on which we are required to report by exception**

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

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

**Daniel McAllister FCA (Senior Statutory Auditor)**  
**Simpson Wood Limited**

**Chartered Accountants**  
**Statutory Auditor**

Bank Chambers  
Market Street  
Huddersfield  
HD1 2EW

Dated: 10 December 2014

# BEECH HILL SCHOOL

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BEECH HILL SCHOOL AND THE EDUCATION FUNDING AGENCY

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In accordance with the terms of our engagement letter dated 05 July 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Beech Hill School during the period 1 September 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

### **Respective responsibilities of Beech Hill School's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Beech Hill School's funding agreement with the Secretary of State for Education dated 1 September 2011 and the Academies Financial Handbook, extant from 1 September 2013, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2014 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Consideration of the evidence supporting the Accounting Officers statement on regularity, propriety and compliance which may include review and corroboration of the most recent Financial Management and Governance Evaluation or equivalent.
- Evaluation of the general control environment of the Academy Trust, extending the procedures required for financial statements to include regularity.
- Assessment and testing of a sample of the specific control activities over regularity of a particular activity.
- When performing sample testing of expenditure, consider whether the activity is permissible within the Academy Trust's framework of authorities.

# BEECH HILL SCHOOL

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BEECH HILL SCHOOL AND THE EDUCATION FUNDING AGENCY (CONTINUED)

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### **Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2013 to 31 August 2014 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Daniel McAllister FCA  
**Reporting Accountant**  
Simpson Wood Limited

Dated: 10 December 2014

# BEECH HILL SCHOOL

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2014

	Notes	Unrestricted funds £	Restricted funds £	Fixed Asset fund £	Total 2014 £	Total 2013 £
<b>Incoming resources</b>						
<i>Resources from generated funds</i>						
- Voluntary income	2	3,328	-	-	3,328	942
- Activities for generating funds	3	664,016	-	-	664,016	483,561
- Investment income	4	404	-	-	404	48
<i>Resources from charitable activities</i>						
- Funding for educational operations	5	-	3,088,596	209,968	3,298,564	2,883,596
<b>Total incoming resources</b>		<b>667,748</b>	<b>3,088,596</b>	<b>209,968</b>	<b>3,966,312</b>	<b>3,368,147</b>
<b>Resources expended</b>						
<i>Costs of generating funds</i>						
- Fundraising trading	6	631,113	-	-	631,113	491,834
<i>Charitable activities</i>						
- Educational operations	7	-	2,393,800	122,119	2,515,919	2,537,833
Governance costs	8	-	8,261	-	8,261	8,230
<b>Total resources expended</b>	<b>6</b>	<b>631,113</b>	<b>2,402,061</b>	<b>122,119</b>	<b>3,155,293</b>	<b>3,037,897</b>
<b>Net incoming/(outgoing) resources before transfers</b>		<b>36,635</b>	<b>686,535</b>	<b>87,849</b>	<b>811,019</b>	<b>330,250</b>
Gross transfers between funds		-	(883,987)	883,987	-	-
<b>Net income/(expenditure) for the year</b>		<b>36,635</b>	<b>(197,452)</b>	<b>971,836</b>	<b>811,019</b>	<b>330,250</b>
<b>Other recognised gains and losses</b>						
Actuarial gains/(losses) on defined benefit pension scheme	19	-	155,000	-	155,000	62,000
<b>Net movement in funds</b>		<b>36,635</b>	<b>(42,452)</b>	<b>971,836</b>	<b>966,019</b>	<b>392,250</b>
Fund balances at 1 September 2013		7,590	(635,520)	4,746,017	4,118,087	3,725,837
<b>Fund balances at 31 August 2014</b>		<b>44,225</b>	<b>(677,972)</b>	<b>5,717,853</b>	<b>5,084,106</b>	<b>4,118,087</b>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006. A statement of total recognised gains and losses is not required as all gains and losses are included in the statement of financial activities.

All of the academy's activities derive from continuing operations during the two financial periods above.

# BEECH HILL SCHOOL

## BALANCE SHEET

AS AT 31 AUGUST 2014

	Notes	2014		2013	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	11		5,717,853		4,734,092
<b>Current assets</b>					
Stocks	12	1,790		1,500	
Debtors	13	182,943		110,499	
Cash at bank and in hand		247,670		297,905	
		<u>432,403</u>		<u>409,904</u>	
Creditors: amounts falling due within one year	14	(315,051)		(160,676)	
<b>Net current assets</b>			<u>117,352</u>		<u>249,228</u>
<b>Total assets less current liabilities</b>			<u>5,835,205</u>		<u>4,983,320</u>
Creditors: amounts falling due after more than one year	15		(166,099)		(195,233)
<b>Net assets excluding pension liability</b>			<u>5,669,106</u>		<u>4,788,087</u>
Defined benefit pension liability	19		(585,000)		(670,000)
<b>Net assets</b>			<u><u>5,084,106</u></u>		<u><u>4,118,087</u></u>
<b>Funds of the academy trust:</b>					
<b>Restricted income funds</b>	17				
- Fixed asset funds			5,717,853		4,746,017
- General funds			(92,972)		34,480
- Pension reserve			(585,000)		(670,000)
<b>Total restricted funds</b>			<u>5,039,881</u>		<u>4,110,497</u>
<b>Unrestricted funds</b>	17		<u>44,225</u>		<u>7,590</u>
<b>Total funds</b>			<u><u>5,084,106</u></u>		<u><u>4,118,087</u></u>

The accounts were approved by order of the board of governors and authorised for issue on 10 December 2014.

Mr D Mellalieu  
Chair of governors

Company Number 07733196

# BEECH HILL SCHOOL

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2014

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	Notes	2014 £	2013 £
Net cash inflow/(outflow) from operating activities	20	882,997	611,548
<b>Returns on investments and servicing of finance</b>			
Investment income	404	48	
Financing costs	(9,818)	(20,865)	
		<hr/>	<hr/>
<b>Net cash inflow/(outflow) from returns on investments and servicing of finance</b>		(9,414)	(20,817)
		<hr/>	<hr/>
		873,583	590,731
<b>Capital expenditure and financial investments</b>			
Capital grants received	209,968	9,618	
Payments to acquire tangible fixed assets	(1,110,380)	(276,958)	
Receipts from sales of tangible fixed assets	4,500	11,925	
		<hr/>	<hr/>
<b>Net cash flow from capital activities</b>		(895,912)	(255,415)
		<hr/>	<hr/>
<b>Net cash inflow/(outflow) before financing</b>		(22,329)	335,316
		<hr/>	<hr/>
<b>Financing</b>			
Repayment of long term bank loan	(27,906)	(16,860)	
		<hr/>	<hr/>
<b>Net cash inflow/(outflow) from funding</b>		(27,906)	(16,860)
		<hr/>	<hr/>
<b>Increase/(decrease) in cash</b>	21	(50,235)	318,456
		<hr/> <hr/>	<hr/> <hr/>

# BEECH HILL SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 AUGUST 2014**

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### **1 Accounting policies**

#### **1.1 Basis of preparation**

The accounts have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

#### **1.2 Incoming resources**

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

##### **Grants receivable**

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

##### **Sponsorship income**

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable, where there is certainty of receipt and the value of the donation is measurable.

##### **Donations**

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

##### **Other income**

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

##### **Donated services and gifts in kind**

The value of donated services and gifts in kind provided to the academy trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the statement of financial activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's policies.

#### **1.3 Resources expended**

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

# BEECH HILL SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

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### 1 Accounting policies

(Continued)

#### Costs of generating funds

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

#### Charitable activities

These are costs incurred on the academy trust's educational operations.

#### Governance costs

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management and governors' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

### 1.4 Tangible fixed assets and depreciation

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy.

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

Land and buildings	2% straight line
Computer equipment	20% straight line
Fixtures, fittings & equipment	15% straight line
Motor vehicles	25% straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the statement of financial activities.

### 1.5 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

### 1.6 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

# BEECH HILL SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 1 Accounting policies

(Continued)

#### 1.7 Taxation

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

#### 1.8 Pensions benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 19, the TPS is a multi-employer scheme and the academy trust 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 are recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

#### 1.9 Fund accounting

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

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

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

### 2 Voluntary income

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Other donations	3,328	-	3,328	942

# BEECH HILL SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 3 Activities for generating funds

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Hire of facilities	2,226	-	2,226	3,428
Catering income	488,204	-	488,204	407,740
Consultancy services	78,567	-	78,567	12,143
Educational visits	7,259	-	7,259	6,178
Student fee income	84,711	-	84,711	43,883
Other income	3,049	-	3,049	10,189
	<u>664,016</u>	<u>-</u>	<u>664,016</u>	<u>483,561</u>

### 4 Investment income

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Short term deposits	404	-	404	48
	<u>404</u>	<u>-</u>	<u>404</u>	<u>48</u>

### 5 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
<b>DfE / EFA grants</b>				
General annual grant (GAG)	-	2,683,254	2,683,254	2,453,752
Capital grants	-	9,968	9,968	9,618
Other DfE / EFA grants	-	247,633	247,633	124,010
	<u>-</u>	<u>2,940,855</u>	<u>2,940,855</u>	<u>2,587,380</u>
<b>Other government grants</b>				
Local authority grants	-	350,140	350,140	269,921
	<u>-</u>	<u>350,140</u>	<u>350,140</u>	<u>269,921</u>
<b>Other funds</b>				
Other incoming resources	-	7,569	7,569	26,295
	<u>-</u>	<u>7,569</u>	<u>7,569</u>	<u>26,295</u>
<b>Total funding</b>	<u>-</u>	<u>3,298,564</u>	<u>3,298,564</u>	<u>2,883,596</u>

All resources expended are inclusive of irrecoverable VAT.

# BEECH HILL SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 6 Resources expended

	Staff costs £	Premises & equipment £	Other costs £	Total 2014 £	Total 2013 £
<b>Academy's educational operations</b>					
- Direct costs	1,508,306	122,119	116,828	1,747,253	1,803,760
- Allocated support costs	359,182	169,152	240,332	768,666	734,073
	<u>1,867,488</u>	<u>291,271</u>	<u>357,160</u>	<u>2,515,919</u>	<u>2,537,833</u>
<b>Other expenditure</b>					
Costs of activities for generating funds	322,415	-	308,698	631,113	491,834
Governance costs	-	-	8,261	8,261	8,230
	<u>322,415</u>	<u>-</u>	<u>316,959</u>	<u>639,374</u>	<u>500,064</u>
<b>Total expenditure</b>	<u>2,189,903</u>	<u>291,271</u>	<u>674,119</u>	<u>3,155,293</u>	<u>3,037,897</u>

### Incoming/outgoing resources for the year include:

	2014 £	2013 £
Operating leases		
- Plant and machinery	6,769	6,769
- Other	5,330	-
Loss/(profit) on disposal of fixed assets	(4,500)	1,722
Fees payable to auditor		
- Audit	5,096	3,130
- Other services	1,300	1,400
	<u>6,769</u>	<u>11,921</u>

# BEECH HILL SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 7 Charitable activities - the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
<b>Direct costs</b>				
Teaching and educational support staff costs	-	1,493,479	1,493,479	1,575,844
Depreciation	-	122,119	122,119	121,500
Educational supplies and services	-	111,421	111,421	77,687
Staff development	-	14,827	14,827	7,354
Educational consultancy	-	5,407	5,407	21,375
	-	1,747,253	1,747,253	1,803,760
<b>Allocated support costs</b>				
Support staff costs	-	359,182	359,182	310,775
Technology costs	-	37,815	37,815	37,436
Recruitment and support	-	2,473	2,473	1,459
Maintenance of premises and equipment	-	87,869	87,869	97,409
Cleaning	-	5,308	5,308	3,866
Energy costs	-	55,669	55,669	50,293
Rent and rates	-	20,306	20,306	14,092
Telephone	-	5,185	5,185	2,084
Insurance	-	46,989	46,989	65,206
Security and transport	-	18,164	18,164	7,242
Printing, postage and stationery	-	30,411	30,411	32,114
Catering	-	58,617	58,617	47,430
Interest and finance costs	-	12,818	12,818	29,865
Legal and professional fees	-	10,755	10,755	7,628
Other support costs	-	17,105	17,105	27,174
	-	768,666	768,666	734,073
<b>Total costs</b>	-	2,515,919	2,515,919	2,537,833

### 8 Governance costs

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Legal and professional fees	-	1,865	1,865	3,700
Auditor's remuneration				
- Audit of financial statements	-	5,096	5,096	3,130
- Other audit costs	-	1,300	1,300	1,400
	-	8,261	8,261	8,230

# BEECH HILL SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2014

#### 9 Staff costs

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

	<b>2014</b>	<b>2013</b>
	<b>Number</b>	<b>Number</b>
Teachers	20	21
Administration and support	71	72
Management	5	4
	<u>96</u>	<u>97</u>

#### Costs included within the accounts:

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Wages and salaries	1,804,089	1,753,440
Social security costs	97,637	103,860
Other pension costs	273,350	260,421
	<u>2,175,076</u>	<u>2,117,721</u>
Supply teacher costs	-	514
Staff development and other staff costs	14,827	7,354
	<u>2,189,903</u>	<u>2,125,589</u>

The number of employees whose annual remuneration was £60,000 or more was:

	<b>2014</b>	<b>2013</b>
	<b>Number</b>	<b>Number</b>
£60,001 - £70,000	<u>1</u>	<u>1</u>

Of the employees above, the number participating in pension schemes and the employers' contributions paid on their behalf were as follows:

		<b>2014</b>	<b>2013</b>
Teachers' Pension Scheme	Numbers	1	1
	£	9,167	8,689
Local Government Pension Scheme	Numbers	-	-
	£	-	-

# BEECH HILL SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2014

#### 10 Governors' remuneration and expenses

The headteacher and other staff governors only receive remuneration in respect of services they provide undertaking the roles of headteacher and staff, and not in respect of their services as governors. Other governors did not receive any payments, other than expenses, from the academy trust in respect of their role as governors. During the year, travel and subsistence payments totalling £Nil (2013: £Nil) were reimbursed to governors.

The value of governors' remuneration was as follows:

Mr J Moss (headteacher)	£35,000 - £40,000 (2013: £70,000 - £75,000)
Mrs S A Hussain (staff)	£70,000 - £75,000 (2013: £60,000 - £65,000)
Mrs F Lewis (staff)	£55,000 - £60,000 (2013: £50,000 - £55,000)
Mrs H C Crowther (staff)	£Nil* (2013: £45,000 - £50,000)
Mr S Akhtar (staff)	£Nil* (2013: £35,000 - £40,000)
Mr M Sharp (staff)	£40,000 - £45,000 (2013: £35,000 - £40,000)
Mr D Senior (staff)	£Nil - £5,000* (2013: £30,000-£35,000)
Mr M Sadiq (staff)	£5,000 - £10,000 (2013: £5,000-£10,000)

\* Salary does not represent a full year due to governor being appointed/resigning part way through the period.

Other related party transactions involving the governors are set out within the related parties note.

#### Governors' and officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2014 was £3,263 (2013: £3,263).

#### 11 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 September 2013	4,837,039	46,172	47,422	48,046	4,978,679
Additions	1,066,943	34,069	9,368	-	1,110,380
Disposals	-	-	-	(5,334)	(5,334)
At 31 August 2014	5,903,982	80,241	56,790	42,712	6,083,725
<b>Depreciation</b>					
At 1 September 2013	187,068	17,963	13,918	25,637	244,586
On disposals	-	-	-	(5,334)	(5,334)
Charge for the year	98,782	10,046	7,114	10,678	126,620
At 31 August 2014	285,850	28,009	21,032	30,981	365,872
<b>Net book value</b>					
At 31 August 2014	5,618,132	52,232	35,758	11,731	5,717,853
At 31 August 2013	4,649,972	28,209	33,503	22,408	4,734,092

# BEECH HILL SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

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11 Tangible fixed assets		(Continued)	
12	<b>Stocks</b>	<b>2014</b>	<b>2013</b>
		£	£
	Catering stock	1,790	1,500
		<u>          </u>	<u>          </u>
13	<b>Debtors</b>	<b>2014</b>	<b>2013</b>
		£	£
	Trade debtors	74,959	47,511
	VAT recoverable	55,782	10,361
	Prepayments and accrued income	52,202	52,627
		<u>          </u>	<u>          </u>
		182,943	110,499
		<u>          </u>	<u>          </u>
14	<b>Creditors: amounts falling due within one year</b>	<b>2014</b>	<b>2013</b>
		£	£
	Government loans	29,135	27,907
	Trade creditors	228,565	81,148
	Other creditors	285	547
	Accruals	19,142	51,074
	Deferred income	37,924	-
		<u>          </u>	<u>          </u>
		315,051	160,676
		<u>          </u>	<u>          </u>

# BEECH HILL SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

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<b>15 Creditors: amounts falling due after more than one year</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Government loans	166,099	195,233
	<u>          </u>	<u>          </u>
<b>Analysis of loans</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Not wholly repayable within five years by instalments	195,234	223,140
	<u>          </u>	<u>          </u>
Less: included in current liabilities	(29,135)	(27,907)
	<u>          </u>	<u>          </u>
Amounts included above	166,099	195,233
	<u>          </u>	<u>          </u>
Instalments not due within five years	36,164	70,775
	<u>          </u>	<u>          </u>
<b>Loan maturity</b>		
Debt due in one year or less	29,135	27,907
In more than one year but not more than two years	30,417	29,134
In more than two years but not more than five years	99,518	95,324
In more than five years	36,164	70,775
	<u>          </u>	<u>          </u>
	195,234	223,140
	<u>          </u>	<u>          </u>
<b>16 Deferred income</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Deferred income is included within:		
Creditors due within one year	37,924	-
	<u>          </u>	<u>          </u>
Total deferred income at 1 September 2013	-	-
Amounts credited to the statement of financial activities	-	-
Amounts deferred in the year	37,924	-
	<u>          </u>	<u>          </u>
<b>Total deferred income at 31 August 2014</b>	<b>37,924</b>	<b>-</b>
	<u>          </u>	<u>          </u>

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# BEECH HILL SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 17 Funds

	Balance at 1 September 2013	Incoming resources	Resources expended	Gains, losses and transfers	Balance at 31 August 2014
	£	£	£	£	£
<b>Restricted general funds</b>					
General Annual Grant	34,480	2,683,254	(1,926,719)	(883,987)	(92,972)
Other DfE / EFA grants	-	247,633	(247,633)	-	-
Other government grants	-	150,140	(150,140)	-	-
Other restricted funds	-	7,569	(7,569)	-	-
	<u>34,480</u>	<u>3,088,596</u>	<u>(2,332,061)</u>	<u>(883,987)</u>	<u>(92,972)</u>
Funds excluding pensions	34,480	3,088,596	(2,332,061)	(883,987)	(92,972)
Pension reserve	(670,000)	-	(70,000)	155,000	(585,000)
	<u>(635,520)</u>	<u>3,088,596</u>	<u>(2,402,061)</u>	<u>(728,987)</u>	<u>(677,972)</u>
<b>Restricted fixed asset funds</b>					
DfE / EFA capital grants	13,484	209,968	(3,668)	-	219,784
Inherited fixed asset fund	3,821,532	-	(92,722)	-	3,728,810
Capital expenditure from GAG or other funds	911,001	-	(25,729)	883,987	1,769,259
	<u>4,746,017</u>	<u>209,968</u>	<u>(122,119)</u>	<u>883,987</u>	<u>5,717,853</u>
<b>Total restricted funds</b>	<u>4,110,497</u>	<u>3,298,564</u>	<u>(2,524,180)</u>	<u>155,000</u>	<u>5,039,881</u>
<b>Unrestricted funds</b>					
General funds	<u>7,590</u>	<u>667,748</u>	<u>(631,113)</u>	<u>-</u>	<u>44,225</u>
<b>Total funds</b>	<u>4,118,087</u>	<u>3,966,312</u>	<u>(3,155,293)</u>	<u>155,000</u>	<u>5,084,106</u>

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

General Annual Grant (GAG) must be used for the normal running costs of the academy. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2014.

Restricted fixed assets were funded by government grants and transfer from predecessor school.

The academy trust is carrying a net deficit of £48,747 on restricted general funds (excluding pension reserve) plus unrestricted funds because of the significant fixed asset expenditure which has mainly been funded by the GAG.

The academy trust is taking action to return these funds to surplus by expanding the school capacity which will generate additional funds. As the capital investment reduces the funds are expected to turn to surplus in a short period of time.

# BEECH HILL SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 18 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Fixed asset funds	Total funds
	£	£	£	£
<b>Fund balances at 31 August 2014 are represented by:</b>				
Tangible fixed assets	-	-	5,717,853	5,717,853
Current assets	44,225	388,178	-	432,403
Creditors: amounts falling due within one year	-	(315,051)	-	(315,051)
Creditors: amounts falling due after one year	-	(166,099)	-	(166,099)
Defined benefit pension liability	-	(585,000)	-	(585,000)
	<u>44,225</u>	<u>(677,972)</u>	<u>5,717,853</u>	<u>5,084,106</u>

### 19 Pensions and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by West Yorkshire Pension Fund. Both are defined-benefit schemes.

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

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

#### Teachers' Pension Scheme

##### Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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. Retirement and other pension benefits are paid by public funds provided by Parliament.

The Teachers' Pensions Regulations require an annual account to be kept of receipts and expenditure (including the cost of pensions 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.

# BEECH HILL SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2014

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#### 19 Pensions and similar obligations

(Continued)

##### Valuation of the Teachers' Pension Scheme

The latest actuarial valuation 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 for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%));
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx>).

##### Teachers' Pension Scheme changes

Lord Hutton made recommendations in 2011 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 with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

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. 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 on a 40:80:100 percent basis.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatted Teachers' Pension Scheme, and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme will commence on 1 April 2015.

# BEECH HILL SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 19 Pensions and similar obligations

(Continued)

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy trust is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy trust has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 13.4 per cent for employers and 5.5 - 12 per cent for employees. The estimated value of employer contributions for the forthcoming year is £108,000.

As the scheme is currently in deficit, the academy is required to pay additional contributions above the normal funding levels. The length of the agreement is likely to last 2 - 3 years but is currently uncertain. The additional contributions paid in the year amounted to £11,975 (2013 - £11,925).

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

	2014 £	2013 £
Employer's contributions	109,000	93,000
Employees' contributions	44,000	40,000
	<u>153,000</u>	<u>133,000</u>

#### Principal actuarial assumptions

	2014 %	2013 %
Rate of increase in salaries	3.6	4.7
Rate of increase for pensions in payment	2.1	2.8
Discount rate for scheme liabilities	3.7	4.5
Inflation assumption (CPI)	2.1	2.8
Rate of increase to deferred pensions	2.1	2.8
Rate of revaluation of pension accounts	2.1	N/A

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

	2014 Years	2013 Years
Retiring today		
- Males	22.5	22.1
- Females	25.4	24.3
Retiring in 20 years		
- Males	24.7	23.9
- Females	27.7	26.2

# BEECH HILL SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 19 Pensions and similar obligations

(Continued)

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

	2014 Expected return %	2014 Fair value £	2013 Expected return %	2013 Fair value £
Equities	7.5	1,297,728	7.9	889,870
Government bonds	2.9	177,984	3.4	138,966
Corporate bonds	3.3	89,856	4.1	69,483
Cash	1.1	67,392	0.9	46,322
Property	6.8	57,024	7.4	36,570
Other assets	7.5	38,016	7.9	37,789
		<u>1,728,000</u>		<u>1,219,000</u>
Total market value of assets		1,728,000		1,219,000
Present value of scheme liabilities - funded		(2,313,000)		(1,889,000)
		<u>(585,000)</u>		<u>(670,000)</u>
Net pension asset / (liability)		(585,000)		(670,000)

Beech Hill School employs a building block approach in determining the rate of return on fund assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles. The assumed rate of return on each asset class is set out within this note. The overall expected rate of return on assets is then derived by aggregating the expected return for each asset class over the actual asset allocation for the fund at 31 August 2014.

The actual return on scheme assets was £367,000 (2013: £137,000).

### Operating costs and income recognised in the statement of financial activities

	2014 £	2013 £
<b>Financial expenditure/(income)</b>		
Expected return on pension scheme assets	(87,000)	(64,000)
Interest on pension liabilities	90,000	73,000
	<u>3,000</u>	<u>9,000</u>
<b>Other expenditure/(income)</b>		
Current service cost	176,000	148,000
Past service cost	-	-
	<u>176,000</u>	<u>148,000</u>
<b>Total operating charge/(income)</b>	<u>179,000</u>	<u>157,000</u>

# BEECH HILL SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 19 Pensions and similar obligations

(Continued)

#### Actuarial gains and losses recognised in the statement of financial activities

	2014 £	2013 £
Actuarial (gains)/losses on assets: actual return less expected	(280,000)	(73,000)
Experience (gains)/losses on liabilities	125,000	11,000
(Gains)/losses arising from changes in assumptions	-	-
	<u>                    </u>	<u>                    </u>
Total (gains)/losses	(155,000)	(62,000)
	<u>                    </u>	<u>                    </u>
Cumulative (gains)/losses to date	7,000	162,000
	<u>                    </u>	<u>                    </u>

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

	2014 £	2013 £
Opening defined benefit obligations	(1,889,000)	(1,658,000)
Current service cost	(176,000)	(148,000)
Interest cost	(90,000)	(73,000)
Contributions by employees	(44,000)	(40,000)
Actuarial gains/(losses)	(125,000)	(11,000)
Benefits paid	11,000	41,000
	<u>                    </u>	<u>                    </u>
	(2,313,000)	(1,889,000)
	<u>                    </u>	<u>                    </u>

#### Movements in the fair value of the academy trust's share of scheme assets:

	2014 £	2013 £
Opening fair value of scheme assets	1,219,000	990,000
Expected return on assets	87,000	64,000
Actuarial gains/(losses)	280,000	73,000
Contributions by employers	109,000	93,000
Contributions by employees	44,000	40,000
Benefits paid	(11,000)	(41,000)
	<u>                    </u>	<u>                    </u>
	1,728,000	1,219,000
	<u>                    </u>	<u>                    </u>

# BEECH HILL SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 19 Pensions and similar obligations (Continued)

#### History of experience gains and losses:

	2014 £	2013 £	2012 £
Present value of defined benefit obligations	(2,313,000)	(1,889,000)	(1,658,000)
Fair value of share of scheme assets	1,728,000	1,219,000	990,000
Surplus / (deficit)	<u>(585,000)</u>	<u>(670,000)</u>	<u>(668,000)</u>
Experience adjustment on scheme liabilities	(125,000)	(11,000)	(231,000)
Experience adjustment on scheme assets	<u>280,000</u>	<u>73,000</u>	<u>7,000</u>

### 20 Reconciliation of net income to net cash inflow/(outflow) from operating activities

	2014 £	2013 £
Net income	811,019	330,250
Capital grants and similar income	(209,968)	(9,618)
Investment income	(404)	(48)
Financing costs	9,818	20,865
FRS17 pension costs less contributions payable	67,000	55,000
FRS17 pension finance income	3,000	9,000
Depreciation of tangible fixed assets	126,619	119,778
Losses/(profits) on disposals of fixed assets	(4,500)	1,722
(Increase)/decrease in stocks	(290)	(252)
(Increase)/decrease in debtors	(72,444)	29,561
Increase/(decrease) in creditors	153,147	55,290
Net cash inflow/(outflow) from operating activities	<u>882,997</u>	<u>611,548</u>

### 21 Reconciliation of net cash flow to movement in net funds

	2014 £	2013 £
<b>Increase/(decrease) in cash</b>	(50,235)	318,456
Local authority loans	27,906	37,725
Adjustment to financing charge	-	(20,865)
Net funds at 1 September 2013	74,765	(260,551)
<b>Net funds at 31 August 2014</b>	<u>52,436</u>	<u>74,765</u>

# BEECH HILL SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 22 Analysis of net funds

	At 1 September 2013	Cash flows	Non-cash changes	At 31 August 2014
	£	£	£	£
Cash at bank and in hand	297,905	(50,235)	-	247,670
Debt due within one year	(27,907)	27,906	(29,134)	(29,135)
Debt due after one year	(195,233)	-	29,134	(166,099)
	(223,140)	27,906	-	(195,234)
Net balances	74,765	(22,329)	-	52,436

### 23 Commitments under operating leases

At 31 August 2014 the academy trust had annual commitments under non-cancellable operating leases as follows:

	2014 £	2013 £
Expiry date: - Between two and five years	14,763	6,769

### 24 Capital commitments

	2014 £	2013 £
At 31 August 2014 the company had capital commitments as follows:		
Expenditure contracted for but not provided in the accounts	55,629	188,105

### 25 Related parties

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

No related party transactions took place in the period of account.

# BEECH HILL SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) *FOR THE YEAR ENDED 31 AUGUST 2014*

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### **26 Members' liability**

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