

Company Registration No. 07733196 (England and Wales)

**THE FAMILY OF LEARNING TRUST  
(PREVIOUSLY BEECH HILL SCHOOL)  
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNORS' REPORT AND AUDITED ACCOUNTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

# THE FAMILY OF LEARNING TRUST (PREVIOUSLY BEECH HILL SCHOOL) CONTENTS

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# THE FAMILY OF LEARNING TRUST (PREVIOUSLY BEECH HILL SCHOOL) REFERENCE AND ADMINISTRATIVE DETAILS

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## **Governors**

Mr C Haddock (Chair of Governors)  
Mrs S Hussain (Principal)  
Mrs S Loreen  
Mr O Muuse (Parent governor) (Resigned 31 December 2016)  
Mr N Najib (Parent governor)  
Mrs F Pether (Staff governor)  
Mrs M Sadiq (Parent governor)  
Mr M Sharp (Staff governor) (Resigned 31 December 2016)  
Mrs S Sheikh  
Mr C Swallow  
Miss S Bowling (Staff governor) (Appointed 1 January 2017)

## **Members**

Mr C Haddock  
Mrs S Khan  
Mrs S Loreen  
Mr N Najid

## **Senior management team**

- Principal Mrs S Hussain  
- Deputy Head Teacher Mrs H Crowther  
- Deputy Head Teacher Mrs F Pether  
- Assistant Head Teacher Miss H Vickerstaffe  
- Assistant Head Teacher Mr M Sharp (Resigned 31 December 2016)  
- Assistant Head Teacher Ms S Bowling (Appointed 1 January 2017)

## **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**

Yorkshire Bank  
7 Waterhouse Street  
Halifax  
HX1 1XZ

Lloyds Bank plc  
Commercial Street  
Halifax  
HX1 1BB

**THE FAMILY OF LEARNING TRUST  
(PREVIOUSLY BEECH HILL SCHOOL)  
REFERENCE AND ADMINISTRATIVE DETAILS**

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**Solicitors**

Schofield Sweeney LLP  
Church Bank House  
Church Bank  
Bradford  
West Yorkshire  
BD1 4DY

# **THE FAMILY OF LEARNING TRUST (PREVIOUSLY BEECH HILL SCHOOL) GOVERNORS' REPORT**

***FOR THE YEAR ENDED 31 AUGUST 2017***

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The governors present their annual report together with the accounts and independent auditor's report of the charitable company for the period 1 September 2016 to 31 August 2017. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy was renamed The Family Learning Trust on 21 March 2017 (formerly Beech Hill School).

The academy trust operates an academy for pupils aged 2 to 11 serving a catchment area in Central Halifax. It has a pupil capacity of 630 and had a roll of 615 in the school census on 31 August 2017.

## **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 The Family of Learning Trust 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 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-opt up to three additional affiliates to the governing body who are not entitled to vote.

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

### 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.

**THE FAMILY OF LEARNING TRUST  
(PREVIOUSLY BEECH HILL SCHOOL)  
GOVERNORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2017**

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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 Executive Principal, two Deputy Headteachers and two Assistant Headteachers. 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.

Arrangements for setting pay and remuneration of key management personnel

Pay ranges for the Head Teacher, Deputy Head and Assistant Head Teachers will be determined in accordance with the criteria specified in the 2015/16 STPCD and ensuring fair pay relatives, where the Governing Body believe these to be appropriate.

To move up the main pay range, teachers and Headteacher will need to show that they have been judged as having a successful performance appraisal. This will include competency in the Teachers' Standards and good progress towards set objectives. The Governing body may exercise its' discretion and award enhanced pay progression for exceptional performance. The Governing Body may also decide not to award pay progression where the performance appraisal is considered unsuccessful. Any concerns raised about performance, must have been shared with the teacher/Headteacher as part of the appraisal cycle and not been sufficiently addressed in order for this determination to be made. However, if the reasons for this are beyond the control of the member of staff, or there have been extenuating circumstances, the governing body has the discretion to award an increment if they wish.

Pay recommendations need to be made by 31 December for Headteachers and by 31 October for other teachers.

Related parties and other connected charities and organisations

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.

Rashinda Bi, wife of the Governor Mr N Najib, is employed by the school as a Support Assistant and Mid-day supervisor.

# **THE FAMILY OF LEARNING TRUST (PREVIOUSLY BEECH HILL SCHOOL) GOVERNORS' REPORT (CONTINUED)**

## ***FOR THE YEAR ENDED 31 AUGUST 2017***

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### **Objectives and activities**

#### Objects and aims

To provide education for pupils of different abilities between the ages of 2 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 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 line with Unicef's Rights Respecting Award.

#### 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 statutory schools policies.
- Built greater capacity into middle management - Headteacher, 2 Deputy Headteachers, 3 Assistant Headteachers, 7 TLR post holders and a SENCO. The TLR post holders are also Team Leaders and are responsible for overseeing each year group and ensuring consistency is maintained throughout the school. The Deputy Headteachers are responsible for overseeing their departments, one in Lower School (Y1, 2 and 3) and Upper School (Year 4, 5 and 6). Foundation Stage is managed by the Assistant Headteacher.
- Created 5 new classrooms with a corridor from the main school to the new build.
- 4G pitch worth £500,000 from a grant from the Football Association.
- Created 25 additional car park spaces for staff and visitors.
- Continue to offer School Direct places with Teamworks Teaching Alliance
- Continue to develop our teaching teams throughout the school.
- Continued to employ a Speech and Language Therapist to support children with Speech and Language difficulties.
- Have increased the number of 2 year olds on at the school ( 17 pupils in the 2 year old unit).
- Successfully gained Multi-Academy Trust status (MAT) – named as 'The Family of Learning Trust.'
- Trust were appointed as the sponsor for Dean Field Primary School following their 'inadequate' rating by Ofsted and subsequent Academy Order.

# **THE FAMILY OF LEARNING TRUST (PREVIOUSLY BEECH HILL SCHOOL) GOVERNORS' REPORT (CONTINUED)**

## ***FOR THE YEAR ENDED 31 AUGUST 2017***

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### **Strategic report**

#### **Achievements and performance**

##### **Academic:**

The Higher expectations of the new curriculum and assessment system have impacted on the results at both KS1 and KS2 which are much lower than the national average.

The end of KS1 results show an improvement on the previous year and are close to the National average for our core pupils (Pupils who attended Beech Hill Reception).

The end of KS2 SATs for 2016-17 show improvement on the previous year. The combined score for reading, writing and maths was 52% with the national average being at 61%.

Value Added Progress scores for 2017 KS2 cohort are as follows

Maths +1.5

Reading -0.8

Writing (Teacher Assessment) -2.3

These scores show improvement from last year with reading in line with the national average, maths above the national average and writing still below. Writing continues to remain the school focus. These results include a number of children who have joined the school throughout the year groups. When data for the core pupils is analysed, attainment and progress show that the vast majority of our core pupils leave Beech Hill at National expectations. 4 pupils were successful in gaining a place at the local grammar schools.

The majority of our pupils making expected progress and the school is working hard to narrow the gaps for children in upper KS2 who were previously taught and assessed on the old curriculum and are now being tested on the new curriculum.

##### **Sporting:**

We have had another successful year for sporting achievements. One sport in particular that we always perform excellently in was tennis. This was our eighth consecutive year that both of our tennis teams (Mini Red - year 3/4 and Mini Orange - year 5) have won the Calderdale finals and qualified to represent Beech Hill and Calderdale at the West Yorkshire Sainsburys School Games. They were joined by our successful Tri Golf Team (Calderdale Champions) who again qualified for the school games for the third year running. Our girls U11 cricket team qualified to represent Calderdale at the West Yorkshire County finals.

Listed below are our sporting achievements since returning back to school last September 2016:

- Cross Country (Qualifying round Family of schools) Ling Bob School. 15 pupils qualified for Calderdale Grand Final.
- Sports Hall Athletics (Qualifying round Family of schools) Sowerby High School. Winners qualified for Calderdale Grand Final (5th year running)
- Mini Red Tennis (Qualifying round) North Bridge Leisure Centre) Group winners qualified for Calderdale Grand Final.
- Mini Orange Tennis (Qualifying round) - Brooksbank School Sports College. Winners. Qualified for Calderdale Grand Final.
- U11's Girls Cricket (Grand Final) Qualified for County Finals.
- Mini Red Tennis - (Calderdale Grand Final) - (runners up) qualified for Sainsbury's West Yorkshire School Games.
- Mini Orange Tennis (Calderdale Grand Final) Winners. Qualified for Sainsbury's West Yorkshire School Games.
- Tri Golf (Calderdale Grand Final) Winners. Qualified for Sainsbury's West Yorkshire School Games.
- High Five Netball (Calderdale Grand Final) Brooksbank School Sports College.

# THE FAMILY OF LEARNING TRUST (PREVIOUSLY BEECH HILL SCHOOL) GOVERNORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

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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 curriculum was further enriched through specialist teaching in music, art and sport and Forest School. We continue to provide extended schools provision through its breakfast club and after school clubs. Holiday activities were organised targeting the talented sports pupils. The school renewed the 'Basic Skills Award' and gained the ICT mark in recognition of our outstanding ICT provision. We were also the first primary school in Calderdale to gain the 'Investors in People' Gold award.

The teachers, subject managers and leadership team have worked hard to ensure the 'new National Curriculum' has been implemented in all year groups and are now working on embedding and ensuring there is progression in skills and knowledge across the school.

Total pupils on roll in the period ended 31 August 2017 was: 615; this is split between the year groups as follows:

Nursery: 98 (including 2 year olds)

Reception: 62

Year 1: 76

Year 2: 76

Year 3: 81

Year 4: 85

Year 5: 56

Year 6: 81

## 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.

## 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 an external catering service and school improvement partner service. The grants received from the EFA during the period ended 31 August 2017 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 2017, the total expenditure (excluding fixed asset funds) of £3,478,059 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 £429,673.

## 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 £277,285 all of which are free reserves.

**THE FAMILY OF LEARNING TRUST  
(PREVIOUSLY BEECH HILL SCHOOL)  
GOVERNORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2017**

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The Governors require a reserve to be created to fund future expenditure relating to the Academy Development Plan's strategic long term aim and developments. The school's priority has changed since last year as there is a need to build an extension for five new class rooms plus to redevelop the entrance area, as a result the new hall may be pushed back a couple of years as the expansion is a priority over the next twelve months, all this expenditure will be funded mainly by the GAG carried forward and using future GAG income.

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 ESFA 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 £998,000 relating to the LGPS defined benefit scheme.

**Plans for future periods**

The school is planning to expand the entrance to the school. This is estimated to cost £100,000 to £200,000 and will take place during the next 12 months. The balance of reserves will be held to ensure the financial stability of the MAT and ensure the school long term holds a good reserve.

**Future Priorities 2017-18**

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 further develop the curriculum.

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

**THE FAMILY OF LEARNING TRUST  
(PREVIOUSLY BEECH HILL SCHOOL)  
GOVERNORS' REPORT (CONTINUED)  
*FOR THE YEAR ENDED 31 AUGUST 2017***

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**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 governors' report, incorporating a strategic report, was approved by order of the board of governors, as the company directors, on 5 December 2017 and signed on its behalf by:

Mr C Haddock  
**Chair of Governors**

# THE FAMILY OF LEARNING TRUST (PREVIOUSLY BEECH HILL SCHOOL) GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2017**

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## Scope of responsibility

As governors we acknowledge we have overall responsibility for ensuring that The Family Of Learning Trust 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 The Family Of Learning Trust 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 4 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 C Haddock (Chair of Governors)	4	4
Mrs S Hussain (Principal)	4	4
Mrs S Loreen	4	4
Mr O Muuse (Parent governor) (Resigned 31 December 2016)	0	2
Mr N Najib (Parent governor)	4	4
Mrs F Pether (Staff governor)	2	4
Mrs M Sadiq (Parent governor)	0	4
Mr M Sharp (Staff governor) (Resigned 31 December 2016)	1	2
Mrs S Sheikh	4	4
Mr C Swallow	3	4
Miss S Bowling (Staff governor) (Appointed 1 January 2017)	1	1

The school has had some changes of trustees during the year due to two retirements of trustees; these have been replaced by new trustees with a legal and financial background and as a result are contributing more on a strategic level to support the Academy Trust.

A review of the Governors was carried out as a result of the OFSTED visit in January 2016. As a result of the visit the report stated that governors are regular visitors to the academy and understand its effectiveness.

However, they do not rigorously hold leaders to account. It was recommended that the governors develop their skills to effectively challenge academy leaders and hold them to account.

The OFSTED report added that the governors have linked their responsibilities to areas of the academy's work. This gives them a good understanding of the academy's performance and they understand how the academy compares with others.

Governors are extremely well informed by the head teacher on all aspects of the academy's work, including the impact of pupil premium funding and school sports funding.

**THE FAMILY OF LEARNING TRUST  
(PREVIOUSLY BEECH HILL SCHOOL)  
GOVERNANCE STATEMENT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2017**

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The audit and finance 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 C Haddock (Chair of Governors)	3	3
Mrs S Hussain (Principal)	3	3
Mrs S Loreen	3	3
Mr O Muuse (Parent governor) (Resigned 31 December 2016)	0	1
Mr N Najib (Parent governor)	3	3
Mrs F Pether (Staff governor)	1	3
Mrs M Sadiq (Parent governor)	0	3
Mr M Sharp (Staff governor) (Resigned 31 December 2016)	1	1
Mrs S Sheikh	3	3
Mr C Swallow	2	3

**Review of value for money**

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

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

- An annual review of all contracts, these are checked for price and relevance, as a result three contracts were dropped and better prices found on two others
- The school has a large catering operation. During the last twelve months the school has negotiated substantial discounts from suppliers, the school also uses preference for price and quality
- The school always gets at least three quotes for any item over £10,000
- The school reviews all expenditure with suppliers over £10,000 per annum at the school and looks for better prices or a better service.

**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 The Family Of Learning Trust for the period 1 September 2016 to 31 August 2017 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 2016 to 31 August 2017 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of governors.

**THE FAMILY OF LEARNING TRUST  
(PREVIOUSLY BEECH HILL SCHOOL)  
GOVERNANCE STATEMENT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2017**

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**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 audit and finance 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 Limited, the external auditor, to perform additional checks. No significant internal control weaknesses were identified during the year.

The auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. As at 30th April 2017, the auditor reported 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 during the year.

**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 5 December 2017 and signed on its behalf by:

Mr C Haddock  
**Chair of Governors**

Mrs S Hussain  
**Principal**

**THE FAMILY OF LEARNING TRUST  
(PREVIOUSLY BEECH HILL SCHOOL)  
STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE  
FOR THE YEAR ENDED 31 AUGUST 2017**

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As accounting officer of The Family of Learning Trust I have considered my responsibility to notify the academy trust board of governors and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

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 2016.

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

Mrs S Hussain  
**Accounting Officer**

5 December 2017

**THE FAMILY OF LEARNING TRUST  
(PREVIOUSLY BEECH HILL SCHOOL)  
STATEMENT OF GOVERNORS' RESPONSIBILITIES  
FOR THE YEAR ENDED 31 AUGUST 2017**

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The governors (who act as trustees for The Family of Learning Trust and are also the directors of The Family of Learning Trust 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 and Skills 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 2015 and the Academies Accounts Direction 2016 to 2017;
- 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 ESFA/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 5 December 2017 and signed on its behalf by:

Mr C Haddock  
**Chair of Governors**

# **THE FAMILY OF LEARNING TRUST (PREVIOUSLY BEECH HILL SCHOOL) INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE FAMILY OF LEARNING TRUST**

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## **Opinion**

We have audited the accounts of The Family of Learning Trust for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2017 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017.

## **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the accounts' section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the governors' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the governors have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the academy trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the accounts are authorised for issue.

## **Other information**

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The governors are responsible for the other information. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Governors' Report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Governors' Report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

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

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

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report, including the incorporated strategic report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

## **Responsibilities of governors**

As explained more fully in the Statement of Governors' Responsibilities, the governors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the governors determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the governors are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the governors either intend to liquidate the charitable company, or have no realistic alternative but to do so.

## **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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. 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Daniel McAllister FCA (Senior Statutory Auditor)  
for and on behalf of Simpson Wood Limited**

5 December 2017

**Chartered Accountants  
Statutory Auditor**

Bank Chambers  
Market Street  
Huddersfield  
HD1 2EW

# **THE FAMILY OF LEARNING TRUST (PREVIOUSLY BEECH HILL SCHOOL) INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE FAMILY OF LEARNING TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 11 October 2016 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Family of Learning Trust during the period 1 September 2016 to 31 August 2017 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 The Family of Learning Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the The Family of Learning Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Family of Learning Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

## **Respective responsibilities of The Family of Learning Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of The Family of Learning Trust's funding agreement with the Secretary of State for Education dated 1 September 2011 and the Academies Financial Handbook, extant from 1 September 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 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 2016 to 2017 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy 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.

**THE FAMILY OF LEARNING TRUST  
(PREVIOUSLY BEECH HILL SCHOOL)  
INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON  
REGULARITY TO THE FAMILY OF LEARNING TRUST AND THE EDUCATION AND  
SKILLS 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 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

**Reporting Accountant**

Simpson Wood Limited  
Bank Chambers  
Market Street  
Huddersfield  
HD1 2EW

Dated: 5 December 2017

**THE FAMILY OF LEARNING TRUST  
(PREVIOUSLY BEECH HILL SCHOOL)  
STATEMENT OF FINANCIAL ACTIVITIES  
INCLUDING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2017**

	Notes	Unrestricted Funds £	Restricted funds: General    Fixed asset £            £		Total 2017 £	Total 2016 £
<b>Income and endowments from:</b>						
Donations and capital grants	3	471	-	629,369	629,840	218,774
Charitable activities:						
- Funding for educational operations	4	-	2,994,731	-	2,994,731	3,280,436
Other trading activities	5	710,903	-	-	710,903	771,773
Investments	6	627	-	-	627	1,272
<b>Total income and endowments</b>		<u>712,001</u>	<u>2,994,731</u>	<u>629,369</u>	<u>4,336,101</u>	<u>4,272,255</u>
<b>Expenditure on:</b>						
Raising funds	7	628,115	329	-	628,444	643,114
Charitable activities:						
- Educational operations	8	100,103	2,749,512	175,410	3,025,025	2,794,360
<b>Total expenditure</b>	7	<u>728,218</u>	<u>2,749,841</u>	<u>175,410</u>	<u>3,653,469</u>	<u>3,437,474</u>
<b>Net income/(expenditure)</b>		(16,217)	244,890	453,959	682,632	834,781
Transfers between funds		-	(1,019,967)	1,019,967	-	-
<b>Other recognised gains and losses</b>						
Actuarial gains/(losses) on defined benefit pension schemes	22	-	1,057,000	-	1,057,000	(1,116,000)
<b>Net movement in funds</b>		<u>(16,217)</u>	<u>281,923</u>	<u>1,473,926</u>	<u>1,739,632</u>	<u>(281,219)</u>
<b>Reconciliation of funds</b>						
Total funds brought forward		293,502	(731,554)	6,075,966	5,637,914	5,919,133
Total funds carried forward		<u>277,285</u>	<u>(449,631)</u>	<u>7,549,892</u>	<u>7,377,546</u>	<u>5,637,914</u>

**THE FAMILY OF LEARNING TRUST  
(PREVIOUSLY BEECH HILL SCHOOL)  
STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)  
INCLUDING INCOME AND EXPENDITURE ACCOUNT**

**FOR THE YEAR ENDED 31 AUGUST 2017**

<b>Comparative year information</b>		<b>Unrestricted</b>	<b>Restricted funds:</b>		<b>Total</b>
<b>Year ended 31 August 2016</b>		<b>Funds</b>	<b>General</b>	<b>Fixed asset</b>	<b>2016</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Income and endowments from:</b>					
Donations and capital grants	<b>3</b>	5,127	-	213,647	218,774
Charitable activities:					
- Funding for educational operations	<b>4</b>	-	3,280,436	-	3,280,436
Other trading activities	<b>5</b>	771,773	-	-	771,773
Investments	<b>6</b>	1,272	-	-	1,272
<b>Total income and endowments</b>		<u>778,172</u>	<u>3,280,436</u>	<u>213,647</u>	<u>4,272,255</u>
<b>Expenditure on:</b>					
Raising funds	<b>7</b>	643,114	-	-	643,114
Charitable activities:					
- Educational operations	<b>8</b>	46,904	2,592,725	154,731	2,794,360
<b>Total expenditure</b>	<b>7</b>	<u>690,018</u>	<u>2,592,725</u>	<u>154,731</u>	<u>3,437,474</u>
<b>Net income</b>		88,154	687,711	58,916	834,781
Transfers between funds		-	(240,335)	240,335	-
<b>Other recognised gains and losses</b>					
Actuarial losses on defined benefit pension schemes	<b>22</b>	-	(1,116,000)	-	(1,116,000)
<b>Net movement in funds</b>		88,154	(668,624)	299,251	(281,219)
<b>Reconciliation of funds</b>					
Total funds brought forward		205,348	(62,930)	5,776,715	5,919,133
Total funds carried forward		<u>293,502</u>	<u>(731,554)</u>	<u>6,075,966</u>	<u>5,637,914</u>

**THE FAMILY OF LEARNING TRUST  
(PREVIOUSLY BEECH HILL SCHOOL)  
BALANCE SHEET**

**AS AT 31 AUGUST 2017**

	Notes	2017		2016	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	13		7,549,889		6,026,014
<b>Current assets</b>					
Stocks	15	1,371		484	
Debtors	16	322,680		157,665	
Cash at bank and in hand		1,287,904		1,763,960	
		<u>1,611,955</u>		<u>1,922,109</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	17	<u>(779,145)</u>		<u>(343,336)</u>	
<b>Net current assets</b>			832,810		1,578,773
<b>Total assets less current liabilities</b>			<u>8,382,699</u>		<u>7,604,787</u>
Creditors: amounts falling due after more than one year	18		<u>(7,153)</u>		<u>(112,873)</u>
<b>Net assets excluding pension liability</b>			8,375,546		7,491,914
Defined benefit pension liability	22		<u>(998,000)</u>		<u>(1,854,000)</u>
<b>Net assets</b>			<u>7,377,546</u>		<u>5,637,914</u>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>	20				
- Fixed asset funds			7,549,892		6,075,966
- Restricted income funds			548,369		1,122,446
- Pension reserve			<u>(998,000)</u>		<u>(1,854,000)</u>
<b>Total restricted funds</b>			<u>7,100,261</u>		<u>5,344,412</u>
<b>Unrestricted income funds</b>	20		<u>277,285</u>		<u>293,502</u>
<b>Total funds</b>			<u>7,377,546</u>		<u>5,637,914</u>

The accounts set out on pages 19 to 41 were approved by the board of governors and authorised for issue on 5 December 2017 and are signed on its behalf by:

Mr C Haddock  
**Chair of Governors**

Company Number 07733196

**THE FAMILY OF LEARNING TRUST  
(PREVIOUSLY BEECH HILL SCHOOL)  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 AUGUST 2017**

	Notes	2017 £	£	2016 £	£
<b>Cash flows from operating activities</b>					
Net cash provided by operating activities	23		700,733		993,718
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		628		1,272	
Capital grants from DfE and EFA		10,157		213,647	
Capital funding from sponsors and others		619,212		-	
Payments to acquire tangible fixed assets		(1,699,286)		(404,030)	
			(1,069,289)		(189,111)
<b>Cash flows from financing activities</b>					
Repayment of long term bank loan		(136,964)		(29,135)	
Repayment of other loan		-		8,175	
Finance costs		29,464		(7,308)	
			(107,500)		(28,268)
<b>Change in cash and cash equivalents in the reporting period</b>			(476,056)		776,339
Cash and cash equivalents at 1 September 2016			1,763,960		987,621
<b>Cash and cash equivalents at 31 August 2017</b>			<u>1,287,904</u>		<u>1,763,960</u>

# **THE FAMILY OF LEARNING TRUST (PREVIOUSLY BEECH HILL SCHOOL) NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017**

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## **1 Accounting policies**

The Family of Learning Trust is a charitable company incorporated in England and Wales. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the governors' report.

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

### **1.1 Basis of preparation**

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Family of Learning Trust meets the definition of a public benefit entity under FRS 102.

### **1.2 Going concern**

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

### **1.3 Income**

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

#### 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 meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

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

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

#### Sponsorship income

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

**THE FAMILY OF LEARNING TRUST  
(PREVIOUSLY BEECH HILL SCHOOL)  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2017**

---

**1 Accounting policies**

**(Continued)**

Donations

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

Other income

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

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

**1.4 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Where applicable, resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities

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

Governance costs

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

**THE FAMILY OF LEARNING TRUST  
(PREVIOUSLY BEECH HILL SCHOOL)  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2017**

---

**1 Accounting policies**

**(Continued)**

**1.5 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.

**1.6 Liabilities**

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

**1.7 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.

**1.8 Financial instruments**

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows.

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

**THE FAMILY OF LEARNING TRUST  
(PREVIOUSLY BEECH HILL SCHOOL)  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2017**

---

**1 Accounting policies**

**(Continued)**

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

**1.9 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.

**1.10 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.

**1.11 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 quadrennial valuations using a prospective unit credit method. As stated in note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

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 credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

**1.12 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.

**THE FAMILY OF LEARNING TRUST  
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2017**

**1 Accounting policies (Continued)**

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

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

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

No critical areas of judgement have been identified which would have a significant impact on the valuation of assets and liabilities within the accounts.

**3 Donations and capital grants**

	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>Total 2017 £</b>	<b>Total 2016 £</b>
Capital grants	-	10,157	10,157	213,647
Other donations	471	619,212	619,683	5,127
	<u>471</u>	<u>629,369</u>	<u>629,840</u>	<u>218,774</u>

During the year, a grant was received from the Football Foundation of £619,212 to cover 90% of the costs of building the 3G Pitch to be used by the school and local community.

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**4 Funding for the academy trust's educational operations**

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	2,440,798	2,440,798	2,652,196
Other DfE / ESFA grants	-	337,569	337,569	406,773
	-	2,778,367	2,778,367	3,058,969
<b>Other government grants</b>				
Local authority grants	-	216,364	216,364	221,467
<b>Total funding</b>	-	2,994,731	2,994,731	3,280,436

**5 Other trading activities**

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Hire of facilities	4,167	-	4,167	1,405
Catering income	558,599	-	558,599	626,166
Consultancy services	77,658	-	77,658	82,213
Educational visits	16,063	-	16,063	15,830
Student fee income	3,900	-	3,900	19,491
Other income	50,516	-	50,516	26,668
	710,903	-	710,903	771,773

**6 Investment income**

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Short term deposits	627	-	627	1,272

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**7 Expenditure**

	Staff costs £	Premises & equipment £	Other costs £	Total 2017 £	Total 2016 £
Expenditure on raising funds	347,030	18,449	262,965	628,444	643,114
Academy's educational operations					
- Direct costs	1,778,939	156,961	184,572	2,120,472	2,051,163
- Allocated support costs	553,568	179,373	171,612	904,553	743,197
	<u>2,679,537</u>	<u>354,783</u>	<u>619,149</u>	<u>3,653,469</u>	<u>3,437,474</u>

**Net income/(expenditure) for the year includes:**

	2017 £	2016 £
Fees payable to auditor for:		
- Audit	4,500	4,559
- Other services	693	1,150
Operating lease rentals	19,648	19,975
Depreciation of tangible fixed assets	175,410	154,731
Bank interest payable	(29,464)	7,308
Net interest on defined benefit pension liability	36,000	23,000
	<u>36,000</u>	<u>23,000</u>

**8 Charitable activities**

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Direct costs - educational operations	43,018	2,077,454	2,120,472	2,051,163
Support costs - educational operations	57,085	847,468	904,553	743,197
	<u>100,103</u>	<u>2,924,922</u>	<u>3,025,025</u>	<u>2,794,360</u>

	2017 £	2016 £
<b>Analysis of support costs</b>		
Support staff costs	553,568	397,124
Technology costs	40,325	38,265
Premises costs	138,966	130,633
Other support costs	166,501	169,720
Governance costs	5,193	7,455
	<u>904,553</u>	<u>743,197</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2017**

**9 Governance costs**

<b>All from restricted funds:</b>	<b>Total 2017 £</b>	<b>Total 2016 £</b>
<b>Amounts included in support costs</b>		
Legal and professional fees	-	1,821
Auditor's remuneration		
- Audit of financial statements	4,500	4,559
- Other audit costs	693	1,075
	5,193	7,455
	5,193	7,455

**10 Staff costs**

	<b>2017 £</b>	<b>2016 £</b>
Wages and salaries	2,043,206	1,973,139
Social security costs	154,747	132,336
Operating costs of defined benefit pension schemes	417,493	304,791
	2,615,446	2,410,266
Staff costs	2,615,446	2,410,266
Staff restructuring costs	10,309	26,811
Staff development and other staff costs	53,782	50,255
	2,679,537	2,487,332
	2,679,537	2,487,332

**Staff numbers**

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

	<b>2017 Number</b>	<b>2016 Number</b>
Teachers	25	20
Administration and support	97	98
Management	6	6
	128	124
	128	124

**Higher paid staff**

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

	<b>2017 Number</b>	<b>2016 Number</b>
£60,001 - £70,000	1	1
£70,001 - £80,000	1	-
	2	1
	2	1

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**10 Staff costs**

**(Continued)**

**Key management personnel**

The key management personnel of the academy trust comprise the governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £329,796.

**11 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 (2016: £Nil) were reimbursed to governors.

The value of governors' remuneration was as follows:

Mr J Moss (Executive Principal)

Remuneration	£Nil (2016: £35,000 - £40,000)
Pension	£Nil (2016: £Nil - £5,000)

Mr J Moss was made redundant as of the 31 August 2016. He received an ex-gratia payment of £26,811.

Mrs S A Hussain (Principal)

Remuneration	£75,000 - £80,000 (2016: £70,000 - £75,000)
Pension	£10,000 - £15,000 (2016: £10,000 - £15,000)

Mrs F Pether (staff)

Remuneration	£55,000 - £60,000 (2016: £50,000 - £55,000)
Pension	£5,000 - £10,000 (2016: £5,000 - £10,000)

Mr M Sharp (staff)\*

Remuneration	£10,000 - £15,000 (2016: £40,000 - £45,000)
Pension	£nil - £5,000 (2016: £5,000 - £10,000)

Mr M Sadiq (staff)

Remuneration	£5,000 - £10,000 (2016: £5,000-£10,000)
Pension	£Nil (2016: £Nil)

Mrs S Bowling (staff)

Remuneration	£40,000 - £45,000 (2016: £Nil)
Pension	£5,000 - £10,000 (2016: £Nil)

Mr M Sharp resigned 31 December 2016, this is therefore remuneration for the period up to his resignation.

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

**12 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 2017 was £3,263 (2016: £3,263).

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**13 Tangible fixed assets**

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 September 2016	6,460,060	131,690	67,554	42,712	6,702,016
Additions	1,673,144	26,142	-	-	1,699,286
At 31 August 2017	8,133,204	157,832	67,554	42,712	8,401,302
<b>Depreciation</b>					
At 1 September 2016	526,667	67,378	39,684	42,274	676,003
Charge for the year	132,812	22,315	9,846	437	165,410
Impairment	10,000	-	-	-	10,000
At 31 August 2017	669,479	89,693	49,530	42,711	851,413
<b>Net book value</b>					
At 31 August 2017	7,463,725	68,139	18,024	1	7,549,889
At 31 August 2016	5,933,393	64,312	27,870	438	6,026,013

Land and Buildings cost brought forward included £82,580 of assets under construction in relation to the proposed Sports Hall Building. This project was still not completed at the current year end and no further costs were incurred during the year so it remains classified as an asset under construction. No depreciation has been charged against this item.

Land and Buildings cost brought forward also includes £40,000 in relation to a Biomass Boiler purchased by the school in August 2014. The school has not subsequently installed the boiler as alternative heating arrangements were acquired. No depreciation was ever charged as the school were not using the asset, however, as a significant amount of time has passed since the purchase an impairment review was carried out and a £10,000 impairment has been recognised during the year, this is thought to be the governors best estimate of the fair value of the asset.

**14 Financial instruments**

	2017 £	2016 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	149,421	65,863
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	739,648	414,785

**15 Stocks**

	2017 £	2016 £
Catering stock	1,371	484

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<b>16 Debtors</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Trade debtors	77,845	65,212
VAT recoverable	87,476	15,847
Other debtors	71,576	651
Prepayments and accrued income	85,783	75,955
	<u>322,680</u>	<u>157,665</u>
	<u><u>322,680</u></u>	<u><u>157,665</u></u>
<b>17 Creditors: amounts falling due within one year</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Government loans	-	31,755
Other loans	1,022	511
Trade creditors	456,924	102,441
Other creditors	251,149	127,663
Accruals and deferred income	70,050	80,966
	<u>779,145</u>	<u>343,336</u>
	<u><u>779,145</u></u>	<u><u>343,336</u></u>
<b>18 Creditors: amounts falling due after more than one year</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Government loans	-	105,209
Other loans	7,153	7,664
	<u>7,153</u>	<u>112,873</u>
	<u><u>7,153</u></u>	<u><u>112,873</u></u>

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FOR THE YEAR ENDED 31 AUGUST 2017**

		(Continued)	
18	Creditors: amounts falling due after more than one year	2017	2016
	<b>Analysis of loans</b>		
	Not wholly repayable within five years by instalments	3,065	3,577
	Wholly repayable within five years	5,110	141,562
		<u>8,175</u>	<u>145,139</u>
	Less: included in current liabilities	(1,022)	(32,266)
		<u>7,153</u>	<u>112,873</u>
	Amounts included above	<u>7,153</u>	<u>112,873</u>
	Instalments not due within five years	<u>3,065</u>	<u>3,577</u>
	<b>Loan maturity</b>		
	Debt due in one year or less	1,022	32,266
	Due in more than one year but not more than two years	1,022	35,196
	Due in more than two years but not more than five years	3,066	74,100
	Due in more than five years	3,065	3,577
		<u>8,175</u>	<u>145,139</u>

In the prior year the school had £136,964 outstanding in Government Loans, this related to the Prudential Loan which was due to be settled in annual instalments by 2020. The school made a one-off lump sum payment in November 2016 to settle this liability.

19	Deferred income	2017	2016
		£	£
	Deferred income is included within:		
	Creditors due within one year	46,650	41,424
		<u>46,650</u>	<u>41,424</u>
	Deferred income at 1 September 2016	41,424	87,772
	Released from previous years	(41,424)	(87,772)
	Amounts deferred in the year	46,650	41,424
		<u>46,650</u>	<u>41,424</u>
	<b>Deferred income at 31 August 2017</b>	<u>46,650</u>	<u>41,424</u>

Deferred income relates to Universal Free School Meal (UFSM) funding. All amounts were received in advance of the 2017/18 academic year which they relate to from the Education Funding Agency.

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**20 Funds**

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
<b>Restricted general funds</b>					
General Annual Grant	1,122,446	2,440,798	(1,978,327)	(1,036,548)	548,369
Other DfE / ESFA grants	-	337,569	(346,767)	9,198	-
Other government grants	-	216,364	(223,747)	7,383	-
	<u>1,122,446</u>	<u>2,994,731</u>	<u>(2,548,841)</u>	<u>(1,019,967)</u>	<u>548,369</u>
Funds excluding pensions	1,122,446	2,994,731	(2,548,841)	(1,019,967)	548,369
Pension reserve	(1,854,000)	-	(201,000)	1,057,000	(998,000)
	<u>(731,554)</u>	<u>2,994,731</u>	<u>(2,749,841)</u>	<u>37,033</u>	<u>(449,631)</u>
<b>Restricted fixed asset funds</b>					
Transferred on conversion	5,776,715	-	(96,957)	-	5,679,758
DfE / ESFA capital grants	58,916	10,157	(4,397)	-	64,676
Capital expenditure from GAG	240,335	-	(67,302)	1,019,967	1,193,000
Private sector capital sponsorship	-	619,212	(6,754)	-	612,458
	<u>6,075,966</u>	<u>629,369</u>	<u>(175,410)</u>	<u>1,019,967</u>	<u>7,549,892</u>
<b>Total restricted funds</b>	<u>5,344,412</u>	<u>3,624,100</u>	<u>(2,925,251)</u>	<u>1,057,000</u>	<u>7,100,261</u>
<b>Unrestricted funds</b>					
General funds	<u>293,502</u>	<u>712,001</u>	<u>(728,218)</u>	<u>-</u>	<u>277,285</u>
<b>Total funds</b>	<u>5,637,914</u>	<u>4,336,101</u>	<u>(3,653,469)</u>	<u>1,057,000</u>	<u>7,377,546</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 2017.

Restricted fixed assets were funded by government and other private company grants and transfers from predecessor school. The transfer from GAG during the year of £1,019,967 represents an element of funding from GAG towards the new classroom extension.

The school is to use £100,000 to £200,000 to expand on the entrance and office. The school would still like to build the new sports hall, but this will only go ahead if the school can attract funding with only a nominal contribution from the school. The balance of reserves will be held to ensure the financial stability of the MAT and to ensure the school long term holds a good reserve.

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**20 Funds**

**(Continued)**

**Movements in funds - previous year**

	<b>Balance at 1 September 2015 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Gains, losses and transfers £</b>	<b>Balance at 31 August 2016 £</b>
<b>Restricted general funds</b>					
General Annual Grant	587,070	2,652,196	(1,876,485)	(240,335)	1,122,446
Other DfE / ESFA grants	-	406,773	(406,773)	-	-
Other government grants	-	221,467	(221,467)	-	-
	<u>587,070</u>	<u>3,280,436</u>	<u>(2,504,725)</u>	<u>(240,335)</u>	<u>1,122,446</u>
Funds excluding pensions	587,070	3,280,436	(2,504,725)	(240,335)	1,122,446
Pension reserve	(650,000)	-	(88,000)	(1,116,000)	(1,854,000)
	<u>(62,930)</u>	<u>3,280,436</u>	<u>(2,592,725)</u>	<u>(1,356,335)</u>	<u>(731,554)</u>
<b>Restricted fixed asset funds</b>					
Transferred on conversion	5,776,715	-	-	-	5,776,715
DfE / ESFA capital grants	-	213,647	(154,731)	-	58,916
Capital expenditure from GAG	-	-	-	240,335	240,335
	<u>5,776,715</u>	<u>213,647</u>	<u>(154,731)</u>	<u>240,335</u>	<u>6,075,966</u>
<b>Total restricted funds</b>	<u>5,713,785</u>	<u>3,494,083</u>	<u>(2,747,456)</u>	<u>(1,116,000)</u>	<u>5,344,412</u>
<b>Unrestricted funds</b>					
General funds	205,348	778,172	(690,018)	-	293,502
	<u>205,348</u>	<u>778,172</u>	<u>(690,018)</u>	<u>-</u>	<u>293,502</u>
<b>Total funds</b>	<u>5,919,133</u>	<u>4,272,255</u>	<u>(3,437,474)</u>	<u>(1,116,000)</u>	<u>5,637,914</u>

**21 Analysis of net assets between funds**

	<b>Unrestricted Funds £</b>	<b>Restricted funds: General £</b>	<b>Fixed asset £</b>	<b>Total 2017 £</b>
<b>Fund balances at 31 August 2017 are represented by:</b>				
Tangible fixed assets	-	-	7,549,889	7,549,889
Current assets	277,285	745,876	588,794	1,611,955
Creditors falling due within one year	7,153	(197,507)	(588,791)	(779,145)
Creditors falling due after one year	(7,153)	-	-	(7,153)
Defined benefit pension liability	-	(998,000)	-	(998,000)
	<u>277,285</u>	<u>(449,631)</u>	<u>7,549,892</u>	<u>7,377,546</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
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**21 Analysis of net assets between funds**

**(Continued)**

	Unrestricted Funds	Restricted funds:		Total 2016 £
	£	General £	Fixed asset £	
<b>Fund balances at 31 August 2016 are represented by:</b>				
Tangible fixed assets	-	-	6,026,014	6,026,014
Current assets	293,502	1,445,250	183,357	1,922,109
Creditors falling due within one year	-	(217,595)	(125,741)	(343,336)
Creditors falling due after one year	-	(105,209)	(7,664)	(112,873)
Defined benefit pension liability	-	(1,854,000)	-	(1,854,000)
	293,502	(731,554)	6,075,966	5,637,914
	293,502	(731,554)	6,075,966	5,637,914

**22 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 multi-employer 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 that of the LGPS related to the period ended 31 March 2016.

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.

**Valuation of the Teachers' Pension Scheme**

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

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
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**22 Pensions and similar obligations**

**(Continued)**

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 (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to the TPS in the period amounted to £142,870 (2016: £137,813).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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.

**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 17% for employers and 5.5 to 6.5% for employees. The estimated value of employer contributions for the forthcoming year is £121,000.

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 £nil (2016 - £4,700).

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.

<b>Total contributions made</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Employer's contributions	106,000	110,000
Employees' contributions	44,000	47,000
	<hr/>	<hr/>
Total contributions	150,000	157,000
	<hr/> <hr/>	<hr/> <hr/>

**THE FAMILY OF LEARNING TRUST  
(PREVIOUSLY BEECH HILL SCHOOL)  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2017**

**22 Pensions and similar obligations**

**(Continued)**

<b>Principal actuarial assumptions</b>	<b>2017</b>	<b>2016</b>
	<b>%</b>	<b>%</b>
Rate of increases in salaries	3.25	3.4
Rate of increase for pensions in payment	2.0	1.9
Discount rate	2.5	2.0
Inflation assumption (CPI)	2.0	1.9
Rate of increase to deferred pensions	2.0	1.9
Rate of revaluation of pension accounts	2.0	1.9

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

	<b>2017</b>	<b>2016</b>
	<b>Years</b>	<b>Years</b>
Retiring today		
- Males	22.1	22.7
- Females	25.2	25.6
Retiring in 20 years		
- Males	23.0	24.9
- Females	27.0	28.0

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Discount rate + 0.1%	(90)	(107)
Discount rate - 0.1%	92	110
Mortality assumption + 1 year	(113)	(135)
Mortality assumption - 1 year	114	134
Salary Increases+0.1%	31	46
Salary Increases -0.1%	(31)	(46)
Pension payment increase +0.1%	60	63
Pension payment increase -0.1%	(59)	(62)

**The academy trust's share of the assets in the scheme**

	<b>2017</b>	<b>2016</b>
	<b>Fair value</b>	<b>Fair value</b>
	<b>£</b>	<b>£</b>
Equities	2,115,624	1,797,894
Government bonds	263,424	268,128
Corporate bonds	107,016	100,548
Cash	41,160	33,516
Property	123,480	114,912
Other assets	93,296	79,002
Total market value of assets	2,744,000	2,394,000

**THE FAMILY OF LEARNING TRUST  
(PREVIOUSLY BEECH HILL SCHOOL)  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2017**

<b>22 Pensions and similar obligations</b>	<b>(Continued)</b>	
Actual return on scheme assets - gain/(loss)	242,000	368,000
	<u>242,000</u>	<u>368,000</u>
<b>Amounts recognised in the statement of financial activities</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Current service cost	271,000	175,000
Interest income	(49,000)	(74,000)
Interest cost	85,000	97,000
	<u>307,000</u>	<u>198,000</u>
<b>Total operating charge</b>	<b>307,000</b>	<b>198,000</b>
	<u>307,000</u>	<u>198,000</u>
<b>Changes in the present value of defined benefit obligations</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Obligations at 1 September 2016	4,248,000	2,533,000
Current service cost	271,000	175,000
Interest cost	85,000	97,000
Employee contributions	44,000	47,000
Actuarial (gain)/loss	(864,000)	1,410,000
Benefits paid	(42,000)	(14,000)
	<u>3,742,000</u>	<u>4,248,000</u>
<b>At 31 August 2017</b>	<b>3,742,000</b>	<b>4,248,000</b>
	<u>3,742,000</u>	<u>4,248,000</u>
<b>Changes in the fair value of the academy trust's share of scheme assets</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Assets at 1 September 2016	2,394,000	1,883,000
Interest income	49,000	74,000
Actuarial gain	193,000	294,000
Employer contributions	106,000	110,000
Employee contributions	44,000	47,000
Benefits paid	(42,000)	(14,000)
	<u>2,744,000</u>	<u>2,394,000</u>
<b>At 31 August 2017</b>	<b>2,744,000</b>	<b>2,394,000</b>
	<u>2,744,000</u>	<u>2,394,000</u>

**THE FAMILY OF LEARNING TRUST  
(PREVIOUSLY BEECH HILL SCHOOL)  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2017**

**23 Reconciliation of net income to net cash flows from operating activities**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Net income for the reporting period	682,632	834,781
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(629,369)	(213,647)
Investment income receivable	(627)	(1,272)
Finance costs payable	(29,464)	7,308
Defined benefit pension costs less contributions payable	165,000	65,000
Defined benefit pension net finance cost	36,000	23,000
Depreciation of tangible fixed assets	175,410	154,731
(Increase)/decrease in stocks	(887)	8,848
(Increase) in debtors	(165,015)	(17,675)
Increase in creditors	467,053	132,644
	<u>700,733</u>	<u>993,718</u>
<b>Net cash provided by operating activities</b>	<b><u>700,733</u></b>	<b><u>993,718</u></b>

**24 Commitments under operating leases**

At 31 August 2017 the total future minimum lease payments under non-cancellable operating leases were as follows:

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Amounts due within one year	19,648	15,977
Amounts due in two and five years	31,109	30,948
	<u>50,757</u>	<u>46,925</u>

**25 Related party transactions**

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.

Rashinda Bi, wife of the Governor Mr N Najib, is employed by the school as a Support Assistant and Mid-day supervisor. She was paid total remuneration (including pension benefits) of £11,765 during the year.

**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.