

BEACON HILL ACADEMY
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

BEACON HILL ACADEMY
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 10
Governance statement	11 - 15
Statement on regularity, propriety and compliance	16
Statement of Trustees' responsibilities	17
Independent auditors' report on the financial statements	18 - 20
Independent reporting accountant's report on regularity	21 - 22
Statement of financial activities incorporating income and expenditure account	23
Balance sheet	24
Statement of cash flows	25
Notes to the financial statements	26 - 53

BEACON HILL ACADEMY
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	A Fish V Loganathan J Paddick L Bostock D Lodge (appointed 18 November 2020)
Trustees	A Fish, Chair of Trustees ² S Hewitt, Principal and Trustee ¹ V Loganathan, Trustee ¹ J Paddick, Trustee ¹ L Bostock, Trustee ² L Podstawka, Staff Trustee ¹ D Lodge, Trustee ² S Hand, Staff Trustee (appointed 29 January 2020) K Soni, Trustee (appointed 5 May 2020) S Elliott, Trustee (resigned 18 September 2019) ² E Saunders, Trustee (resigned 13 November 2019) ² G Cope, Trustee (resigned 13 November 2019) ¹
	¹ Member of the Finance and Audit Committee ² Member of the Learning and Achievement Committee
Company registered number	08183461
Company name	Beacon Hill Academy
Principal and registered office	Erriff Drive South Ockendon Essex RM15 5AY
Company secretary	L Cook
Accounting Officer	S Hewitt
Senior leadership team	S Hewitt, Principal B Mullin, Vice Principal and Secondary Team Leader L Podstawka, Post 16 Leader J Bull, Vice Principal and Primary Team Leader L Bloomfield, Nursery and EYFS Leader G Terrell, Sensory and Communication Team Leader

BEACON HILL ACADEMY
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Independent auditors	MWS Chartered Accountants Registered Auditor Kingsridge House 601 London Road Westcliff-on-Sea Essex SS0 9PE
Bankers	Lloyds Bank plc 1-3 Market Place Romford RM1 3AA
Solicitors	Anthony Collins Solicitors 134 Edmund Street Birmingham B3 2ES

BEACON HILL ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

Beacon Hill Academy provides education to children aged between 2 and 19 in the Thurrock area. The current capacity of the academy is 75 with the number on roll of 64 as per the census at October 2019.

Structure, governance and management

a. Constitution

The Academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the Academy Trust. The company registration number is 08183461.

The Governors act as the Trustees for the charitable activities of Beacon Hill Academy and are also the directors of the charitable company for the purposes of company law.

The charitable company is known as Beacon Hill Academy.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

The Academy's principal activity is to provide education to boys and girls between the ages of 2 and 19, without prejudice, by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum, as set out in the Company's Memorandum and Articles of Association.

The Academy is constituted under a Memorandum of Association dated 13 August 2012.

b. 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.

c. Trustees' indemnities

The Academy through its Articles has indemnified its Trustees to the fullest extent permissible by law. During the period the Academy also purchased and maintained liability insurance for its Trustees.

BEACON HILL ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Trustees

Governor recruitment is through a combination of approaches, including the co-option of those with necessary skills from people with an interest in the school community. There are 2 dedicated places on the Governing Body for parents of children at the Academy. Nominations for Governors will be requested by a specific date. These nominations must include the reasons why the nominee wishes to become a Governor and the attributes they can bring to the Governing Body. These nominations will be considered by the members of the Academy Trust who will decide the successful candidate. Where no nominations are forthcoming, the Governing Body will identify possible future Governors to approach.

If a Parent Governor vacancy becomes available then information is circulated to all parents/carers. Prospective Governors can then be nominated and seconded. If more than one applicant applies, voting papers are sent out to all parent/carers. Staff Governor elections follow a similar procedure. If there is only one nomination the candidate may be elected unopposed.

The Chair and Vice-Chair are elected to the positions annually by the Governing Body, as are the Chairs of Sub Committees.

e. Policies adopted for the induction and training of Trustees

The School provides all new Governors with a comprehensive induction package covering a comprehensive range of issues and topics. This is to ensure they gain a better understanding of the role and responsibilities of being a school Governor so they can fulfil their role with confidence.

The Governing Body is committed to providing training for Governors specific to their roles and the requirements of the Academy and to aid this, the Academy purchases training from appropriate bodies.

f. Organisational structure

The Beacon Hill Academy is governed by the Governing Body and is constituted under a Memorandum of Association and Articles of Association.

The Governing Body is responsible for the strategic management of the school; deciding and setting key aspects such as the strategic direction, annual budgets, senior staff appointments, policy development and changes and ensuring compliance with legal requirements.

The Principal is the Accounting Officer and is supported by the senior leadership team. The Governing Body has delegated the day to day running of the Academy to the Principal and while it has retained responsibility for certain aspects of governance, the majority of roles and responsibilities are delegated to the Committees, as defined in the Academy's Standing Orders.

There are two Governors sub-committees, each with its own terms of reference; the Finance and Audit Committee and the Learning and Achievement Committee. In addition, there is a Pay Committee that meets once a year to decide on teachers' pay awards.

There are additional sub-committees that convene as and when required.

g. Arrangements for setting pay and remuneration of key management personnel

The pay and remuneration for all key management personnel at Beacon Hill Academy is detailed in the Academy's Pay Policy which is reviewed annually by the Governing Body. Within this document there is provision for accelerated progress up the pay scales to reflect exceptional performance. The document is available from the Academy office.

BEACON HILL ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities

a. Objects and aims

Beacon Hill is a place where:

- All pupils will get an education that is bespoke for their individual needs.
- Each pupil can achieve their own goals, tailored to their uniqueness.
- Learning is continuous for all.
- There will be a range of rich opportunities to develop pupils' strengths and to equip them for adult life.
- There will be opportunities to excel.
- There is no limit in our expectations, we will empower pupils so that nothing can hold them back and anything is possible.
- It is fun to learn and play.
- Pupils are happy and willing to learn.

Beacon Hill staff will:

- Give students confidence, making them ready to embrace the world around them.
- Show the pupils that they do and can fit in. We will ensure that they are accepted by others and are a valued part of the community.
- Challenge each student and push their boundaries. We will do the best for each pupil.
- Work together to be creative and think outside of the box.
- Be supported and support each other.
- Not give up, we share a 'can do' attitude.

We are proud of all of our pupils. No matter how small the steps, anything is a big achievement.

We will work with our community to encourage them to be actively involved and share in our successes. We will share outstanding practices and knowledge as we grow and succeed.

The Academy is committed to safeguarding and promoting the welfare of children and expects all staff and volunteers to share this commitment.

b. Objectives, strategies and activities

The Academy Development Plan has been tailored specifically to meet the overall objects and aims of the Academy, as outlined above. It is constantly reviewed and the key priorities are updated. It covers all aspects of achievements and standards across the curriculum; pupil progress, pupil health, behaviour and wellbeing; staff and management; premises and resources; community and promotion; and finance.

Priorities this year were mapped to the key Ofsted areas from the new 2019 framework:

- Quality of education
- Behaviour and attitudes
- Personal Development
- Leadership and Management

c. Public benefit

In setting our objectives and planning our activities, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

BEACON HILL ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

d. Volunteers

The Academy is grateful for the unstinting efforts of its volunteers, mainly parents and carers, who are involved in supporting the teaching and learning of the children. The Academy does not record a financial value for this time within the accounts.

Strategic report

Achievements and performance

BEACON HILL ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

a. Key performance indicators

The Governors have set some specific KPIs which relate to Ofsted performance, fund balances, staffing costs, premises costs and pupil numbers.

These KPIs are regularly monitored and reviewed by the finance and audit committee and have continued to be met.

The Academy implemented a revised personalised curriculum model in Sept 2019 and was subjected to an Ofsted Inspection in November 2019. The curriculum model was highly praised and the inspection resulted in a 4th Outstanding judgement for the school.

Beacon Hill Academy's reputation has continued to grow, and it has maintained its focus on the very specific PMLD/SLD specialism. There are an increasing number of requests for out of borough placements and we expect numbers to be full during the next academic year.

The Academy is leading on the roll out of the Rochford Engagement Areas work, training was undertaken early in the Spring but the delivery was delayed due to Covid closure

There were changes to the predicated fund balances due to the school closure from March – September caused by the Covid pandemic. Significant spending had to take place on the building in order to enable it to re-open, including the provision of hot water to all class areas and an increased cost for PPE. Additional building spend had to take place to make classroom spaces large enough to accommodate individual bubbles of pupils during the return. There was a reduction in lettings income due to the Covid closure and there is no agreed date for lettings to resume.

The building risk assessments related to the Covid closure, further indicated the limitations of the current building in terms of its suitability long term and discussions are urgently taking place regarding this. This will be a priority area of work moving forward.

Staffing has been managed creatively, when posts have become vacant they have been reviewed and not automatically filled on a like for like basis. There continues to be very high numbers of applicants for teaching assistant and admin roles. The staffing structure was left as close to the same as possible when planning for the pupils to return after the Covid closure.

BEACON HILL ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

Key performance indicators	Aug 2018	Aug 2019	Aug 2020
Ofsted rating	Outstanding – inspected May 2016	Outstanding – inspected May 2016	Outstanding – inspected Nov 2019
Total funds carried forward at end of year is positive	Yes	Yes	Yes
Total of unrestricted funds at end of year in surplus	Yes £371,880	Yes £428,334	Yes £457,578
Operating cash flows – Net incoming and outgoing resources for the year to be positive, prior to any depreciation charge and other recognised gains and losses	Yes £77,430	Yes £138,808	Yes £97,577
Net current assets/liabilities to be in a surplus ratio >1	4.60:1 (618,102/134,346)	7.90:1 (679,028/85,979)	4.91:1 (735,486/149,647)
Direct staff costs as a % of all expenditure (excl. depreciation) Min 60%	72% (1,954,115)	73% (1,978,573)	75% (2,087,561)
Total staff costs as a % of income from educational operations Min 75%	87% (2,178,761)	87% (2,194,178)	90% (2,296,750)
Premises costs – maintenance as a % of all expenditure (excl. depreciation)	1.8% (48,829)	1.7% (46,520)	2.8% (78,652)
Pupil number % of roll filled Min 90%	95%	92%	91%

b. Going concern

After making appropriate enquiries, the board of Trustees has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

Financial review

BEACON HILL ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

a. Reserves policy

The Governors review the reserve levels of the Academy annually. This review encompasses the nature of the income and expenditure streams, the needs to match income with commitments 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 – see recent financial and operational risks identified.

The Trustees have determined that the appropriate level of free reserves should be at least equivalent to 4 weeks expenditure, approximately £220,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipts of grants and to provide a cushion to deal with unexpected emergencies particularly urgent maintenance of specialist areas such as the pool. The Academy's current level of unrestricted reserves is £457,578.

The Trust's current level of unrestricted reserves are £237,578 above the appropriate level determined above. The academy anticipates a significant need to spend money on buildings upkeep and PPE/hygiene consumables due to the issues around a safe Covid return. There is also likely to be an increased staff spend due to the disparity between Thurrock support staff pay scales and the National Pay scales for support staff.

In addition the Trust has a restricted fund balance of £3,264,263 which consists predominantly of the leasehold land and buildings and a restricted pension fund reserve which is in deficit to the value of £3,427,000.

b. Principal risks and uncertainties

The Academy Trust has a comprehensive Risk Register, which is reviewed regularly.

Falling pupil numbers would impact on funding streams for the Academy, making a deficit budget a possibility and affecting long term viability. Consequently pupil forecasts are monitored carefully and appropriate action is taken.

Fundraising

Beacon Hill Academy does not have a fund raising group directly attached to the Academy. We may be approached from time to time from outside agencies who wish to make a donation such as the local rotary club. Discussions will then be held between the leadership team to identify suitable areas for organisations to contribute to. Governors are also informed and asked for advice if needed. The gifting and hospitality policy and financial regulations are adhered to in this situation. Donations are also received in memory of pupils who have died at the school.

If the Academy organises any internal fundraising then the relevant permissions and licences are obtained before this takes place.

BEACON HILL ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Future developments

The academy will continue to have discussions with the LA and health colleagues regarding the financial costs of running the school, particularly in relation to the increasingly complex needs of the pupils and the amount of medical and health care needed.

The Academy is in discussion with the LA around the long term future for both sites. A new lease will need to be renewed for the Post 16 site and future re location identified, particularly as the premises is not suitable for the increasingly complex level of need.

Discussion are taking place regarding the unsuitability of the Erriff Drive site long term and the LA will be undertaking a survey to look at options.

The curriculum will be adapted to focus on recovery from the Covid closure and pupils learning adventures adjusted accordingly. The leadership structure will be reviewed.

Funds held as custodian

Although the Academy maintains restricted funds to deal with incoming resources that are earmarked for a particular purpose by donors and other funders, the Academy does not hold, and the Trustees do not anticipate that it will in the future hold, any funds as custodian for any third party.

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 18 November 2020 and signed on its behalf by:

A Fish

A Fish
Chair of Trustees

Sue Hewitt - Accounting Officer

S Hewitt
Accounting Officer

BEACON HILL ACADEMY
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Beacon Hill Academy 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.

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The board of Trustees 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 Beacon Hill Academy and the Secretary of State for Education. They are also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

BEACON HILL ACADEMY
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met 6 times during the year.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
A Fish, Chair of Trustees	5	6
S Hewitt, Principal and Trustee	6	6
V Loganathan, Trustee	3	6
J Paddick, Trustee	6	6
L Bostock, Trustee	6	6
L Podstawka, Staff Trustee	4	6
D Lodge, Trustee	5	6
S Hand, Staff Trustee	1	1
K Soni, Trustee	0	0
S Elliott, Trustee	1	1
E Saunders, Trustee	1	1
G Cope, Trustee	1	1

During the year S Elliott and E Saunders resigned as governor as of September 2019, G Cope resigned as governor as of November 2019. S Hand was appointed as teaching staff governor as of January 2020 and K Soni was appointed as parent governor as of May 2020.

The Finance and Audit Committee is a sub-committee of the main Board of Trustees. Its purpose is to approve the annual budget, monitor the financial affairs of the Academy and report thereon to the Board, arrange the audit of the Academy Accounts, monitor finance reporting to the Education and Skills Funding Agency, review the reports of the Responsible Officer and to provide guidance to the Board on financial matters.

Governors have discussed the frequency of meetings and agreed that in addition to yearly meetings, there will be financial reports sent to all members of Finance and Audit on a monthly basis. The Chair of the finance and audit committee will arrange further discussions with the Principal as necessary following these reports.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
S Hewitt	2	2
V Loganathan	1	2
J Paddick (Chair)	2	2
L Podstawka	1	2
G Cope	1	1

The Learning and Achievement Committee is also a sub-committee of the main Board of Trustees. Its purpose is to deal with all matters concerning the curriculum.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
A Fish	2	2
E Saunders	1	1
S Elliott	1	1
L Bostock	2	2
D Lodge	2	2

The meetings for the Finance and Audit Committee and Learning and Achievement Committee usually take place at the same time and as a result Trustees may switch committee so that the meetings are quorate, which

BEACON HILL ACADEMY
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

has an impact on the attendance figure.

Review of value for money

As accounting officer, the Principal has responsibility for ensuring that the Academy 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's use of its resources has provided good value for money during each academic year, and reports to the board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the Academy has delivered improved value for money during the year by:

Improving Educational results

All of the pupils have Education, Health and Care Plans or are being assessed for these. Reviews of these are held in a person centred way with good support from colleagues from health and social care. The review content forms the starting point for personalised learning adventures for each pupil. Moderation against the learning adventures has been developed internally and cross moderation events with other local mainstream and special schools are hosted at Beacon Hill. The Academy is also a leading partner in the development of a regional moderation programme covering the Eastern Region. The new Adventures curriculum framework has been designed to link directly into this process.

Financial Governance and oversight

The finance and audit committee has continued to scrutinise finance reports on a regular basis. They regularly meet with the finance team and external advisors to streamline the reporting process and make sure that key information is shared and analysed. The governors oversaw and scrutinised several additional building needs which arose as part of the Covid building risk assessment. Governors have identified and reviewed KPIs for future financial scrutiny.

Purchasing

More internal maintenance work continues to being carried out by the site manager and the relief caretaker whose skills have added to this capacity. They have also taken on more of the school grounds work.

The increased use of a purchase card has enabled the Academy to look for better value items particularly when purchasing online.

Contracts have continued to be reviewed each year and new suppliers identified. The Academy moved to online banking and this has made payment easier.

Income generation

The external lettings for the hall, hydro pool and training suite were all suspended when the school shut down due to the Covid pandemic and have not yet been resumed. The current risk assessment is regularly reviewed but does not yet indicate a safe way to do this. Governors are aware of the potential loss of income related to this.

BEACON HILL ACADEMY
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

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 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 Beacon Hill Academy for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

The risk and control framework

The Academy'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 Trustees
- regular reviews by the Finance and Audit 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
- identification and management of risks

The Board of Trustees has decided not to appoint an internal auditor. However, the Trustees have appointed Juniper to carry out Independent Internal Controls Evaluation visits which fulfil this role.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. In particular the checks carried out in the current period included banking, payroll and expenses, income and governance.

On thrice yearly basis, the reviewer reports to the board of Trustees through the finance and audit committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

The ICE reports were shared with the Governing Body during the year, and there were no material control issues arising.

