

**BEECHWOOD PARK SCHOOL LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2016**

**Company registered number: 00820476**

**Charity number: 311068**

**RAYNER ESSEX LLP**

**FAULKNER HOUSE  
VICTORIA STREET  
ST ALBANS  
HERTS  
AL1 3SE**

**BEECHWOOD PARK SCHOOL LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2016**

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**The following pages do not form part of the statutory accounts**

Company detailed income and expenditure account

## BEECHWOOD PARK SCHOOL LIMITED

## COMPANY INFORMATION

FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2016

Limited by Guarantee

Incorporated in England and Wales

Company Registered Number 00820476

Charity Number 311068

CHAIRMAN G J Freer

OTHER GOVERNORS	Mrs C E Cutler	(appointed 25/09/2015)
	Mrs C S Garthwaite	(resigned 31/07/2016)
	J W J Gillespie	
	M W Hammond	(appointed 13/11/2015)
	R K Hardy	
	R S Harman	(resigned 31/07/2016)
	J S Hodgson	
	S J Knight	(appointed 01/02/2016)
	C T Mack	(resigned 31/07/2016)
	G E Mairs	
	Dr A L Punter	(resigned 31/08/2015)
	D M Quigley	
	Mrs L C Roberts	
	M W Spinney	(appointed 01/08/2016)
	Dr R M Viner	
	W R Warren	(resigned 31/08/2016)
	Mrs R Nazir	(appointed 22/02/2017)
	Mrs K E Swaine	(appointed 03/03/2017)
	Dr R J Maloney	(appointed 03/03/2017)

HEADMASTER E W Balfour

DIRECTOR OF OPERATIONS	Mrs A C Curran	(resigned 31/08/2016)
BURSAR	T J Blad	(appointed 01/09/2016)

REGISTERED OFFICE Beechwood Park School  
Markyate  
St Albans  
Herts  
AL3 8AW

AUDITORS Rayner Essex LLP  
Faulkner House  
Victoria Street  
St Albans  
Herts  
AL1 3SE

LEGAL ADVISORS Farrer & Co LLP  
66 Lincoln's Inn Fields  
London  
WC2A 3LH

# BEECHWOOD PARK SCHOOL LIMITED

## GOVERNORS' REPORT

### FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2016

The Governors present their report and the audited financial statements for the year ended 31st August 2016. This report represents a Directors' report under the Companies Act 2006 and the Trustees' report under the Charities Act 2011.

These financial statements comply with current law and regulatory requirements including the Charities SORP 2005.

#### **Structure, governance & management**

The Charity is constituted as a company limited by guarantee and as such the governing document is the Articles of Association. The Articles were last updated on 27 June 2011.

The Governing Body, in carrying out its duties, draws on a wide range of different skills and expertise. The recruitment and appointment process for Governors draws governors from appropriate backgrounds and disciplines. The primary focus is on the provision of educational and academic expertise, with some of the Governors being Heads at local independent schools. This serves to strengthen the relationship between schools and enables Beechwood Park to benefit from the expertise of those Heads. The School also recruits Governors to provide commercial legal, estate management, health and safety, marketing or financial skills. Many Governors have, or have had, children at the School.

The recruitment process starts when the School identifies a gap in the skills base, or when a resignation takes place. Governors propose suitable candidates. The Chairman of Governors and the Headmaster invite the candidate to attend a selection process with the Chairman of Governors. The Chairman of Governors considers the candidate's suitability against the standard Job Description for all governors, as well as the description specific to the role that is being recruited. The Chairman circulates the candidate's qualifications to the other Governors for their approval. If successful, the Chairman asks the candidate to attend the next meeting of Governors, and the Governors are then asked formally to confirm the appointment.

Most new Governors are already familiar with the School, but will be briefed by the Chair of Governors and the Headmaster about the workings of the Governing Body, its role and its responsibilities. Some Governors already hold Governorships with other schools. Training for new Governors is also available through the *Association of Governing Bodies of Independent Schools* (AGBIS), or through the *Independent Schools' Bursars' Association*. Governors undertake Child Protection and Safer Recruitment training, as well as receiving regular updates from AGBIS.

On a daily basis, the School is managed by the Headmaster with financial and administrative decisions taken in conjunction with the Bursar. The *Finance and General Purposes Committee* of the Governing Body meets at least termly to consider requests from the Headmaster and Bursar. The *Full Board of Governors* meets termly to consider School policies and long-term strategy. Various other committees (Education, Development, Marketing, Pastoral and Welfare, Estates, Health and Safety, ICT) have been formed to consider particular aspects of the School's provision.

The most significant risk facing the School is a decrease in its pupil roll. The Governors regularly review the School's funding approach by its strategic and financing policies and aim to maintain reserves of between 15% and 25% of income.



# BEECHWOOD PARK SCHOOL LIMITED

## GOVERNORS' REPORT

### FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2016

#### Aims and Objectives

The School's aim is to educate children and to promote other charitable purposes connected with the School.

The School's mission is to be the first-choice preparatory school for parents considering an independent school, recognised for its outstanding quality of educational experience and care.

To fulfil this ambition, with the support of parents, the School aims to:

Nurture and promote the happiness, health, safety and emotional well-being of every child, developing in them confidence and independence

Engage the intellectual, physical and spiritual potential of every child across a broad range of academic, extra-curricular and pastoral activities and experiences

Inspire children, inculcating transferable, lifelong skills and values by which to achieve personally and contribute influentially to society

Enable inspirational and reflective teachers to provide every pupil with outstanding teaching, delivering the highest levels of educational pace, variety and challenge

#### Review of activities

Edward Balfour, Headmaster began his role as the fifth Headmaster of *Beechwood Park School* and took on the role of Designated Safeguarding Lead. The *Woodlands Nursery* and the new covered swimming pool opened on time and under budget. The pupil roll grew from 493 to 502.

The Senior Management Team developed NQT training for two staff, new Safer Recruitment and pupil attendance procedures and streamlined its preparation of pupils for 11+ and 13+ examinations.

The School's Senior Production was Disney's *Mulan Jr.* and the pupils enjoyed street dance and LAMDA teaching.

Mr Hammond was appointed as finance governor and Mrs Knight as EYFS governor. Mr Spinney, previous Headmaster of *The Beacon School* and former Chairman of the IAPS, was appointed as governor and *Chairman of the Education Committee*.

The School invested in stoneworks on the School's façade, redecoration of classrooms and corridor spaces, development of the Headmaster's house, extensive new car parking facilities and development of new Music facilities.

Education – The continued high standard of teaching is shown by the 13 scholarships awarded to Beechwood Park pupils in 2016. 100% of our 11+ and 13+ plus pupils gained places at their first-choice schools. The boys and girls achieved extremely high grades with a predominance of A\*s, As and Bs. There are more than double the number of As compared to Bs and together they account for 80% of the grades given.

Sport – Continued success with pupils representing the School at national, county and inter-school level, with the continuation of a hugely successful *Sport For All* programme and some festivals of sport. The School celebrated the Rugby World Cup at its anniversary day and enjoyed national, regional, county and district sporting successes, including being U11 Hertfordshire Cricket champions and Girls Kwik Cricket District Champions.

Music – The Music Department provides 300 individual and 47 group lessons each week. 67 musical instruments are on hire. 166 pupils took exams with 65 gaining distinction. 15 of the exams were at Grade 5 or above and 4 achieved distinction. Nearly all of the pupils in Year 3 and above performed in a concert to pupils and/or parents during the year. In addition, pupils have featured in weekly concerts with their



## BEECHWOOD PARK SCHOOL LIMITED

## GOVERNORS' REPORT

FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2016

Individual instruments, along with music festivals, and professional workshops have been held at School. The annual music competition continues to be a highlight, along with the Christmas and Summer concerts.

Cultural – Pupils have continued to make visits to the Globe Theatre, The Henry Moore Museum, The Saatchi Gallery, The Royal Festival Hall, and various museums. The School continues to offer the children a wide range of opportunities to experience performing through weekly lunch-time concerts, the Verse Speaking Competition, the Shakespeare competition, Latin Plays and the Soirée Amicale (an evening of sketches in French).

Technology – The information technology system continues to be updated according to educational requirements particularly in the area of Music Technology.

**Performance measurement**

The School manages its performance through a series of key performance indicators that are both financial and non-financial in nature. The financial measures exist to ensure that the School continues to be able to meet its commitments and to be able to fund the facilities and resources required to run the School. The non-financial measures exist to monitor the educational outcomes of the School and to ensure that the School meets its educational objectives.

<b>Financial Measures</b>	<b>2016</b>	<b>2015</b>	<b>Narrative</b>
Pupil numbers (excluding Nursery)	469	465	The overall numbers of pupils are monitored to ensure that fee income levels cover the expense base. The boy/girl ratio, Nursery pupil numbers and Year 6 leavers are also closely monitored.
Nursery numbers	33	28	Nursery numbers are monitored
Ratio of income to expense	95.6%	95.0%	The numbers of pupils and the level of fees are closely managed to ensure that the cost base is covered. The target range is to be between 90% and 100%.
Cash reserves as a % of income	21.7%	16.5%	The Governing Body requires cash reserves to be between 15% and 25% of income. This is derived from our Investment Policy. Cash reserves over and above this limit are available for re-investment.
<b>Non-financial measures</b>			
Key stage 1 results	Achieved	Achieved	The target is to achieve well above the national average for Prep Schools.
Key stage 2 results	Achieved	Achieved	The target is to achieve well above the national average for Prep Schools.
Scholarship results	13	18	The number of pupils achieving scholarship at either 11+ or 13+.
Common entrance	100%	100%	The percentage of pupils passing common entrance getting into their first choice of school.

The Senior Management Team launched a newly structured biennial *BPS Staff Professional Development Review* in September and aim to complete a full cycle by September 2017.

**BEECHWOOD PARK SCHOOL LIMITED****GOVERNORS' REPORT****FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2016****Public Benefit**

The Governors have given due consideration to the Charity Commission guidance on public benefit. During the year, bursaries totaling £107,159 (2015: £100,573) were provided to support 16 pupils covering between 20% and 100% of their fees.

The School raised over £10,000 for local charities, offered governance services to local maintained schools and provided access to its facilities to a number of local sports and arts groups.

As a charity, the School continues to demonstrate the public benefit that the School provides. The SMT monitors current public benefit and assesses how this may be best provided in future.

The School has a bursary programme to assist those children in Years 7 and 8 in making their transition from primary to secondary school. This is a means tested bursary provided by the School with an objective being to be able to secure a continuation bursary with the secondary school. This has been advertised locally, and brought to the attention of local Primary school Heads.

In addition, where parents find that they are no longer able to afford the school fees through financial hardship, the School encourages parents to apply for a full or a partial remission of the fees, based on their current financial position. Any remission is reviewed on an annual basis.

The SMT is actively looking to ensure that its provision of public benefit is appropriate and enjoys the full support of the staff and parents.

**Financial Review**

The group and company's balance sheets as detailed on pages 11 and 12 show a satisfactory position at the year end.

The results for the year are shown in the statement of financial activities on page 10.

*Beechwood Park School Limited* had a wholly owned subsidiary company, *Beechwood Park Services Limited*. *Beechwood Park Services Limited* operated the trading activities associated with the School including a Uniform Shop and the School Bus Service as the main operations. Following the outsourcing of the Uniform Shop in 2014, *Beechwood Park Services* ceased trading in 2015-2016.

The Governors do not foresee any major changes in the School's activities or overall management structure in the near future other than those already identified.

Free reserves, that is those funds not tied up in fixed assets, designated and restricted funds, are positive and correspondingly the group balance sheet shows net current assets at the year-end.

Total unrestricted reserves at the year-end amounted to £3,019,067. These have been generated over the years by the School, in order to maintain buildings and standards of education. This surplus could only be realised by disposing of fixed assets used in the running of the School.



**BEECHWOOD PARK SCHOOL LIMITED****GOVERNORS' REPORT****FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2016**

Where fixed assets are donated to the School they are allocated to a restricted reserve at their value at the time of the gift. The reserve is then released to general funds over the asset's useful economic life.

Designated funds are created by the Headmaster by setting aside or "earmarking" funds out of the unrestricted funds for the specific purposes.

None of the various funds were in deficit at the year-end or at any time during the year.

**Plans for Future Periods**

*Beechwood Park School* maintains a rolling five year development plan which covers the facilities available for teaching as well as the teaching and support staff. This plan was presented to the Governors by the Headmaster and the Senior Management Team in September 2016. This plan has the objective of continuing improvement in the education of children at the School. There is an ongoing prioritisation process which allows the School continually to invest when the cash reserves/budgets allow for it.

**Governors**

None of the Governors has any beneficial interest in the company. All of the Governors are members of the company and guarantee to contribute £1 in the event of a winding up.

Each Governor has to stand for re-election every five years, and other than the Chair or Vice Chair may only stand for 2 consecutive terms. The Chair and Vice Chair may stand for a third consecutive term.

The School has taken out indemnity insurance for the Governors.

**Statement of Governors' Responsibilities**

The Governors are also the directors under company law.

The Governors are required under company law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements the Governors are required to:

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



**BEECHWOOD PARK SCHOOL LIMITED**  
**GOVERNORS' REPORT**  
**FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2016**

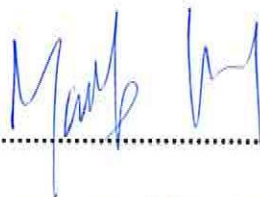
The Governors are also responsible for:

- keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable the Governors to ensure that the financial statements comply with the Companies Act 2006 and Charities Act 2011;
- safeguarding the company's assets; and
- taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Statement of disclosure to the auditor**

So far as the Governors are aware, there is no relevant audit information of which the Company's auditors are unaware. Additionally, the Governors have taken all the steps that they ought to have taken as governors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

On behalf of the Board of Governors



MARK W HAMMON'S

8<sup>TH</sup> MAY 2017

**BEECHWOOD PARK SCHOOL LIMITED****INDEPENDENT AUDITORS REPORT****TO THE MEMBERS OF BEECHWOOD PARK SCHOOL LIMITED**

We have audited the financial statements of Beechwood Park School Limited for the year ended 31 August 2016 set out on pages 10 to 26. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice), including Financial Reporting Standard 102.

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

**Respective responsibilities of Governors and auditors**

As explained more fully in the Statement of Governors' Responsibilities on page 6, the Governors (who are also the directors of Beechwood Park School Limited for the purpose of company law) are responsible for the preparation of financial statements and for being satisfied that the financial statements give a true and fair view.

We have been appointed auditors under the Companies Act 2006 and section 43 of the Charities Act 2011 and report to you in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

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

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the charitable company and the group's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006 and the Charities Act 2011.

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

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



**BEECHWOOD PARK SCHOOL LIMITED**

**INDEPENDENT AUDITORS REPORT**

**TO THE MEMBERS OF BEECHWOOD PARK SCHOOL LIMITED**

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

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements 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.



**Mr Neil Heyes FCA (Senior Statutory Auditor)**  
**For and on behalf of Rayner Essex LLP**

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

16/05/2017

Faulkner House  
Victoria Street  
St. Albans  
Herts  
AL1 3SE

## BEECHWOOD PARK SCHOOL LIMITED

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
INCLUDING INCOME AND EXPENDITURE ACCOUNT**

**FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2016**

	<b>Note</b>	<b>Unrestricted funds</b>	<b>Designated funds</b>	<b>Total funds 2016</b>	<b>Total funds 2015</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Incoming resources</b>					
Incoming resources from generated funds					
Voluntary income		-	7,584	7,584	3,101
Activities for generating funds		46,116	-	46,116	65,389
Incoming resources from charitable activities		6,537,369	-	6,537,369	6,151,300
Investment Income	8	3,777	-	3,777	4,622
<b>Total incoming resources</b>		<b>6,587,262</b>	<b>7,584</b>	<b>6,594,846</b>	<b>6,224,412</b>
<b>Resources expended</b>					
Cost of generating funds					
Fundraising trading: cost of goods sold and other costs	10	76,179	-	76,179	113,783
Charitable activities	11	6,214,781	5,594	6,220,375	5,804,572
Governance costs	13	9,552	-	9,552	9,913
<b>Total resources expended</b>		<b>6,300,512</b>	<b>5,594</b>	<b>6,306,106</b>	<b>5,928,268</b>
<b>Net income / (expenditure) for the year</b>		<b>286,750</b>	<b>1,990</b>	<b>288,740</b>	<b>296,144</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		2,732,317	6,563	2,738,880	2,522,736
Capital expenditure		-	-	-	(80,000)
Total funds carried forward	23	3,019,067	8,553	3,027,620	2,738,880

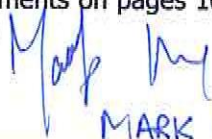
The notes on pages 15 to 26 form part of these accounts



**BEECHWOOD PARK SCHOOL LIMITED**  
**CONSOLIDATED BALANCE SHEET**  
**FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2016**

	Note	Group 2016 £	Group 2015 £
<b>Fixed assets</b>			
Tangible fixed assets	14	8,274,625	8,094,829
		<u>8,274,625</u>	<u>8,094,829</u>
<b>Current assets</b>			
Stocks	17	26,744	26,744
Debtors	18	1,644,317	1,643,386
Cash at bank and in hand		1,425,927	1,022,994
		<u>3,096,988</u>	<u>2,693,124</u>
<b>Creditors:</b> amounts falling due within one year	19	(2,789,995)	(2,475,426)
<b>Net current assets</b>		<u>306,993</u>	<u>217,698</u>
<b>Total assets less current liabilities</b>		<u>8,581,618</u>	<u>8,312,527</u>
<b>Creditors:</b> amounts falling due after more than one year	20	(186,321)	(205,970)
<b>Net assets</b>		<u>8,395,297</u>	<u>8,106,557</u>
<b>Income funds</b>			
Unrestricted funds			
Designated funds	22	8,553	6,563
Revaluation reserve		5,367,677	5,367,677
Other charitable funds	23	3,019,067	2,732,317
<b>Total funds</b>	24	<u>8,395,297</u>	<u>8,106,557</u>

The financial statements on pages 10 to 26 were approved by the Governors on 09/05/2017 and signed on their behalf by:

  
 MARK W HAMMON

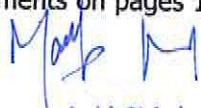
**Company registered number: 00820476**

**Charity number: 311068**

**BEECHWOOD PARK SCHOOL LIMITED**  
**SCHOOL BALANCE SHEET**  
**FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2016**

	Note	School 2016 £	School 2015 £
<b>Fixed assets</b>			
Tangible fixed assets	15	8,274,625	8,090,385
Investments	3	-	30,000
		<u>8,274,625</u>	<u>8,120,385</u>
<b>Current assets</b>			
Stocks	17	26,744	26,744
Debtors	18	1,644,908	1,649,999
Cash at bank and in hand		1,421,959	1,019,413
		<u>3,093,611</u>	<u>2,696,156</u>
<b>Creditors:</b> amounts falling due within one year	19	(2,789,995)	(2,448,883)
<b>Net current assets</b>		<u>303,616</u>	<u>247,273</u>
<b>Total assets less current liabilities</b>		<u>8,578,241</u>	<u>8,367,658</u>
<b>Creditors:</b> amounts falling due after more than one year	20	(186,321)	(205,970)
<b>Net assets</b>		<u>8,391,920</u>	<u>8,161,688</u>
<b>Income funds</b>			
Unrestricted funds			
Designated funds	22	8,553	6,563
Revaluation reserve		5,367,677	5,367,677
Other charitable funds		3,015,690	2,787,448
<b>Total funds</b>		<u>8,391,920</u>	<u>8,161,688</u>

The financial statements on pages 10 to 26 were approved by the Governors on 03/05/2017 and signed on their behalf by:

  
 MARK W HAMMOND

**Company registered number: 00820476**

**Charity number: 311068**

**BEECHWOOD PARK SCHOOL LIMITED**  
**CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2016**

	<b>Note</b>	<b>2016</b>	<b>2015</b>
		<b>£</b>	<b>£</b>
<b>Cash used in operating activities</b>	<b>1</b>	<b>807,471</b>	<b>619,767</b>
 <b>Cash flows from investing activities</b>			
Interest received		3,777	4,622
Interest paid		-	-
Purchased fixed assets		(410,699)	(1,214,841)
Proceeds on disposal of fixed assets		2,384	-
		<hr/>	<hr/>
<b>Cash provided by / (used in) investing activities</b>		<b>(404,538)</b>	<b>(1,210,219)</b>
		<hr/>	<hr/>
Increase in cash and cash equivalents in the year		402,933	(590,452)
Cash and cash equivalents at the beginning of the year		1,022,994	1,613,446
		<hr/>	<hr/>
<b>Total cash and cash equivalents at the end of the year</b>		<b>1,425,927</b>	<b>1,022,994</b>
		<hr/>	<hr/>

## BEECHWOOD PARK SCHOOL LIMITED

## NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2016

<b>1 Reconciliation of operating surplus to net cash inflow from operating activities</b>	<b>2016 £</b>	<b>2015 £</b>
Net movement in funds	288,740	291,522
Depreciation of tangible fixed assets	230,903	252,236
(Gain) / loss on disposal of fixed assets	(2,384)	-
Interest income shown in investing activities	(3,777)	-
(Increase) / decrease in stock	-	8,504
(Increase) / decrease in debtors	(931)	(14,110)
Increase / (decrease) in creditors	294,920	187,151
Reserves movement	-	(105,536)
Net cash used in operating activities	<u>807,471</u>	<u>619,767</u>



**BEECHWOOD PARK SCHOOL LIMITED**  
**NOTES ON THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2016**

**1 Accounting policies**

**Company information**

Beechwood Park School Limited is a charitable company limited by guarantee incorporated in England and Wales. The registered office is Beechwood Park School, Markyate, St Albans, Herts, AL3 8AW.

**Basis of accounting**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

Beechwood Park School Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historic cost or transaction value unless otherwise stated.

These financial statements for the year ended 31 August 2016 are the first financial statements of Beechwood Park School Limited to be prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 September 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

**Basis of consolidation**

These financial statements consolidate the results of the Charity and of its subsidiary undertaking, Beechwood Park Services Limited, on a line by line basis. A separate statement of financial activities for the Charity itself is not presented because the Charity has taken advantage of the exemptions afforded by paragraph 397 of the SORP.

**Going concern**

At the time of approving the financial statements, the trustees have a reasonable expectation that the School has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

**Income**

**Fee income**

Fees receivable are accounted for in the period in which the service is provided. Fees are stated before deducting bursaries, grants and remissions granted by the School.

**Deferred income – advance fees**

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



**BEECHWOOD PARK SCHOOL LIMITED****NOTES ON THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2016****Resources expended**

All expenditure is accounted for on an accruals basis, including irrecoverable VAT, and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of resources.

Governance costs include those incurred in the governance of its assets and are associated with constitutional and statutory requirements.

**Tangible assets**

Tangible assets are stated at historical cost less provision for depreciation. Additions below £500 are not capitalised. Freehold land and buildings were revalued during the previous year.

**Depreciation and Amortisation**

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Freehold property	4% straight line (excessive wear and tear) 2% straight line (normal wear and tear) 10% straight line (temporary buildings)
Freehold land and buildings	Depreciation is only charged on new buildings when they have been completed
Motor vehicles	20% straight line
Fixtures and equipment	Expenditure relating to major projects written off over 3-10 years straight line, all other expenditure is charged against revenue as incurred
Intangible assets	Amortisation is charged over the expected life of the intangible asset

**Impairment of fixed assets**

At each reporting period end date, the School reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the School estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

**Investments**

Investments in subsidiary undertakings are stated at cost less any provision for impairment. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

**BEECHWOOD PARK SCHOOL LIMITED**  
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**Stocks**

Stocks are valued at the lower of cost and net realisable value.

**Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**Pension****Defined benefit scheme**

The School contributes to the Teachers' Pensions Scheme for teaching staff.

The School contributes to the Independent Schools' Pension Scheme for certain non-teaching staff. The School makes deficit contributions to the Scheme. The Scheme is no longer open to new employees.

The School is also currently paying deficit contributions with respect to the Federated Flexiplan No 1 Pension Scheme.

Although these schemes are defined benefit schemes, exemption has been taken from FRS 102 benefit treatment as both schemes are multi-employer schemes where the employer is unable to identify its share of the underlying assets and liabilities in the scheme on a consistent and reasonable basis.

**Defined contribution scheme**

The School contributes to the defined contribution structure of the Independent Schools' Pension Scheme for non-teaching staff under auto-enrollment legislation.

The School contributes to a stakeholder pension scheme for 2 non-teaching staff.

The assets of these schemes are held separately from those of the School in independently administered funds.

**Operating leases**

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

**Fund structure**

Restricted funds may only be applied for a particular purpose, as specified by the donor.

Unrestricted funds are those which are available to be applied for the general purposes of the School.

Designated funds are unrestricted funds that have been set aside by the Governors for a particular purpose.

**Trustees**

Trustees receive no remuneration or expenses.



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**2 Judgements and key sources of estimation uncertainty**

In the application of the School's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

<b>3 Investments</b>	<b>Group 2016 £</b>	<b>Group 2015 £</b>	<b>School 2016 £</b>	<b>School 2015 £</b>
Investment in subsidiary undertakings at cost:-				
Beechwood Park Services Limited	-	-	-	30,000

**Net income from trading activities of subsidiaries**

The charity holds 100% of the issued share capital of Beechwood Park Services Limited, a company incorporated in England and Wales. This company operated the trading activities of the School until it ceased to trade on 31 March 2016.

Relevant financial information as follows:

<b>Profit and loss account</b>	<b>2016 £</b>	<b>2015 £</b>
Turnover	50,016	75,864
Cost of sales	(18,950)	(38,858)
Gross profit	31,066	37,006
Administration expenses	(2,558)	(72,166)
Gift aid donation to School	-	-
Tax repayable	-	-
Retained in subsidiary	28,508	(35,160)
Capital and reserves	5,377	(23,131)



**BEECHWOOD PARK SCHOOL LIMITED**  
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**4 Income**

Income represents the net fees and other items invoiced by the School. The average number of pupils at the School during the year, including boarders, was as follows:

	<b>2016</b>	<b>2015</b>
Nursery	31	21
Reception	57	47
Junior	229	230
Senior	185	190
	<u>502</u>	<u>488</u>

**5 Operating surplus**

Other operating charges include:

	<b>2016</b> <b>£</b>	<b>2015</b> <b>£</b>
Auditors remuneration	8,000	9,600
Operating leases:		
Land and buildings	-	17,104
Plant and equipment	21,647	13,348

**6 Employees**

Staff costs:

	<b>2016</b> <b>£</b>	<b>2015</b> <b>£</b>
Wages and salaries	3,856,518	3,502,601
Social security costs	310,496	261,013
Other pension costs	463,510	408,411
	<u>4,630,524</u>	<u>4,172,025</u>

	<b>2016</b> <b>number</b>	<b>2015</b> <b>number</b>
Average monthly number employed:		
Tuition	109	99
Administration	18	15
Housekeeping	21	21
Maintenance	10	9
	<u>158</u>	<u>144</u>

	<b>2016</b> <b>number</b>	<b>2015</b> <b>number</b>
Employees earning £60,000 or more		
£60,000 - £90,000	2	-
£90,000 - £100,000	-	-
Over £100,000	<u>1</u>	<u>1</u>

The number of employees earning £60,000 or more for whom retirement benefits are accruing under defined benefit pension schemes is 3 (2015: 1).

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<b>7 Interest payable</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Bank interest	-	32
	<u>-</u>	<u>32</u>

<b>8 Interest receivable</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Bank interest	3,777	4,622
	<u>3,777</u>	<u>4,622</u>

**9 Taxation**

The School is a registered charity and has no liability for taxation on its income.

<b>10 Fundraising trading: Cost of goods sold and other costs</b>	<b>Unrestricted funds</b>	<b>Unrestricted funds</b>
	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Cost of goods sold	18,950	38,858
Wages and salaries	25,856	36,059
Motor expenses	19,427	22,288
Depreciation	4,444	4,444
General administration costs	7,502	9,375
	<u>76,179</u>	<u>111,024</u>

<b>11 Charitable activities</b>	<b>Unrestricted funds</b>	<b>Unrestricted funds</b>
	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Staff and maintenance salaries	4,162,792	3,796,019
Establishment expenditure	483,224	658,352
General education expenses	746,480	605,798
Motor expenses	26,008	2,400
Depreciation and amortization	226,459	247,792
Advertising	28,644	13,165
Support costs – see note 12	541,174	481,046
	<u>6,214,781</u>	<u>5,804,572</u>

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<b>12 Support costs</b>	<b>Unrestricted funds 2016 £</b>	<b>Unrestricted funds 2015 £</b>
Administration expenses	82,543	105,478
Administration salaries	437,897	376,006
Legal and professional fees	11,028	7,787
Financial expenses	9,706	(8,225)
	<u>541,174</u>	<u>481,046</u>

<b>13 Governance costs</b>	<b>Unrestricted funds 2016 £</b>	<b>Unrestricted funds 2015 £</b>
Audit fees (School: £8,000 (2015: £8,000))	8,000	8,000
Accountancy fees	1,552	1,613
Governance expenses	-	300
	<u>9,552</u>	<u>9,913</u>

<b>14 Tangible fixed assets - Group</b>	<b>Land and buildings £</b>	<b>Fixtures and fittings £</b>	<b>Motor vehicles £</b>	<b>Total £</b>
<b>Cost</b>				
1 September 2015	10,014,638	679,147	48,458	10,742,243
Additions	355,349	55,350	-	410,699
Disposals	-	-	(21,938)	(21,938)
Revaluation	-	-	-	-
31 August 2016	<u>10,369,987</u>	<u>734,497</u>	<u>26,520</u>	<u>11,131,004</u>
<b>Depreciation</b>				
1 September 2015	2,114,638	488,762	44,014	2,647,414
On disposals	-	-	(21,938)	(21,938)
Charge for year	159,247	67,212	4,444	230,903
31 August 2016	<u>2,273,885</u>	<u>555,974</u>	<u>26,520</u>	<u>2,856,379</u>
<b>Net book value</b>				
31 August 2016	<u>8,096,102</u>	<u>178,523</u>	<u>-</u>	<u>8,274,625</u>
1 September 2015	<u>7,900,000</u>	<u>190,385</u>	<u>4,444</u>	<u>8,094,829</u>

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<b>15 Tangible fixed assets - School</b>	<b>Land and buildings</b>	<b>Fixtures and fittings</b>	<b>Motor vehicles</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>				
1 September 2015	10,014,638	679,147	4,300	10,698,085
Additions	355,349	55,350	-	410,699
Disposals	-	-	-	-
Revaluation	-	-	-	-
31 August 2016	10,369,987	734,497	4,300	11,108,784
<b>Depreciation</b>				
1 September 2015	2,114,638	488,762	4,300	2,607,700
On disposals	-	-	-	-
Charge for year	159,247	67,212	-	226,459
31 August 2016	2,273,885	555,974	4,300	2,834,159
<b>Net book value</b>				
31 August 2016	8,096,102	178,523	-	8,274,625
1 September 2015	7,900,000	190,385	-	8,090,385
<b>16 Land and buildings – Group and School</b>	<b>Group 2016</b>	<b>Group 2015</b>	<b>School 2016</b>	<b>School 2015</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Freehold	7,900,000	7,900,000	7,900,000	7,900,000
Leasehold improvements	-	-	-	-

During the prior year the Governors instructed a suitable qualified third party chartered surveyor to provide a detailed valuation of the School freehold buildings in accordance with the RICS Appraisal and Valuation Standards Manual, 7th Edition. The valuation was based on an open market valuation for the site of £7,900,000.

<b>17 Stocks</b>	<b>Group 2016</b>	<b>Group 2015</b>	<b>School 2016</b>	<b>School 2015</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Consumable stock	26,744	26,744	26,744	26,744
	26,744	26,744	26,744	26,744



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<b>18 Debtors</b>	<b>Group 2016 £</b>	<b>Group 2015 £</b>	<b>School 2016 £</b>	<b>School 2015 £</b>
Fees and disbursements due	1,628,418	1,604,432	1,629,009	1,583,548
Prepayments and accrued income	15,899	35,733	15,899	35,733
Other debtors	-	3,221	-	-
Amounts owed by subsidiary	-	-	-	30,718
	<u>1,644,317</u>	<u>1,643,386</u>	<u>1,644,908</u>	<u>1,649,999</u>

<b>19 Creditors: amounts falling due within one year</b>	<b>Group 2016 £</b>	<b>Group 2015 £</b>	<b>School 2016 £</b>	<b>School 2015 £</b>
Fees in advance	2,258,077	2,038,739	2,258,077	2,016,210
Trade creditors	173,449	167,691	173,449	167,677
Other creditor	194,239	158,657	194,239	154,658
Fee deposits	61,499	30,950	61,499	30,950
Taxes and social security	102,731	79,389	102,731	79,388
Amounts owed to subsidiary	-	-	-	-
	<u>2,789,995</u>	<u>2,475,426</u>	<u>2,789,995</u>	<u>2,448,883</u>

HSBC Bank Plc held an unlimited guarantee between the School and Beechwood Park Services Limited. Charges existing over all property, book and other debts, chattels, goodwill and all assets and undertakings of the companies were released on 23<sup>rd</sup> February 2017.

<b>20 Creditors: amounts falling due after more than one year – Group and School</b>	<b>2016 £</b>	<b>2015 £</b>
Fee deposits	<u>186,321</u>	<u>205,970</u>
	<u>186,321</u>	<u>205,970</u>

**Maturity of debt**

In one year or less, or on demand – see note 19

After one year

61,499	30,950
<u>186,321</u>	<u>205,970</u>
<u>247,820</u>	<u>236,920</u>

**21 Contingent liabilities**

Beechwood Park School has been notified by The Pensions Trust that the estimated employer debt in the event that the School withdrew from The Independent Schools' Pension Scheme would be £988,149.

**BEECHWOOD PARK SCHOOL LIMITED**  
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**22 Designated funds**

The income funds of the charity include the following designated funds, which have been set aside out of unrestricted funds by the Governors for specific purposes:

	<b>1 September 2015</b>	<b>Donations</b>	<b>Expenditure</b>	<b>31 August 2016</b>
Music fund	3,529	-	-	3,529
Learning support	-	-	-	-
BPSPA – donations	-	-	-	-
A.L. Ingram prize	126	-	-	126
Junior Department charity fund	904	-	-	904
Deposit donation fund	-	2,600	-	2,600
Charity donation fund	59	3,884	(3,799)	144
Chapel funds	1,945	1,100	(1,795)	1,250
	<u>6,563</u>	<u>7,584</u>	<u>(5,594)</u>	<u>8,553</u>

**23 Other charitable funds**

	<b>£</b>
1 September 2015	2,732,317
Retained surplus for the year	<u>286,750</u>
31 August 2016	<u>3,019,067</u>

**24 Total funds - Group**

	<b>1 September 2015</b>	<b>Incoming</b>	<b>Outgoing</b>	<b>31 August 2016</b>
Designated funds	6,563	7,584	(5,594)	8,553
Other charitable funds	2,785,448	6,537,246	(6,224,333)	3,098,361
Subsidiary – Services	(53,131)	50,016	(76,179)	(79,294)
Revaluation reserve	5,367,677	-	-	5,367,677
	<u>8,106,557</u>	<u>6,594,846</u>	<u>(6,306,106)</u>	<u>8,395,297</u>

**25 Company status**

The company is limited by guarantee to the extent of £1 per member and has no share capital.

**BEECHWOOD PARK SCHOOL LIMITED**  
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**26 Operating lease commitments**

Financial commitments under operating leases will result in the following payments falling due in the year to 31st August 2016.

	<b>2016</b> <b>Land and</b> <b>buildings</b> <b>£</b>	<b>2015</b> <b>Land and</b> <b>buildings</b> <b>£</b>	<b>2016</b> <b>Plant and</b> <b>equipment</b> <b>£</b>	<b>2015</b> <b>Plant and</b> <b>equipment</b> <b>£</b>
Expiring:				
Within one year	-	-	-	-
In two to five years	-	-	128,612	112,917
Over five years	-	-	-	2,822
	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	128,612	115,739

**27 Company status**

The School made sales to Beechwood Park Services Limited of £Nil (2015: £Nil) and purchases of £10,475 (2015: £10,475) during the year. At the year-end Beechwood Park Services Limited owed £Nil to the School (2015: £30,718).

**28 Ultimate controlling party**

The ultimate controlling party is the Board of Governors.

**29 Capital commitments**

There is a capital commitment at the year-end of £38,100 for the remaining amount due in relation to the development of the car park.



**BEECHWOOD PARK SCHOOL LIMITED**  
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**30 Pension commitments**

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £310,496 (2015: £261,013) and at the year-end £32,268 (2015 - £24,512) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by the Teachers' Pension Scheme Regulations 2014. Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set following scheme valuations undertaken by the Government Actuary's Department. The latest actuarial valuation of the TPS was prepared as at 31 March 2012 and the valuation report, which was published in June 2014, confirmed an employer contribution rate for the TPS of 16.4% from 1 September 2015. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 16.48%.

This employer rate will be payable until the outcome of the next actuarial valuation, which is due to be prepared as at 31 March 2016, with any resulting changes to the employer rate expected to take effect from 1 April 2019. This valuation will also determine the opening balance of the cost cap fund and provide an analysis of the cost cap as required by the Public Service Pensions Act 2013.

The School also participates in the Independent Schools' Pension Scheme ("the ISPEN Scheme") for some non-teaching staff. This is a multi-employer defined benefit pension scheme and it is not possible or appropriate to identify the assets and liabilities of the ISPEN Scheme that are attributable to the School. The liabilities of the Scheme exceed the value of the assets and the School is required to make deficit contributions of £19,260 per year. The Scheme is no longer open to new employees.

Under Auto-Enrollment legislation eligible new non-teaching employees participate in the Defined Contribution Structure of the Independent Schools' Pension Scheme. Currently both employer and employee contribute 3% of gross salary to the Scheme. This is a multi-employer defined benefit pension scheme and it is not possible or appropriate to identify the assets and liabilities of the Plan that are attributable to the School.

The School contributes 9% of gross salary to a stakeholder pension scheme for 2 employees.

The School previously participated in the Federated Flexiplan No 1 Pension Scheme ("the Plan") for its administration and establishment staff. This is a multi-employer defined benefit pension scheme and it is not possible or appropriate to identify the assets and liabilities of the Plan that are attributable to the School. The liabilities of the Scheme exceed the value of the assets and the School is required to make deficit contributions of £10,002 per year.