

Registered number: 8160195

SACRED HEART CATHOLIC SCHOOL
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

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SACRED HEART CATHOLIC SCHOOL
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS, TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2017

Members

Rev P Smith
Rev M Dickens
P McCallum

Trustees

C Donovan, Chair *
J Siraut, Vice-Chair *
V Darlington, Parish Priest
H Agbukor
M Barton
H Burke, Staff Governor (deceased 17 May 2017)
S Cefai, Head Teacher & Accounting Officer
R Cofie *
A D'Oliveira (resigned 18 October 2016)
S Eddings (resigned 16 October 2017)
J Green, Parent Governor
G Lydon *
C McCallum
W Pepple
W Samengo-Turner, LEA Governor

* members of the Finance & Audit Committee

Company registered number
8160195

Company name
Sacred Heart Catholic School

Principal and Registered office
Camberwell New Road, London, SE5 ORP

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

Advisers (continued)

Company secretary
A O'Sullivan

Executive Business Manager
S Pindoria

Senior leadership team
S Cefai, Headteacher
G Vincent, Deputy Head
R Lansiquot, Deputy Head
S Thompson, Deputy Head (resigned 31 December 2016)
N Williams, Deputy Head
S Bonar, Assistant Headteacher
V Roszkowski, Assistant Headteacher
A Sparkes, Assistant Headteacher
K Whyte, Assistant Headteacher
J Hetherington, Assistant Headteacher (appointed 1 May 2017)

Independent auditors
haysmacintyre, 26 Red Lion Square, London, WC1R 4AG

Bankers
Lloyds TSB

Solicitors
Winckworth Sherwood, Minerva House, 5 Montague Close, London, SE1 9BB

SACRED HEART CATHOLIC SCHOOL
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017

The Governors present their annual report together with the financial statements and auditors' report of the charitable company from 1 September 2016 to 31 August 2017.

Sacred Heart Catholic School's principle activities are to provide for the public benefit, education in the United Kingdom, in particular by managing and developing a school which provides but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a Catholic school.

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee and an exempt charity, incorporated on 27 July 2012. The School became an academy on 1 November 2012. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The Governors act as the trustees for the charitable activities of Sacred Heart Catholic School and are also the directors of the charitable company for the purposes of company law.

Details of the Governors who served throughout the period except as noted 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

The Governors and employees of the Academy are covered by indemnity insurance should they be subject to a civil claim in respect of the performance of their duties.

Method of Recruitment and Appointment or Election of Governors

The numbers of Governors shall not be less than three. In accordance with the Articles of Association the Academy Trust has 8 Foundation Governors, 2 Staff Governors, 1 Local Community Governor, 2 Parent Governors, Co opted Governors, and the Headteacher. Further Governors may be appointed subject to the conditions laid down in the Articles of Association.

Foundation Governors are recruited on the basis of their eligibility, specialist skills and knowledge. Parent Governors are Parents/Carers of pupils within the School at the time of their election. They are elected by Parents/Carers of pupils by secret ballot and the Staff Governors are elected by staff members, again by secret ballot. Local community Governor is appointed in liaison with the Local Authority or other local groups. The Headteacher is an ex officio Governor.

The Governors are elected to the various committees at a full Governors' Meeting on the basis of their skills, knowledge, areas of interest and preference. The term of office for each Governor is 4 years. Subject to remaining eligible to be a particular type of Governor, any Governor may be re-appointed or re elected for up to three terms in total.

Policies and Procedures Adopted for the Induction and Training of Governors

New Governors are invited to the School prior to their first governing body meeting. They follow an Induction Programme which includes an explanation of their role, in respect of the School, the company and the implications of being an exempt Charity. They are invited to meet staff members in order to familiarise themselves with the running of the School. They also receive copies of policies and procedures and other relevant documentation. All Governors are encouraged to attend professional training courses and to meet and question external advisors.

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

Organisational Structure

The organisational structure of the School has two levels.

The Governing Body including the Headteacher and the Senior Leadership Team as listed on page 1. Sacred Heart Catholic School is governed by a Governing Body composed of the directors of the company constituted under the Articles of the Academy Trust. The Governing Body acts in accordance with the Funding Agreement and Articles and Associations. The School also has written Governance, Committee and Schemes of Delegation Policies. The Governors and their committees act strategically by:

- setting the aims and objectives for the School
- setting policies for achieving those aims and objectives
- setting targets by which progress towards those aims and objectives can be measured
- reviewing and monitoring progress in achieving the aims and objectives
- approving the School budget

The Governors decided to set up the following committees with their own terms of reference who in turn report back to the Governing body. The full Governing Body meets once a term and the Committees also meet once a term and report back to the full Governing Body:

Hearings Committee To make any determination to dismiss any member of staff (unless delegated to the Headteacher); To make any decisions under the Governing Body's personnel procedures e.g. disciplinary, grievance, capability where the Headteacher is the subject of the action; To make any decisions relating to any member of staff other than the Headteacher, under the Governing Body's personnel procedures (unless delegated to the Headteacher); To make any determination or decision under the Governing Body's General Complaints Procedure for Parents and others; To make any determination or decision under the Governing Body's Curriculum Complaints Procedure, in respect of National Curriculum dis applications, and the operation of the Governing Body's charging policy.

Appeals Committee To consider any appeal against a decision to dismiss a member of staff made by the Hearings Committee; to consider any appeal against a decision short of dismissal under the Governing Body's personnel procedures e.g. disciplinary, grievance, capability; to consider any appeal against selection for redundancy.

Admissions Committee To determine within statutory provisions and the Governing Body policy whether any child should be admitted to the school; to review admissions arrangements and to make recommendations for changes to the Governing Body; there is also an independent Admissions Appeal Panel – which are independent of the Governing Body and are appointed to consider appeals against admissions.

Pupil Discipline Committee To consider representations from parents in the case of exclusions of 5 days or less (Committee may not re instate); To consider representations from parents in the case of exclusions totalling more than 5 but not more than 15 school days in one term (meeting to be held no later than the 15th school day after receiving notice of the exclusion); To consider the appropriateness of any permanent exclusion or any exclusion where one or more fixed period exclusions total more than 15 school days in one term or where a pupil is denied the chance to take a public examination (meeting to be held between 6th and 15th school days after receiving notice of the exclusion); To ensure that the guidance contained in the 'Improving Attendance and Behaviour' document is practised in the school, with specific reference to the role assigned to the Governing Body; To review the School Behaviour and Discipline Policy, and make recommendations on changes to the Governing Body or relevant committee.

Finance & Audit Committee In consultation with the Headteacher, to draft the first formal budget plan of the financial year; To establish and maintain an up to date 3 year financial plan; To consider a budget position statement including virement decisions at least termly and to report significant anomalies from the anticipated position to the Governing Body; To ensure that the school operates within the Financial Regulations of the Education and Skills Funding Agency; To monitor expenditure of all voluntary funds kept on behalf of the Governing Body; To annually review charges and remissions policies and expenses policies; To make decisions

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

in respect of service agreements; To make decisions on expenditure following recommendations from other committees; To prepare financial statements for inclusion in the governing body report to parents; To ensure, as far as is practical, that Health and Safety issues are appropriately prioritised; To determine whether sufficient funds are available for pay increments as recommended by the Headteacher; In the light of the Headteacher Performance Management Group's recommendations, to determine whether sufficient funds are available for increments;

Audit To review the body's internal and external financial statements and reports to ensure that they reflect best practice; discuss with the external auditor the nature and scope of each forthcoming audit and to ensure that the external auditor has the fullest co operation of staff; consider all relevant reports by the appointed external auditor, including reports on the body's accounts, achievement of value for money and the response to any management letters; review the effectiveness of the body's internal control system established to ensure that the aims, objectives and key performance targets of the organisation are achieved in the most economic, effective and environmentally preferable manner; ensure that the body's internal audit service meets, or exceeds, the standards specified in the Academies Financial Handbook, complies in all other respects with these guidelines and meets agreed levels of service; consider and advise the board on the body's annual and long term audit programme; consider internal audit reports, including value for money reports and the arrangements for their implementation; review the operation of the body's code of practice for board members and code of conduct for staff; consider any other matters where requested to do so by the board; and report at least once a year to the board on the discharge of the above duties.

Curriculum Committee To consider and advise the governing body on standards and other matters relating to the school's curriculum, including statutory requirements and the School's Curriculum Policy; To consider curricular issues which have implications for Finance and Personnel decisions and to make recommendations to the relevant committees or the Governing Body; To make arrangements for the Governing Body to be represented at School Improvement discussions with the LEA and for reports to be received by the Governing Body; To oversee arrangements for individual governors to take a leading role in specific areas of provision, e.g. SEN, Literacy, Numeracy. To receive regular reports from them and advise the Governing Body; to oversee arrangements for educational visits, including the appointment of a named co ordinator.

Premises Committee To advise the Governing Body on priorities, including Health and Safety, for the maintenance and development of the school's premises; To oversee arrangements for repairs and maintenance; To make recommendations to the Finance and Audit Committee on premises related expenditure; In consultation with the Headteacher and the Finance and Audit Committee, to oversee premises related funding bids; To oversee arrangements, including Health and Safety, for the use of school premises by outside users, subject to governing body policy; To establish and keep under review a Building Development Plan; to establish and keep under review an Accessibility plan.

Personnel Committee To draft and keep under review the staffing structure in consultation with the Headteacher and the Finance and Audit Committee; To establish a Salary Policy for all categories of staff and to be responsible for its administration and review; To oversee the appointment procedure for all staff; To establish and review a Performance Management policy for all staff; To oversee the process leading to staff reductions; To keep under review staff work/life balance, working conditions and well being, including the monitoring of absence; To make recommendations on personnel related expenditure to the Finance and Audit Committee; To consider any appeal against a decision on pay grading or pay awards.

Headteacher's Performance Review Group To arrange to meet with the External Adviser to discuss the Headteacher's performance targets; To decide, with the support of the External Adviser, whether the targets have been met and to set new targets annually; To monitor through the year the performance of the Headteacher against the targets; To make recommendations to the Finance and Audit Committee in respect of awards for the successful meeting of targets set.

There are additional ad hoc committees set up throughout the year as required.

The Senior Leadership Team controls the running of the Academy at an executive level and implements the

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

policies and decisions of the Governors through agreed schemes of delegation. The Senior Leadership Team as listed on Page 1 control and authorise the spending of budgets. Curriculum budgets are devolved to Heads of Departments. The Headteacher and the Executive Business Manager meet regularly to monitor and review the current cash flow and budget requirements.

Key management personnel remuneration

The academy sets pay for the key management in line with the schools pay policy which was adopted from the local authority. The headteacher reviewed all salaries at the time of academy conversion and has since on an annual basis set pay rates which are competitive and in line with those offered at similar sized academies in inner London

Connected Organisations including Related Party Relationships

Sacred Heart Catholic School is in a soft federation with St Thomas the Apostle College ("STAC"). The Headteacher is at present the Executive Headteacher of STAC and we supply them with various forms of academic support. Mr Cefai is Executive Headteacher of St Matthew Academy with effect from September 2015 extended to 31 August 2019. The School has developed a range of partnerships with other institutions. As part of outreach work as a Specialist School in Language, Maths and Computing, Sacred Heart Catholic School works with other schools, including STAC and local primary schools. The School's work with the STAC continues to develop. As part of the newly reintroduced Sixth Form and as a means of improving teaching and learning, leadership and management, the school has very good links with outstanding Catholic schools in the adjacent areas.

We continue to carryout charitable activities in connection with the Fr. Ray Foundation and Orphanage in Pattaya, Thailand.

The School continues to work with Schools Direct and Canterbury, Christchurch University as part of on going development for Newly Qualified Teachers and teachers in their early years.

Objectives and Activities

Objects and Aims

The Academy Trust's object ("the Object") is specifically to provide for the public benefit, education in the United Kingdom, in particular by managing and developing a school which provides but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a Catholic school designated as such ("the Academy") which shall offer a broad and balanced curriculum and shall be conducted in accordance with the principles, practices and tenets of the Catholic Church and all Catholic canon law applying thereto including any trust deed governing the use of land used by the Academy both generally and in particular in relation to arranging for religious education and daily acts of worship and having regard to any advice and following directives issued by the Archbishop.

Objectives, Strategies and Activities

These are taken from the School's Current Development Plan:

1. Challenge (all students – not just the more able)
 - 1.1 Plan for progression exposing all students to high level of challenge – scale up lesson and unit content above that of national average (KS3 contains GCSE content, GCSE contains A Level content).
 - 1.2. Ensure lessons are pitched to the top with differentiation for weaker students. Goal is the same, start points are different.
 - 1.3. Ensure students read long and challenging texts frequently.
 - 1.4. Embed extra and super-curricular offer for all students (blogs, journals, podcasts, reading lists).
 - 1.5. Encourage wide use of academic language.

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

2. Quality of Teaching
The bedrock of our school and the number one priority for us all.
 - 2.1 To keep the Teaching and Learning team up to date with the OFSTED framework and best practices;
 - 2.2 To build on the strengths identified during our last OFSTED (see OFSTED report dated December 2012 available on school website);
 - 2.3 To continue to focus on "pace, stretch and challenge" and assessment for all pupils within lesson observations;
 - 2.4 To continue focussing on the development of literacy throughout the school. This will include the continued development of our literacy co ordinator and the extended use of the pupil premium to support this initiative in every department;
 - 2.5 Monitor and develop the teaching of new specifications for GCSE and new 'A' Levels.
3. Sixth Form Teaching and Learning
 - 3.1 Develop students as independent learners/independent research skills.
 - 3.2 Ensure students read varied and challenging texts.
 - 3.3 Develop higher level reading skills - synthesise and summary.
 - 3.4 Ensure effective and robust assessment and tracking.
 - 3.5 Develop 6th Form specific teaching strategies to promote:
 - critical thinking
 - independent study
 - students as questioners
 - use of technical language
 - application of prior knowledge to new problems, contexts and texts
 - identifying and using synoptic links from across courses.
4. Curriculum and Assessment
 - 4.1 Ensure greater subject scrutiny, moderation and discussion of rank orders.
 - 4.2 Refine rank orders so that they include more than two exams per year.
 - 4.3 Develop robust examinations in all subjects.
 - 4.4 Ensure curriculums prepare students for 100% terminal examination (continuous revision, spaced practice, interleaving, quizzing to build knowledge recall).
 - 4.5 Maximise opportunities for students to use rank to focus on areas for development.
5. Literacy
 - 5.1 Effective delivery of tutor time reading scheme in Yr. 7 and 8.
 - 5.2 Launch whole school reading strategy – develop reading opportunities and quality of reading instruction in lessons.
 - 5.3 Implementation of strategies to aid development and acquisition of wide and varied vocabulary.
 - 5.4 Develop the library as an effective resource for student research. Develop library as focus for promotion of enjoyment of reading.
 - 5.5 Whole-school drive to raise profile of reading within and outside lessons.
 - 5.6 Develop student oracy.

Our mission statement is:

"Our school strives to be a Catholic community in which Christian principles of care and respect are valued, with emphasis on the development of the individual through academic achievement and personal development".

Public Benefit

The primary purpose of Sacred Heart Catholic School is the advancement of education of its pupils who come from a range of backgrounds. Inextricably linked with this purpose is the aim of contributing to the public good. With this in mind, and in setting the School's objectives and planning its activities, the Governors have given careful consideration to the Charity Commission's general guidance on public benefit. In particular, through the various links with other schools and groups, through the outreach and leadership work done as part of Specialist School activities, charity work and pupil services, the School aims to contribute considerable benefit to the local community.

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

The Mission Statement, Catholic identity and ethos commit the School to the work of community cohesion. The School is a community of faith and of learners in which the majority of pupils are not white British and where pupils speak a minimum of 20 languages other than English at home. They or their families have therefore experienced being the stranger. The School celebrates the ethnic and cultural diversity of its pupils and families (Black history week, International events, PSE, Liturgies) as a source of richness. Initiatives such as parent induction sessions and meetings to promote school/home partnership before pupils join the School, parental information evenings, PTFA activities, and liturgies contribute to building up a community with shared values. Within the local area, pupils participate in Speaker Banks, work with partner schools (Maths classes), charity (bi annual visit to the Orphanage in Pattaya, Thailand) and Duke of Edinburgh activities and with local parishes. Within the curriculum, the School ensures that pupils appreciate other faith traditions and that pupils are critically involved in learning about and debating justice and geopolitical issues.

Sacred Heart Catholic School is a multi cultural school which celebrates the richness of its diversity. Strong provision is made for this within the curriculum (e.g. world religions in RE, learning about other cultures and races through, for example, History, Geography, MFL and English) and through liturgy and worship and enrichment activities. The school monitors the progress of all groups and seeks feedback from pupils on the effectiveness of policies on race and bullying.

Strategic Report

Achievements and Performance

Progress 8 is a new measure of the progress children make between the end of primary school and the end of secondary school

Progress 8 and Attainment 8 are based on pupils' performance in eight qualifications. These are English and Maths, up to three subjects from the Ebacc list, and students' three highest scores from a range of other qualifications, including GCSEs and approved non-GCSEs. English and Maths are given double weighting to reflect their importance.

The raw point score from these eight qualifications is average to give the school's Attainment 8 score. You would expect it to be higher in schools that have more academically able students, such as grammar schools.

The Progress 8 score is calculated by comparing each student's Attainment 8 score to those nationally of other students who had the same KS2 SATs results. This is designed to measure how much progress each student has made from Year 6 to Year 11.

A school's Progress 8 score is usually between -1 and +1. A score of +1 means that pupils in that school achieve one grade higher in each qualification than other similar pupils nationally. A score of -1 means they achieve one grade lower.

Sacred Heart's score is +1.05, making it the 15th highest school in the country on the Progress 8 Measure.

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

Detailed below is a table of the Progress 8 of our pupils over the last 3 years:

	2012	2013	2014	2015	2016	2017
Progress 8				0.84	0.8	1.05

Detailed below is a table of the percentage results of our pupils at KS4 over the last 6 years:

	2012	2013	2014	2015	2016	2017
English Baccalaureate (9-4 English & Maths)	46	58	63	53	48	52
English Baccalaureate (9-5 English & Maths)						45
5+ A* inc Eng & Maths (9-4)	75	90	78	76	79	81
English & Maths 9-5						60
5+ A* - C	94	98	86	89	87	91
2+ A* -C in Science	85	87	87	85	91	93
1+ A* -C in a MFL	67	77	92	69	85	82

Summary of GCSE results and departmental results

Sacred Heart achieved the highest results in the London Borough of Southwark with 81% of its pupils achieving at least 5 A*-C including English and Maths 9-4:

- 91% of all pupils achieved at least 5 A*-C overall
- 52% of pupils achieved the English Baccalaureate (with 9-4 English & Maths)
- 85% of all pupils achieved an 9-4 in Maths
- 88% of all pupils achieved an 9-4 in English
- 93% of pupils achieved at least two A*-C grades in Science

Departments across the school achieved a series of fantastic results:

- Computing 95% A*-C
- Construction 100% A*-C
- Drama 82% A*-C
- English Literature 85% 9-4
- Food and Nutrition 75% A*-C
- French 70% A*-C
- Geography 100% A*-C
- Graphics 100% A*-C
- History 83% A*-C
- ICT 89% A*-C
- PE 97% A*-C
- RE 86% A*-C
- Spanish 95% A*-C

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

A Level Results 2017

Sacred Heart pupils have received their A Level results and are celebrating a series of impressive results. The vast majority of our students have secured places in the UK's top 100 universities with only six students following alternative routes and over a third gained places at Russell Group/1994 universities (top 39 providers). All 82 pupils in Year 13 sat A Level courses and of the exams sat 100% of entries were graded between A* and E. Meanwhile, 66% of all entries received a grade between A* and B.

In the following subjects over 60% of pupils gained an A*-B grade:

- Chemistry (65%);
- Art (100%);
- Graphics (100%);
- Geography (88%);
- Sociology (83%);
- History (62%)
- Economics (90%)
- English Literature (60%)
- Further Maths (60%)
- Government and Politics (100%)
- Maths (63%)
- Spanish (100%)

Teaching and Learning

Our last OFSTED report of December 2012 stated: All school leaders, teachers and other staff share the same 'no excuses' approach which has ensured that all students make outstanding progress. School leaders create a highly successful environment in which teachers make a huge impact on achievement and personal development is prized. Examination results are consistently well above those found in most other schools. Students make outstanding progress throughout the school. All students, including those eligible for the pupil premium and those who are disabled or who have special educational needs, achieve outstanding results, in line with all other students. Students' behaviour is outstanding. Students conduct themselves with impressive courtesy, generosity towards others and commitment to achieving the very best. Students feel completely safe within the school. The sixth form is outstanding and prepares students very well in order to compete equally for places in the best universities and workplaces. Teachers are extremely good at motivating students, helping them to work really hard and do exceptionally well. Teachers respond swiftly and energetically to the needs of the students, making sure that there is nothing to prevent them from making progress and achieving the highest standards. There is a rich and varied range of extra opportunities for students to learn outside the classroom, including trips and charity work. The school places a strong emphasis on spiritual values, reflection and service to others. All members of the school community consistently demonstrate these values day by day.

Extra Curricular and Enrichment Activities

Our recent OFSTED report of December 2012 stated: The School offers a comprehensive programme of enrichment activities, including the Duke of Edinburgh Award Scheme, Jack Petchey Award Scheme, Public Speaking, music, drama and sports. In addition, all staff provide after school revision/study support sessions for pupils. There are also half term and holiday revision sessions, provided by subject teachers. Homework support for pupils with organisational difficulties or learning difficulties is provided via the SENCo.

Key Performance Indicators

The Key Indicators used by the Governors to assess Performance of the School area:

- Pupil outcomes (See Achievements and Performance)
- Quality of teaching and learning (See Teaching and Learning)
- Outcomes of departmental reviews (Staff Performance Reviews)
- Student and parent satisfaction (Parents Evening reports, Parents are invited to leave comments at parents evenings as well as via our weekly newsletter)

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

- Producing a balanced budget which meets the Academy needs with an adequate reserve (See Financial Review)

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 it continues 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 Statement of Accounting Policies.

Financial Review

Most of the School's income is obtained from the DFE principally in the form of a recurrent annual grant, the use of which is restricted to cover the normal running costs of the School. The general annual grant received from the DFE during the period ended 31 August 2017 totalled £6.1m and the associated expenditure totalled £7.2m (excluding transfers) and are shown as restricted general funds in the Statement of Financial Activities.

During the year 31 August 2017 total income of £7.0m was less than expenditure of £7.2m by £0.2m.

The Academy took on pension liabilities relating to staff members transferred from its predecessor school that were part of the Local Government Defined Benefits pension scheme. As at 31 August 2017, the scheme's liabilities exceeded its assets by £2.17m. Where the amount of pension scheme assets being held is less than the liability value, the implication is that we will eventually need to make good this deficit. It is therefore treated as a provision in our financial statements, although this does not need to be paid immediately, nor does it affect the current cash contributions paid by us as an employer to the local government pension scheme.

Reserves Policy -

As part of procedures in place within the School, the reserves levels are consistently monitored as part of the budget monitoring process, both at Governor level through the Finance and Audit Committee and the Headteacher and Executive Business Manager.

The Governors have decided to maintain reserve levels which are sufficient to maintain the needs of the Academy and to encompass variations within the Academy budget. At 31 August 2017 the Academy held free reserves of £709k. The governing body has examined the requirement for free reserves, ie those income funds that are freely available for general purposes and are not invested in tangible fixed assets, designated for specific purposes or otherwise committed. The governors agreed that the school should aim to hold significant reserves to withstand future ICT spending, and funding the national pay rise where funding does not move in line with pay increases. The governors have agreed on a three year plan to draw down on reserves and employ additional staff in core areas to reduce the teacher pupil ratio. A reasonable sum of £1m will need to be held so the school is able to meet unplanned expenditures, such as reduced school funding due to the application of the National Funding Formula from 2018/19 onwards. Overall, the governors require a tight cash flow management system at all times to ensure that the school holds sufficient cash to meet all its outstanding liabilities.

Reserves arising from the General Annual Grant (GAG) will also be utilised to meet these objectives.

The following balances have been carried forward in respect to restricted reserves. The nature of these reserves is laid out in note 15 to the financial statements:

Unrestricted funds: Balance carried forward as at 31 August 2017 of £1,148k.

General Annual Grant (GAG): Balance carried forward as at 31 August 2017 of £1,520k.

Other DfE Funding: Balance carried forward as at 31 August 2017 of £1k.

Pension reserve: Balance carried forward as at 31 August 2017 of £(2,171)k.

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TRUSTEES' REPORT (continued)
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DfE/ESFA Capital Grants: Balance carried forward as at 31 August 2017 of £54k.

Capital Expenditure from GAG: Balance carried forward as at 31 August 2017 of £72k.

Investment Policy

Sacred Heart Catholic School's investment policy is based on a low risk short term bank deposit accounts.

Financial and Risk Management Objectives and Policies

Sacred Heart Catholic School is subject to various risks as is common with other Academies. Structures and procedures are in place to identify and mitigate financial risks as discussed throughout this report. The Local Government Pension Scheme is currently in deficit but at present there are no plans to change the agreed contribution rates or any current cash flow risk.

Principal Risks and Uncertainties

The Governors keep under review the strategic risks facing the School and the programmes which help to manage or mitigate the risk. Amongst the most important strategic risks at present are the impact of changes in the economy generally and the resulting decline in funding across the education sector from public sources, including reductions in post 16 funding and other Academy grant funding.

The Governors have assessed the major risks to which the Academy is exposed to and have taken steps to reduce and manage these risks. Risks are managed and reduced through the workings of the Governing Body, Sub Committees, Senior Leadership Team and Staff. Governors' committees monitor, direct and evaluate curriculum and performance results, Premises management, Health & Safety and financial controls and procedures within the School. Safeguarding, Equality and Child Protection procedures are constantly reviewed and monitored.

Where possible the Governors have limited the risk through Insurance such as public and employee liability, and property insurance.

The School has a system of internal control which is monitored by the Accounting Officer, Executive Business Manager, Auditors and other external agencies. The Governors have approved the implementation of a formal Risk Register. This is ongoing and will be reviewed regularly.

Plans for Future Periods

There will always be at Sacred Heart, the constant challenge of maintaining our high standards year after year. We do our best to avoid complacency and understand fully that previous successes mean little to pupils sitting their exams this year. To that end, the main initiative this year surrounds school based assessment. In the absence of reliable externally assessed contextualised data, we must try to assess carefully where our pupils are in terms of progress in every subject area. This is vital, of course, in order to motivate pupils, inform and engage parents and, most importantly, to mould future teaching requirements. Insets have already taken place and strategies implemented.

SACRED HEART CATHOLIC SCHOOL
(A Company Limited by Guarantee)

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

Auditors

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 information and to establish that the auditor is aware of that information.

The auditors, Haysmacintyre were appointed during the period and have expressed their willingness to continue in office. A resolution to re appoint them will be proposed at the Annual General Meeting.

Approved by order of the members of the Governing Body on ~~8 December 17~~ and signed on its behalf by:



C Donovan
Chair of Governors

SACRED HEART CATHOLIC SCHOOL
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

Scope of Responsibility

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

The Governing Body has delegated the day-to-day responsibility to the Headteacher, 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 Sacred Heart Catholic School and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Governing Body has formally met 3 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Trustee	Meetings attended	Out of a possible
C Donovan, Chair *	3	3
J Siraut, Vice-Chair	3	3
V Darlington, Parish Priest	2	3
H Agbukor	2	3
M Barton	2	3
H Burke, Staff Governor	0	2
S Cefai, Head Teacher & Accounting Officer	3	3
R Cofie *	3	3
A D'Oliveira	0	1
S Eddings	3	3
J Green,	0	1
G Lydon *	3	3
C McCallum	3	3
W Pepple	1	3
W Samengo-Turner, LEA Governor	1	3

The academy has carried out a governance review. The members of the governing body have taken part in individual assessments which were reviewed and analysed by the Chair of the governing body. The findings revealed that the governing body have all the skills necessary to support the academy. A continual programme of training is in place throughout the year to keep the body abreast of recent developments.

The Finance and General Purposes Committee is a sub-committee of the main Governing Body. For the scope of this committee refer to the Organisational Structure.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
C Donovan	5	5
J Siraut	4	5
G Lydon	4	5
R Cofie	4	5
S Cefai (Headteacher)	5	5

SACRED HEART CATHOLIC SCHOOL
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GOVERNANCE STATEMENT (continued)

Review of Value for Money

During the year ended 31 August 2017, the School's focus on achieving Value for Money has included the following areas:

- **Budgeting:** A budget for the year ended 31 August 2017 was approved by the full governing body in summer 2016, and expenditure made during the year has been controlled by department heads in accordance with this budget. Centralised purchasing means the finance team ensures that no department can make purchases beyond its budget for the year without appropriate authorisation.
- **Purchasing:** The school has maintained and developed as necessary procedures for assessing need, and obtaining goods and services which provide best value in terms of suitability, efficiency, time, and cost. For example, competitive quotes were obtained from several suppliers to ensure best value when selecting suppliers for maintenance projects such as grounds maintenance. School also saved significant sums in purchasing paper on bulk.
- **Income generation:** Surplus cash balances are held in interest bearing accounts to maximise our cash position

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 ongoing 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 Sacred Heart Catholic School for the year ended to 31 August 2017 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Governing Body 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 Governing Body 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 ended to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

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 Governing Body;
- regular reviews by the Finance & Audit Committees 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 Finance & Audit Committee has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Finance & Audit Committee have appointed haysmacintyre, the external auditors, to perform additional checks. The external auditors, haysmacintyre, have completed two visits within the period to 31 August 2017.

SACRED HEART CATHOLIC SCHOOL
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GOVERNANCE STATEMENT (continued)

The auditors' 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:

- review of budgeting and tendering procedures
- test checks on income, expenditure and control account reconciliations; and
- a review of the financial systems and procedures and whether they were operating as documented.

On a termly basis, the auditors report to the Governing Body through the Finance & Audit Committee on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

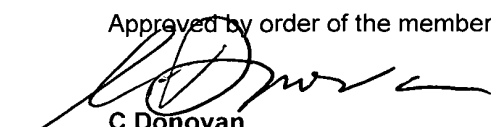
Review of Effectiveness

As Accounting Officer, the Headteacher 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 auditors;
- the work of the executive managers within the academy 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 & Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Governing Body on ~~8 December 2017~~ and signed on their behalf, by:


C Donovan
Chair of Trustees


Serge Cefai
Accounting Officer


SACRED HEART CATHOLIC SCHOOL
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Sacred Heart Catholic School I have considered my responsibility to notify the academy trust Governing Body 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 Governing Body 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 Governing Body and ESFA.



Serge Cefai
Accounting Officer

8 December 2017

SACRED HEART CATHOLIC SCHOOL
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2017

The Trustees (who act as governors of Sacred Heart Catholic School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Strategic Report, the Trustees' Report and the financial statements 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 Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for 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 grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Governing Body on 8 ~~DECEMBER 2017~~ and signed on its behalf by:



C Donovan
Chair of Governors

SACRED HEART CATHOLIC SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SACRED HEART CATHOLIC SCHOOL

Opinion

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

This report is made solely to the academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy'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 academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the academy'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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

Basis of 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 financial statements section of our report. We are independent of the academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy'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 financial statements are authorised for issue.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. Our opinion on the

SACRED HEART CATHOLIC SCHOOL
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INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SACRED HEART CATHOLIC SCHOOL

financial statements does not cover the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements 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 financial statements 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report including the Strategic Report for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the 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 financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remunerations specified by law not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the academy'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 Trustees either intend to liquidate the academy's or to cease operations, or have no realistic alternative but to do so.

SACRED HEART CATHOLIC SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SACRED HEART CATHOLIC SCHOOL

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. The description forms part of our Auditor's report.



Tracey Young (Senior Statutory Auditor)

for and on behalf of

haysmacintyre

Statutory Auditors

26 Red Lion Square
London
WC1R 4AG

Date: 8 DECEMBER 2017

SACRED HEART CATHOLIC SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO SACRED HEART CATHOLIC SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 16 September 2015 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 Sacred Heart Catholic School during the year 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 Sacred Heart Catholic School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Sacred Heart Catholic School and the 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 Sacred Heart Catholic School and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Sacred Heart Catholic School's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Sacred Heart Catholic School's funding agreement with the Secretary of State for Education dated 26 November 2012, 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 year 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 the 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's income and expenditure.

SACRED HEART CATHOLIC SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO SACRED HEART CATHOLIC SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)

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 year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



haysmacintyre

Statutory Auditors

26 Red Lion Square
London
WC1R 4AG

Date: 8 DECEMBER 2017

SACRED HEART CATHOLIC SCHOOL
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
INCOME FROM:						
Donations and capital grants	2	41,187	-	18,989	60,176	83,444
Charitable activities	5	336,762	6,512,525	-	6,849,287	7,092,090
Other trading activities	3	18,297	-	-	18,297	20,163
Investments	4	946	16,346	-	17,292	22,729
TOTAL INCOME		397,192	6,528,871	18,989	6,945,052	7,218,426
EXPENDITURE ON:						
Raising funds		12,137	-	-	12,137	62,144
Charitable activities		369,144	6,743,526	33,615	7,146,285	6,971,649
TOTAL EXPENDITURE	7	381,281	6,743,526	33,615	7,158,422	7,033,793
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	15	15,911 (6,150)	(214,655) 1,596	(14,626) 4,554	(213,370) -	184,633 -
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		9,761	(213,059)	(10,072)	(213,370)	184,633
Actuarial gains/(losses) on defined benefit pension schemes	21	-	214,000	-	214,000	(926,000)
NET MOVEMENT IN FUNDS		9,761	941	(10,072)	630	(741,367)
RECONCILIATION OF FUNDS:						
Total funds brought forward		1,138,627	(650,943)	136,458	624,142	1,365,509
TOTAL FUNDS CARRIED FORWARD		1,148,388	(650,002)	126,386	624,772	624,142

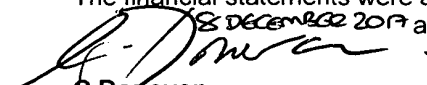
The notes on pages 27 to 48 form part of these financial statements.

SACRED HEART CATHOLIC SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 8160195

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	2017 £	2016 £
FIXED ASSETS			
Tangible assets	12	556,465	587,719
CURRENT ASSETS			
Debtors	13	113,497	73,538
Cash at bank and in hand		2,451,259	2,392,368
		<u>2,564,756</u>	<u>2,465,906</u>
CREDITORS: amounts falling due within one year	14	<u>(325,449)</u>	<u>(254,483)</u>
NET CURRENT ASSETS		<u>2,239,307</u>	<u>2,211,423</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,795,772</u>	<u>2,799,142</u>
Defined benefit pension scheme liability	21	<u>(2,171,000)</u>	<u>(2,175,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES		<u><u>624,772</u></u>	<u><u>624,142</u></u>
FUNDS OF THE ACADEMY			
Restricted income funds:			
General funds	15	1,520,998	1,524,057
Fixed asset funds	15	126,386	136,458
		<u>1,647,384</u>	<u>1,660,515</u>
Restricted funds excluding pension liability			
Pension reserve		<u>(2,171,000)</u>	<u>(2,175,000)</u>
Total restricted income funds		<u>(523,616)</u>	<u>(514,485)</u>
Unrestricted income funds	15	<u>1,148,388</u>	<u>1,138,627</u>
TOTAL FUNDS		<u><u>624,772</u></u>	<u><u>624,142</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 28 December 2017 and are signed on their behalf, by:


C Donovan
Chair of Governors

The notes on pages 27 to 48 form part of these financial statements.

SACRED HEART CATHOLIC SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017 £	2016 £
Net cash inflow from operating activities			
Net cash provided by operating activities	17	46,121	329,560
Cash flows from investing activities:			
Dividends, interest and rents from investments		17,292	22,729
Purchase of tangible fixed assets		(23,511)	(52,652)
Capital grants from DfE/EFA		18,989	18,345
Net cash provided by/(used in) investing activities		12,770	(11,578)
Change in cash and cash equivalents in the year		58,891	317,982
Cash and cash equivalents brought forward		2,392,368	2,074,386
Cash and cash equivalents carried forward	18	2,451,259	2,392,368

SACRED HEART CATHOLIC SCHOOL
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES

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 of financial statements

The financial statements 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.

Sacred Heart Catholic School constitutes a public benefit entity as defined by FRS 102.

1.2 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder and include grants from the Department for Education/ESFA.

SACRED HEART CATHOLIC SCHOOL
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.3 Income

All income is recognised once the academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year 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 when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

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

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 allocated on the portion of the asset's use.

Expenditure on raising funds 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 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.

All resources expended are inclusive of irrecoverable VAT.

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

1. ACCOUNTING POLICIES (continued)

1.5 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements 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 financial statements.

1.6 Tangible fixed assets and depreciation

All assets costing more than £5,000 are capitalised.

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. Where there are specific conditions attached to the funding requiring the continued use of the asset, 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 the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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.

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

Motor vehicles	-	Straight line over 4 years
Fixtures and fittings	-	Straight line over 5 years
Computer equipment	-	Straight line over 3 years
Leasehold property improvement	-	Straight line over 25 years

1.7 Operating leases

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

1.8 Taxation

The academy 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 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.

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

1. ACCOUNTING POLICIES (continued)

1.9 Debtors

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

1.10 Cash at Bank and in hand

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

1.11 Liabilities and provisions

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 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. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.12 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 as detailed in note 13. Prepayments are not financial instruments.

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

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 14. 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.

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

1. ACCOUNTING POLICIES (continued)

1.13 Pensions

Retirement benefits to employees of the academy 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.

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 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 21, 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 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

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

1. ACCOUNTING POLICIES (continued)

1.14 Critical accounting estimates and areas of judgement

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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, 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.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	41,187	-	-	41,187	65,099
Capital grants	-	-	18,989	18,989	18,345
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and capital grants	41,187	-	18,989	60,176	83,444
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

In 2016, of the total income from donations and capital grants, £65,099 was to unrestricted funds and £18,345 was to restricted fixed asset funds.

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

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Other income	18,297	-	18,297	20,163
	<u>18,297</u>	<u>-</u>	<u>18,297</u>	<u>20,163</u>

In 2016, of the total income from other trading activities, £20,163 was to unrestricted funds and £ NIL was to restricted funds.

4. INVESTMENT INCOME

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Short term deposits	946	16,346	17,292	22,729
	<u>946</u>	<u>16,346</u>	<u>17,292</u>	<u>22,729</u>

In 2016, of the total investment income, £22,729 was to unrestricted funds and £ NIL was to restricted funds.

5. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Funding for the Academy's educational operations	-	6,497,470	6,497,470	6,710,572
Canterbury Christ Church University	-	15,055	15,055	22,475
Catering income	190,980	-	190,980	184,456
Curricular income	128,958	-	128,958	137,992
School trips	16,824	-	16,824	36,595
	<u>336,762</u>	<u>6,512,525</u>	<u>6,849,287</u>	<u>7,092,090</u>

In 2016, of the total income from charitable activities, £359,043 was to unrestricted funds and £6,733,047 was to restricted funds.

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

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	6,058,268	6,058,268	6,229,227
Statement Funding	-	153,320	153,320	181,821
Other DfE Funding	-	285,882	285,882	299,524
	<hr/>	<hr/>	<hr/>	<hr/>
	-	6,497,470	6,497,470	6,710,572
	<hr/>	<hr/>	<hr/>	<hr/>

SACRED HEART CATHOLIC SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

6. CHARITABLE ACTIVITIES

	Total funds 2017 £	Total funds 2016 £
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	3,986,542	4,056,713
National insurance	417,953	372,980
Pension cost	564,590	566,581
Educational supplies	370,954	357,154
Examination fees	103,757	95,403
Staff development	15,863	17,303
	<u>5,459,659</u>	<u>5,466,134</u>
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	504,489	488,368
National insurance	39,374	35,125
Pension cost	254,947	158,186
Depreciation	54,765	49,656
Recruitment and support	21,369	16,023
Maintenance of premises and equipment	77,395	60,609
Cleaning and utilities	350,336	328,328
Insurance	36,259	31,630
School journey, security and transport	61,748	53,634
Catering	144,414	136,322
Admin supplies	65,828	84,795
Other support costs	16,783	16,474
	<u>1,627,707</u>	<u>1,459,150</u>
	<u>7,087,366</u>	<u>6,925,284</u>
OTHER ACTIVITIES		
Governance costs	58,919	46,364
	<u>7,146,285</u>	<u>6,971,648</u>

SACRED HEART CATHOLIC SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

7. EXPENDITURE

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Expenditure on raising funds	-	-	12,137	12,137	62,144
Academy's educational operations:					
Direct costs	4,969,085	-	490,574	5,459,659	5,466,134
Support costs	798,811	482,496	346,400	1,627,707	1,459,151
Support costs: governance	-	-	58,919	58,919	46,364
	<u>5,767,896</u>	<u>482,496</u>	<u>908,030</u>	<u>7,158,422</u>	<u>7,033,793</u>

In 2017, of the total expenditure, £364,226 was to unrestricted funds and £6,796,296 was to restricted funds.

8. NET INCOME

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned by the charity	54,765	49,657
Auditors' remuneration - audit	12,225	13,150
Auditors' remuneration - other services	<u>2,900</u>	<u>6,775</u>

SACRED HEART CATHOLIC SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

9. STAFF COSTS

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	4,491,032	4,545,081
Social security costs	457,327	408,105
Pension costs	819,537	724,767
	<u>5,767,896</u>	<u>5,677,953</u>

Included in wages and salaries were the following costs:

Non-contractual settlement agreements	<u>18,000</u>	<u>-</u>
---------------------------------------	---------------	----------

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

	2017 No.	2016 No.
Teachers	70	69
Administration, support and management	59	59
	<u>129</u>	<u>128</u>

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

	2017 No.	2016 No.
In the band £60,001 - £70,000	3	2
In the band £70,001 - £80,000	5	5
In the band £80,001 - £90,000	1	2
In the band £90,001 - £100,000	1	1
In the band £140,001 - £150,000	1	1

Ten of the above employees participated in the Teachers' Pension Scheme. The other employee participated in the Local Government Pension Scheme.

The key management personnel of the academy trust comprise the trustees 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 £1,090,202 (2016: £1,231,424). In addition to these figures, £14,704 (2016: £54,374) was paid to staff governors as disclosed in note 10.

During the year the School incurred expenditure in respect to the apprentice levy of £2,837 (2016: £Nil).

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

10. TRUSTEES' REMUNERATION AND EXPENSES

During the year, no Trustees received any benefits in kind (2016 - £NIL).
During the year, no Trustees received any reimbursement of expenses (2016 - £NIL).

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their role as trustees. The value of trustees' remuneration and other benefits was as follows:

S Cefai (principal and trustee):
Remuneration £150,000 - £155,000 (2016: £150,000 - £155,000)
Employer's pension contributions paid £20,000-£25,000 (2016: £20,000- £25,000)

H Burke (staff trustee until 8 May 2017):
Remuneration £20,000 - £15,000 (2016: £20,000 - £25,000)
Employer's pension contributions paid £0 - £5,000 (2016: £0 - £5,000)

11. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy 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 £2,688 (2016 - £3,375).

12. TANGIBLE FIXED ASSETS

	Leasehold Property Improvements £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1 September 2016	528,749	52,020	40,522	111,756	733,047
Additions	-	-	23,511	-	23,511
At 31 August 2017	528,749	52,020	64,033	111,756	756,558
Depreciation					
At 1 September 2016	40,002	13,005	12,632	79,689	145,328
Charge for the year	21,150	13,005	6,312	14,298	54,765
At 31 August 2017	61,152	26,010	18,944	93,987	200,093
Net book value					
At 31 August 2017	467,597	26,010	45,089	17,769	556,465
At 31 August 2016	488,747	39,015	27,890	32,067	587,719

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

13. DEBTORS

	2017 £	2016 £
Trade debtors	-	1,506
VAT recoverable	29,977	18,864
Prepayments and accrued income	83,520	53,168
	<u>113,497</u>	<u>73,538</u>

14. CREDITORS: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	1,168	-
Other taxation and social security	122,077	125,140
Accruals and deferred income	202,204	129,343
	<u>325,449</u>	<u>254,483</u>

	2017 £	2016 £
Deferred income		
Deferred income at 1 September 2016	49,097	79,230
Resources deferred during the year	58,656	49,097
Amounts released from prior period	(49,097)	(79,230)
	<u>58,656</u>	<u>49,097</u>
Deferred income at 31 August 2017		

At the balance sheet date the academy trust held grant funding received in advance for the 2017/18 financial year.

SACRED HEART CATHOLIC SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

15. STATEMENT OF FUNDS

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Unrestricted funds						
General Funds - all funds	1,138,627	397,192	(381,281)	(6,150)	-	1,148,388
Restricted funds						
General Annual Grant (GAG)	1,522,929	6,074,614	(6,079,269)	1,596	-	1,519,870
Statemented Pupil Funding	-	153,320	(153,320)	-	-	-
Canterbury Christ Church	-	15,055	(15,055)	-	-	-
Other DfE Funding	1,128	285,882	(285,882)	-	-	1,128
Pension reserve	(2,175,000)	-	(210,000)	-	214,000	(2,171,000)
	(650,943)	6,528,871	(6,743,526)	1,596	214,000	(650,002)
Restricted fixed asset funds						
DfE/EFA Capital Grants	40,676	18,989	(10,104)	4,554	-	54,115
Capital expenditure from GAG	95,782	-	(23,511)	-	-	72,271
	136,458	18,989	(33,615)	4,554	-	126,386
Total restricted funds	(514,485)	6,547,860	(6,777,141)	6,150	214,000	(523,616)
Total of funds	624,142	6,945,052	(7,158,422)	-	214,000	624,772

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
Unrestricted funds						
General Funds - all funds	1,058,809	467,034	(387,216)	-	-	1,138,627
	1,058,809	467,034	(387,216)	-	-	1,138,627

SACRED HEART CATHOLIC SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

15. STATEMENT OF FUNDS (continued)

Restricted funds

General Annual Grant (GAG)	1,327,108	6,229,227	(5,999,100)	(34,306)	-	1,522,929
Stated Pupils Funding	-	181,821	(181,821)	-	-	-
Canterbury Christ Church	-	22,475	(22,475)	-	-	-
Other DfE Funding	1,128	299,524	(299,524)	-	-	1,128
Pension reserve	(1,135,000)	-	(114,000)	-	(926,000)	(2,175,000)
	<u>193,236</u>	<u>6,733,047</u>	<u>(6,616,920)</u>	<u>(34,306)</u>	<u>(926,000)</u>	<u>(650,943)</u>

Restricted fixed asset funds

DfE/EFA Capital Grants	31,176	18,345	(8,845)	-	-	40,676
Capital expenditure from GAG	73,537	-	(12,061)	34,306	-	95,782
Other income	8,750	-	(8,750)	-	-	-
	<u>113,463</u>	<u>18,345</u>	<u>(29,656)</u>	<u>34,306</u>	<u>-</u>	<u>136,458</u>
Total restricted funds	<u>306,699</u>	<u>6,751,392</u>	<u>(6,646,576)</u>	<u>-</u>	<u>(926,000)</u>	<u>(514,485)</u>
Total of funds	<u>1,365,508</u>	<u>7,218,426</u>	<u>(7,033,792)</u>	<u>-</u>	<u>(926,000)</u>	<u>624,142</u>

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

The General Annual Grant is funding from the DfE for the Academy's operating costs. Where the grant has been used to fund capital expenditure, it has been allocated to the fund Capital Expenditure from GAG as a restricted fixed asset fund.

The LEA Grant was to fund the Academy's operating costs.

The Canterbury Christ Church Grant was to contribute towards the Academy's teacher training and development.

Other DfE funding is funding from the DfE for the Academy's operating costs. Where DfE funding is specifically provided for capital expenditure, it has been allocated to DfE/ESFA

SACRED HEART CATHOLIC SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	467,597	-	88,868	556,465
Current assets	703,187	1,824,051	37,518	2,564,756
Creditors due within one year	(22,396)	(303,053)	-	(325,449)
Provisions for liabilities and charges	-	(2,171,000)	-	(2,171,000)
	<u>1,148,388</u>	<u>(650,002)</u>	<u>126,386</u>	<u>624,772</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Tangible fixed assets	488,747	-	98,972	587,719
Current assets	649,881	1,778,539	37,486	2,465,906
Creditors due within one year	-	(254,483)	-	(254,483)
Provisions for liabilities and charges	-	(2,175,000)	-	(2,175,000)
	<u>1,138,628</u>	<u>(650,944)</u>	<u>136,458</u>	<u>624,142</u>

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

	2017 £	2016 £
Net income/(expenditure) for the year (as per Statement of financial activities)	(213,370)	184,633
Adjustment for:		
Depreciation charges	54,765	49,657
Interest received	(17,292)	(22,729)
(Increase)/decrease in debtors	(39,959)	36,559
Increase/(decrease) in creditors	70,966	(14,216)
Capital grants from DfE and other capital income	(18,989)	(18,344)
Defined benefit pension scheme cost less contributions payable	166,000	73,000
Defined benefit pension scheme finance cost	44,000	41,000
Net cash provided by operating activities	<u>46,121</u>	<u>329,560</u>

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

18. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash in hand	901,259	872,368
Fixed term cash deposits	1,550,000	1,520,000
Total	<u>2,451,259</u>	<u>2,392,368</u>

19. RELATED PARTY TRANSACTIONS

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 10.

20. 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/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

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

21. PENSION COMMITMENTS

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

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

Teachers' Pension Scheme

Introduction

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

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

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. 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
- 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%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £513,965 (2016 - £495,873).

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

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21. PENSION COMMITMENTS (continued)

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 assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £131,000 (2016 - £114,000), of which employer's contributions totalled £88,000 (2016 - £75,000), and employees' contributions totalled £43,000 (2016 - £39,000). The agreed contribution rates for future years are 12% for employers and 5.5% for employees.

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.

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.60 %	2.10 %
Rate of increase in salaries	4.20 %	4.00 %
Rate of increase for pensions in payment / inflation	2.70 %	2.20 %
Inflation assumption (CPI)	2.70 %	2.20 %

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

	2017	2016
Retiring today		
Males	20.6	21.4
Females	24.4	25.3
Retiring in 20 years		
Males	22.9	23.8
Females	26.6	27.6

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21. PENSION COMMITMENTS (continued)

The academy's share of the assets in the scheme was:

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	1,665,000	1,274,000
Target Return Portfolio	563,000	508,000
Commodities and Alternative Assets	-	14,000
Cash	188,000	57,000
Cashflow Matching	-	133,000
Infrastructure and property	299,000	271,000
Total market value of assets	<u>2,715,000</u>	<u>2,257,000</u>

The actual return on scheme assets was £48,000 (2016 - £82,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2017 £	2016 £
Current service cost (net of employee contributions)	(251,000)	(145,000)
Administration expenses	(3,000)	(3,000)
Finance cost	(44,000)	(41,000)
Total	<u>(298,000)</u>	<u>(189,000)</u>

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

	2017 £	2016 £
Opening defined benefit obligation	4,432,000	3,289,000
Current service cost	251,000	145,000
Interest cost	92,000	123,000
Contributions by employees	43,000	39,000
Change in financial assumptions	159,000	966,000
Other actuarial gains	16,000	-
Benefits paid	(107,000)	(130,000)
Closing defined benefit obligation	<u>4,886,000</u>	<u>4,432,000</u>

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21. PENSION COMMITMENTS (continued)

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

	2017 £	2016 £
Opening fair value of scheme assets	2,257,000	2,154,000
Interest income	48,000	82,000
Actuarial gains and (losses)	373,000	40,000
Contributions by employer	88,000	75,000
Contributions by employees	43,000	39,000
Benefits paid	(107,000)	(130,000)
Administration expenses	(3,000)	(3,000)
Other actuarial gains	16,000	-
Closing fair value of scheme assets	<u>2,715,000</u>	<u>2,257,000</u>

Movements in the below actuarial assumptions by the stated amounts would result in the following present values of the total defined benefit obligation:

	2017 £	2016 £
Discount rate +0.1%	4,794,000	4,355,000
Discount rate -0.1%	4,980,000	4,510,000
Mortality assumption – 1 year increase	5,071,000	4,575,000
Mortality assumption – 1 year decrease	4,708,000	4,294,000
Long term salary increase +0.1%	4,904,000	4,441,000
Long term salary increase -0.1%	4,868,000	4,423,000

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22. OPERATING LEASE COMMITMENTS

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

	2017 £	2016 £
Amounts payable:		
Within 1 year	3,603	3,930
Between 1 and 5 years	-	3,603
Total	3,603	7,533