

Registered number: 8160195

SACRED HEART CATHOLIC SCHOOL
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

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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 2015

Trustees

Rev M Gould, Chair (until 19 October 2015)
C Donovan, Chair (from 19 October 2015)
H Agbukor
M Barton
H Burke, Staff Governor
S Cefai, Headteacher & Accounting Officer
R Cofie, *
V Crompton, Staff Governor (resigned 31 October 2014)
Fr V Darlington, Parish Priest
A D'Oliveira, *
S Eddings, Associate
K Else, Parent Governor (resigned 31 October 2014)
J Green, Parent Governor
G Lydon, *
C McCallum
W Pepple
W Samengo-Turner, LEA Governor
J Siraut, Co-Opted Governor *
T Spreyer, Staff Governor (appointed 11 May 2015)

* members of the Finance & Audit Committee

Company registered number

8160195

Principal and Registered office

Camberwell New Road, London, SE5 0RP

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS/ TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015

Administrative details (continued)

Company secretary

K Bright

Executive Business Manager

S Pindoria

Senior leadership team

B Boyle, Deputy Head
R Lansiquot, Deputy Head
G Vincent, Deputy Head
S Bonar, Assistant Headteacher
S Thompson, Assistant Headteacher
L Williams, Assistant Headteacher
N Williams, Assistant Headteacher

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 2015

The governors present their annual report together with the financial statements and auditors' report of the charitable company from 1 September 2014 to 31 August 2015.

Sacred Heart Catholic School's principal 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. The charitable company is known as Sacred Heart Catholic School.

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

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

question external advisors.

Organisational Structure

The organisation 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 disapplications, 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 - Finance 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 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 in respect

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

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 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 policies and decisions of the Governors through agreed schemes of delegation. The Senior Leadership Team

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

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.

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. 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 carry out 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. Behaviour and Safety of Pupils

- a) Unsupervised time always a concern:
 - i) Before school
 - ii) Change of lessons
 - iii) Lunchtime
 - iv) After school

Behaviour continues to improve but must never be taken for granted.

- b) Continue to develop lesson monitor. Classroom behaviour is very good but could always be improved. System to be used to monitor behaviour of known disruptive and vulnerable students.

2. Quality of Teaching

The bedrock of our school and the number one priority for us all.

- a) To keep the Teaching and Learning team up to date with the OFSTED framework
- b) To build on the strength identified during our last OFSTED (see OFSTED report dated December 2012 available on school website)
- c) Focus on the development of literacy throughout the school. This will include the continued development of our literacy coordinator and the extended use of the pupil premium to support this initiative in every department.
- d) Continue to develop assessment at KS3 and build upon the KS3 focus established last year.
- e) Improve the monitoring of KS3 progress by all departments; especially the core
- f) Monitor and develop specifically the teaching at KS5 which is still changing due to government initiation

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3. Achievement of Pupils

Excellent standards to be maintained in all areas:

- a) Review target setting at KS4 to ensure the highest standards are maintained. HODs to be encouraged to issue individual teacher targets for their groups with the aim of improving A – A* grades.
- b) Sixth form targets to be carefully produced and monitored.

4. Quality of Leadership and Management

- a) Produce and give out definitive job responsibilities of all SLT.
- b) Ensure priorities of Sixth form, KS4 achievement and end of KS3 focus are carefully monitored.
- c) Monitor and support all new members of staff.

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.

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.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Strategic Report

Achievements and Performance

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

	2009	2010	2011	2012	2013	2014	2015
English Baccalaureate	n/a	34	38	46	58	63	53
5+ A* inc Eng & Maths	82	85	81	75	90	78	76
5+ A* - C	87	92	90	94	98	86	89
2+ A* -C in Science	76	85	83	85	87	87	85
1+ A* -C in a MFL	64	63	61	67	77	92	69

Sacred Heart Catholic School in Camberwell has once again achieved outstanding GCSE results in 2015, with 76% of pupils achieving at least five GCSEs at grades A*-C, including English and Maths, while 89% of pupils achieved at least 5 A*-C overall. 53% of pupils achieved the English Baccalaureate.

Summary of GCSE results and departmental results for Year 11:

- 76% of pupils achieved at least 5 A*-C including English and Maths
- 89% of all pupils achieved at least 5 A*-C overall
- 53% of pupils were awarded the English Baccalaureate
- 83% of all pupils achieved an A*-C in Maths
- 81% of all pupils achieved an A*-C in English
- 85% of pupils achieved at least two A*-C grades in Science
- Departments across the school achieved a series of fantastic results:
- Art and Design 100%-A* -B
- Computing and ICT 94% A*-C
- Construction 92% A*-C
- Drama 89% A*-C
- Engineering 71% A*-C
- English Literature (AQA) 100% A*-C
- Food and Nutrition 86% A*-C
- French 78% A*-C
- Geography 93% A*-C
- Graphics 100% A*-C
- History 92% A*-C
- Music 91% A*-C
- PE 96% A*-C
- RE 88% A*-C
- Spanish 96% A*-C

A Level Results 2015

Sacred Heart pupils have received their A Level results and are celebrating a series of impressive results. 100% of students have secured places in the UK's top 100 universities and over a third gained places at Russell

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TRUSTEES' REPORT (continued)
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Group/1994 universities (top 39 providers). All 73 pupils in Year 13 sat A Level courses and of the exams sat 99.6% of entries were graded between A* and E. Meanwhile, over half of all entries received a grade between A* and B.

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

Chemistry (64%);
Business Studies (71%);
Art (100%);
Graphics (86%);
Geography (62%);
Sociology (79%);
History (80%)

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

Going Concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy Trust, has adequate resources to continue in operational existence for the foreseeable future. For this reason it

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

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 2015 totalled £6.0m and the associated expenditure totalled £5.7m (excluding transfers) and are shown as restricted general funds in the Statement of Financial Activities.

During the year ended 31 August 2015 total income of £6.9m exceeded expenditure of £6.7m 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 2015, the schemes liabilities exceeded its assets by £1.1m. 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 2015 the Academy held free reserves of £1.1m; the Governors have set aside the majority of these reserves to cover the ongoing programme of capital works. The School also holds a restricted GAG fund balance of £1.3m, the purpose of which is for the general objects of the Academy Trust.

Investment Policy

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

Principal Risks and Uncertainties

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,

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TRUSTEES' REPORT (continued)
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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

As the major capital projects come to an end a period of consolidation and settlement must follow. The natural cycle of snagging and general settling in has already begun.

- Developing the School as a Community of Faith and Learning at the service of the Church and the local and wider community
- Development of structures and opportunities that ensure all have a voice and a stake in the School
- Continue to develop the curriculum to meet the needs of all pupils
- Improved outcomes and standards for pupils especially at KS5
- Developing approaches to teaching and learning which support personalisation and equip learners with appropriate skills for the 21st Century
- Development of management structures, including approaches to self evaluation and performance management

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.

Trustee's Report, incorporating the Strategic Report, approved by order of the members of the Governing Body on 30 November 2015 and signed on its behalf by:



C Donovan
Chair of Governors

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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 Governors' Responsibilities Statement. 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
Rev M Gould, Chair (until 19 October 2015)	1	3
C Donovan, Chair (from 19 October 2015)	3	3
H Agbukor	3	3
M Barton	3	3
H Burke, Staff Governor	3	3
S Cefai, Headteacher & Accounting Officer	3	3
R Cofie, *	2	3
Miss V Crompton, Staff Governor	0	1
Fr V Darlington, Parish Priest	2	3
A D'Oliveira, *	3	3
S Eddings, Associate	2	3
K Else, Parent Governor	0	3
J Green, Parent Governor	3	3
G Lydon, *	3	3
C McCallum	1	3
W Pepple	1	3
W Samengo-Turner, LEA Governor	1	1
J Siraut, Co-Opted Governor *	3	3
T Spreyer, Staff Governor	1	1

** member of the Finance and Audit Committee*

A full review of the Governing Body was carried out in Autumn 2014. The exercise was beneficial and illustrated the Governing Body was operating with a wide ranging skill set. Roles and responsibilities were clearly defined and effective. The academy will continue to review this on an annual basis.

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GOVERNANCE STATEMENT (continued)

The Finance & Audit Committee is a sub-committees of the 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
Rev Michael Gould (Chair until 19 October 2015)	2	2
Ms Christine Donovan (Chair from 19 October 2015)	2	2
Mr John Siraut	2	2
Mr Anthony D'Oliveira	2	2
Ms Geraldine Lydon	2	2
Mrs Rose Cofie	2	2
Mr Serge Cefai (Headteacher)	2	2

Review of Value for Money

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

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

The School has successfully negotiated a partial exit from its PFI contract (Private Finance Initiative), which has given the School greater freedom to run its own contracts for its site including cleaning, caretaking and utilities. The re-scoping of the PFI contract has brought substantial savings as follows

- | | |
|--|-----------------------|
| a) Caretaking and cleaning services | In excess of £250,000 |
| b) Utility contracts through competitive tendering | In excess of £100,000 |

The academy has also reviewed its senior leadership structure and has removed the post of head of 6th form, reallocating duties within the existing management team. This has saved the School in excess of £70,000

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 2015 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 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

SACRED HEART CATHOLIC SCHOOL
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

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 Personnel and 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 2015.

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:

- testing of payroll systems
- review of tendering procedures and management accounting
- testing of purchase systems
- testing of income systems
- testing of debit and credit card systems
- testing of petty cash systems
- review of control accounts

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

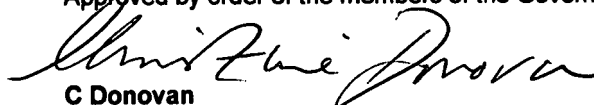
Review of Effectiveness

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 30 November 2015 and signed on its behalf, by:


C Donovan
Chair of Governors


Serge Cefai
Accounting Officer and Headteacher

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 Governing Body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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


Serge Cefai
Accounting Officer

Date: 30 November 2015

SACRED HEART CATHOLIC SCHOOL
(A Company Limited by Guarantee)

TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

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 Trustees' Report (including the Strategic Report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the 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;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the 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 EFA/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 30 November 2015 and signed on its behalf by:



C Donovan
Chair of Governors

SACRED HEART CATHOLIC SCHOOL
(A Company Limited by Guarantee)

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

We have audited the financial statements of Sacred Heart Catholic School for the year ended 31 August 2015 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education 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 Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of Trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement, 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.

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2015 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 and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report, incorporating the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

SACRED HEART CATHOLIC SCHOOL
(A Company Limited by Guarantee)

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

Matters on which we are required to report by exception

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

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



Tracey Young (Senior Statutory Auditor)

for and on behalf of

haysmacintyre

Statutory Auditors

26 Red Lion Square

London

WC1R 4AG

30 November 2015

SACRED HEART CATHOLIC SCHOOL
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 16 September 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, 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 2014 to 31 August 2015 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 EFA 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 EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Sacred Heart Catholic School and EFA, 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 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2014 to 2015. 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 2014 to 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

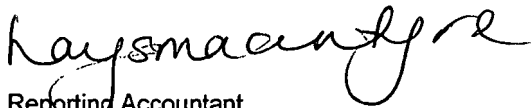
- Assessment of the control environment operated by the Academy.
- Walkthrough testing of controls to ensure operational effectiveness.
- Substantive testing on a sample of expenditure items, ensuring expenditure is in accordance with the funding agreement and appropriately authorised.
- Detailed testing on a selection of debit card statements and expense claims.
- Review of minutes, reconciliation of bank balances to statements and related party declarations provided by Governors and senior management.

SACRED HEART CATHOLIC SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SACRED HEART CATHOLIC SCHOOL AND THE EDUCATION 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 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant

haysmacintyre

26 Red Lion Square
London
WC1R 4AG

30 November 2015

SACRED HEART CATHOLIC SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account and Statement of Total Recognised Gains and Losses)
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	10,560	-	-	10,560	38,316
Activities for generating funds	3	315,860	-	-	315,860	285,646
Investment income	4	25,463	-	-	25,463	9,220
Incoming resources from charitable activities	5	-	6,412,615	109,986	6,522,601	6,508,611
TOTAL INCOMING RESOURCES		351,883	6,412,615	109,986	6,874,484	6,841,793
RESOURCES EXPENDED						
Costs of generating funds:						
Costs of generating voluntary income	6	19,953	-	-	19,953	49,415
Charitable activities	8	370,562	6,235,001	20,515	6,626,078	6,172,971
Governance costs	7	-	29,624	-	29,624	71,909
TOTAL RESOURCES EXPENDED	9	390,515	6,264,625	20,515	6,675,655	6,294,295
NET INCOMING / (OUTGOING) RESOURCES BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		(38,632)	147,990	89,471	198,829	547,498

SACRED HEART CATHOLIC SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Transfers between Funds	17	-	(1,009)	1,009	-	-
NET INCOME FOR THE YEAR		(38,632)	146,981	90,480	198,829	547,498
Actuarial losses on defined benefit pension scheme	25	-	(68,000)	-	(68,000)	(402,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		(38,632)	78,981	90,480	130,829	145,498
Total funds at 1 September 2014		1,097,441	114,255	22,983	1,234,679	1,089,181
TOTAL FUNDS AT 31 AUGUST 2015		<u>1,058,809</u>	<u>193,236</u>	<u>113,463</u>	<u>1,365,508</u>	<u>1,234,679</u>

All activities relate to continuing operations.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 25 to 45 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2015

	Note	2015 £	2014 £
FIXED ASSETS			
Tangible assets	14	584,725	524,005
CURRENT ASSETS			
Debtors	15	110,097	242,681
Cash at bank and in hand		2,074,386	2,001,493
		<u>2,184,483</u>	<u>2,244,174</u>
CREDITORS: amounts falling due within one year	16	<u>(268,700)</u>	<u>(538,500)</u>
NET CURRENT ASSETS		1,915,783	1,705,674
TOTAL ASSETS LESS CURRENT LIABILITIES		2,500,508	2,229,679
Defined benefit pension scheme liability	25	<u>(1,135,000)</u>	<u>(995,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITY		<u>1,365,508</u>	<u>1,234,679</u>
FUNDS OF THE ACADEMY			
Restricted funds:			
General funds	17	1,328,236	1,109,255
Fixed asset funds	17	113,463	22,983
		<u>1,441,699</u>	<u>1,132,238</u>
Restricted funds excluding pension liability			
Pension reserve	17	<u>(1,135,000)</u>	<u>(995,000)</u>
Total restricted funds		306,699	137,238
Unrestricted funds	17	1,058,809	1,097,441
TOTAL FUNDS		<u>1,365,508</u>	<u>1,234,679</u>

The financial statements were approved by the Trustees, and authorised for issue, on 30 November 2015 and are signed on their behalf, by:

C Donovan
Chair of Governors



The notes on pages 25 to 45 form part of these financial statements.

SACRED HEART CATHOLIC SCHOOL
(A Company Limited by Guarantee)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	2015 £	2014 £
Net cash inflow from operating activities	19	131,445	415,353
Returns on investments and servicing of finance	20	25,463	9,220
Capital expenditure and financial investment	20	(84,015)	(483,703)
INCREASE/(DECREASE) IN CASH IN THE YEAR		72,893	(59,130)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2015

	2015 £	2014 £
(Decrease)/increase in cash in the year	72,893	(59,130)
MOVEMENT IN NET FUNDS IN THE YEAR	72,893	(59,130)
Net funds at 1 September 2014	2,001,493	2,060,623
NET FUNDS AT 31 AUGUST 2015	2,074,386	2,001,493

The notes on pages 25 to 45 form part of these financial statements.

SACRED HEART CATHOLIC SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2014 to 2015 issued by EFA, applicable accounting standards and the Companies Act 2006.

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 funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education/EFA..

Investment income, gains and losses are allocated to the appropriate fund.

1.3 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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

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

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

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.

SACRED HEART CATHOLIC SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

1.4 Resources expended

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

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

Charitable activities are costs incurred in the academy's educational operations.

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

All resources expended are inclusive of irrecoverable VAT.

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 one year from the date of approval of the financial statements.

1.6 Tangible fixed assets and depreciation

All assets costing more than £2,500 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. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and are carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy's depreciation policy.

Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Tangible fixed assets are stated at cost less depreciation. 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

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

SACRED HEART CATHOLIC SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

losses are recognised in the Statement of Financial Activities.

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.

1.9 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 quinquennial valuations using a prospective benefit method. As stated in note 25, the TPS is a multi-employer scheme and the academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

2. VOLUNTARY INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Donations	10,560	-	10,560	38,316

SACRED HEART CATHOLIC SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Catering income	159,175	-	159,175	107,148
School trips	73,734	-	73,734	77,734
Other income	82,951	-	82,951	100,764
	<u>315,860</u>	<u>-</u>	<u>315,860</u>	<u>285,646</u>

4. INVESTMENT INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Short term deposits	25,463	-	25,463	9,220
	<u>25,463</u>	<u>-</u>	<u>25,463</u>	<u>9,220</u>

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Funding for the Academy's educational operations	-	6,522,601	6,522,601	6,508,611
	<u>-</u>	<u>6,522,601</u>	<u>6,522,601</u>	<u>6,508,611</u>

SACRED HEART CATHOLIC SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
DfE/EFA grant				
General Annual Grant (GAG)	-	6,023,787	6,023,787	5,939,434
Other DfE/EFA grants	-	320,986	320,986	330,578
Other DfE/EFA capital grants	-	17,221	17,221	16,310
LEA grant	-	138,821	138,821	118,313
Soft Federation grant	-	-	-	31,576
Other funding				
Canterbury Christ Church University	-	13,036	13,036	72,400
Other income	-	8,750	8,750	-
	<u>-</u>	<u>6,522,601</u>	<u>6,522,601</u>	<u>6,508,611</u>

6. COSTS OF GENERATING VOLUNTARY INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Cost of generating voluntary income	<u>19,953</u>	<u>-</u>	<u>19,953</u>	<u>49,415</u>

7. GOVERNANCE COSTS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Auditors' remuneration	-	11,635	11,635	10,000
Auditors' non audit costs	-	5,833	5,833	7,965
Legal and professional fees	-	(9,774)	(9,774)	32,804
Wages and salaries	-	21,930	21,930	21,140
	<u>-</u>	<u>29,624</u>	<u>29,624</u>	<u>71,909</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

8. CHARITABLE ACTIVITIES

	Total funds 2015 £	Total funds 2014 £
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	3,811,686	3,731,900
National insurance	320,684	324,776
Pension cost	457,563	441,434
Educational supplies	404,939	315,681
Examination fees	91,935	68,618
Staff development	20,407	26,089
Staff restructuring costs	9,900	-
	<u>5,117,114</u>	<u>4,908,498</u>
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	503,693	451,166
National insurance	35,228	31,437
Pension cost	115,381	80,665
Depreciation	40,516	36,596
Pension finance	1,000	5,000
Recruitment and support	23,788	13,149
Maintenance of premises and equipment	70,276	34,209
Cleaning and utilities	329,775	247,480
Insurance	28,088	26,459
School journey, security and transport	97,401	105,870
Catering	144,051	110,760
Admin supplies	102,667	101,981
Other support costs	17,100	19,701
	<u>1,508,964</u>	<u>1,264,473</u>
	<u><u>6,626,078</u></u>	<u><u>6,172,971</u></u>

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FOR THE YEAR ENDED 31 AUGUST 2015

9. RESOURCES EXPENDED

	Staff costs	Non Pay Expenditure		Total	Total
	2015	Premises	Other costs	2015	2014
	£	2015	2015	£	£
		£	£		
Costs of generating funds:					
Costs of generating voluntary income	-	-	19,953	19,953	49,415
	-	-	19,953	19,953	49,415
Charitable activities:					
Direct costs	4,599,833	-	517,281	5,117,114	4,908,498
Support costs	654,302	418,032	436,630	1,508,964	1,225,473
Governance	21,930	-	7,694	29,624	71,909
	5,276,065	418,032	981,558	6,675,655	6,255,295

10. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	2015	2014
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	40,516	36,596
Auditors' remuneration	11,635	10,000
Auditors' remuneration - non-audit	5,833	7,965
Operating leases - plant and machinery	3,930	12,202

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11. STAFF

a. Staff costs

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	4,337,309	4,204,206
Social security costs	355,912	356,213
Other pension costs (Note 25)	572,944	522,099
	<u>5,266,165</u>	<u>5,082,518</u>
Staff restructuring costs	9,900	-
	<u>5,276,065</u>	<u>5,082,518</u>

b. Staff severance payments

Included in staff costs is one non-statutory/non-contractual severance payment totalling £9,900 (2014: £Nil). Individually, the payments were: £9,900.

c. Staff numbers

The average number of persons employed by the academy during the year expressed as full time equivalents was as follows:

	2015 No.	2014 No.
Teachers	69	66
Administration and Support	22	30
Management	11	10
	<u>102</u>	<u>106</u>

d. Higher paid staff

The number of employees whose emoluments fell within the following bands was:

	2015 No.	2014 No.
In the band £60,001 - £70,000	3	4
In the band £70,001 - £80,000	4	2
In the band £80,001 - £90,000	2	2
In the band £140,001 - £150,000	1	1
	<u>10</u>	<u>9</u>

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

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NOTES TO THE FINANCIAL STATEMENTS
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12. TRUSTEES' REMUNERATION AND EXPENSES

During the year retirement benefits were accruing to 3 Trustees (2014 - 3) in respect of defined benefit pension schemes.

During the year, no Trustees received any benefits in kind (2014 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2014 - £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:

H Burke (staff governor)

Remuneration £20,000 - £25,000 (2014: £20,000 - £25,000)

Employer's pension contributions £0 - £5,000 (2014: £0 - £5,000)

V Crompton (staff governor)

Remuneration £5,000 - £10,000 (2014: £50,000 - £55,000)*

Employer's pension contributions £0 - £5,000 (2014: £5,000 - £10,000)*

S Cefai (Headteacher)

Remuneration £140,000 - £145,000 (2014: £140,000 - £145,000)

Employer's pension contributions £20,000 - £25,000 (2014: £20,000 - £15,000)

T Spreyer (staff governor)

Remuneration £10,000 - £15,000 *

Employer's pension contributions £0 - £5,000*

*Reported remuneration has been pro-rated to reflect the fact that T Spreyer was appointed as a Governor in May 2015 and V Crompton resigned as a Governor in October 2014.

13. 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 2015 was £3,578 (2014 - £3,577). The cost of this insurance is included in the total insurance cost.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

14. TANGIBLE FIXED ASSETS

	Leasehold Property Improvements £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1 September 2014	500,013	18,000	9,036	68,861	595,910
Additions	-	52,020	17,980	32,486	102,486
Disposals	-	(18,000)	-	-	(18,000)
At 31 August 2015	500,013	52,020	27,016	101,347	680,396
Depreciation					
At 1 September 2014	-	12,000	6,337	53,568	71,905
Charge for the year	20,001	4,750	2,699	13,066	40,516
On disposals	-	(16,750)	-	-	(16,750)
At 31 August 2015	20,001	-	9,036	66,634	95,671
Net book value					
At 31 August 2015	480,012	52,020	17,980	34,713	584,725
At 31 August 2014	500,013	6,000	2,699	15,293	524,005

15. DEBTORS

	2015 £	2014 £
Trade debtors	725	-
VAT recoverable	54,349	135,943
Prepayments and accrued income	50,023	36,196
Grants Receivable	5,000	70,542
	110,097	242,681

16. CREDITORS:
Amounts falling due within one year

	2015 £	2014 £
Trade creditors	-	1,276
Other taxation and social security	114,172	105,406
Accruals and deferred income	154,528	431,818
	268,700	538,500

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

16. CREDITORS:
Amounts falling due within one year (continued)

	£
Deferred income	
Deferred income at 1 September 2014	19,824
Resources deferred during the year	79,230
Amounts released from prior period	(19,824)
	<hr/>
Deferred income at 31 August 2015	79,230
	<hr/>

At the balance sheet date the academy trust held grant funding received in advance for the 2014/15 financial year.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

17. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General Funds	1,097,441	351,883	(390,515)	-	-	1,058,809
Restricted funds						
General Annual Grant (GAG)	1,108,127	5,939,772	(5,719,782)	(1,009)	-	1,327,108
Canterbury Christ Church University	-	13,036	(13,036)	-	-	-
Other DfE Funding	1,128	320,986	(320,986)	-	-	1,128
LEA Grant	-	138,821	(138,821)	-	-	-
Pension reserve	(995,000)	-	(72,000)	-	(68,000)	(1,135,000)
	114,255	6,412,615	(6,264,625)	(1,009)	(68,000)	193,236
Restricted fixed asset funds						
Restricted Fixed Asset Funds	6,673	-	(6,673)	-	-	-
DfE/EFA Capital Grants	16,310	17,221	(2,355)	-	-	31,176
Capital expenditure from GAG	-	84,015	(11,487)	1,009	-	73,537
Other income	-	8,750	-	-	-	8,750
	22,983	109,986	(20,515)	1,009	-	113,463
Total restricted funds	137,238	6,522,601	(6,285,140)	-	(68,000)	306,699
Total of funds	1,234,679	6,874,484	(6,675,655)	-	(68,000)	1,365,508

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 proved for capital expenditure, it has been allocated to DfE/EFA

Other Grants include funding in support of the School's education curriculum.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

17. STATEMENT OF FUNDS (continued)

Other income relates to gains on disposals of fixed assets.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	1,097,441	351,883	(390,515)	-	-	1,058,809
Restricted funds	114,255	6,412,615	(6,264,625)	(1,009)	(68,000)	193,236
Restricted fixed asset funds	22,983	109,986	(20,515)	1,009	-	113,463
	<u>1,234,679</u>	<u>6,874,484</u>	<u>(6,675,655)</u>	<u>-</u>	<u>(68,000)</u>	<u>1,365,508</u>

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Tangible fixed assets	480,012	-	104,713	584,725	524,005
Current assets	598,798	1,576,935	8,750	2,184,483	2,244,174
Creditors due within one year	-	(268,700)	-	(268,700)	(538,500)
Pension scheme liability	-	(1,135,000)	-	(1,135,000)	(995,000)
	<u>1,058,809</u>	<u>193,236</u>	<u>113,463</u>	<u>1,365,508</u>	<u>1,234,679</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

19. NET CASH FLOW FROM OPERATING ACTIVITIES

	2015 £	2014 £
Net incoming resources before other recognised gains and losses	198,829	547,498
Investment income	(25,463)	(9,220)
Depreciation	40,516	36,596
Capital grants from DfE	(17,221)	(16,310)
Decrease/(increase) in debtors	132,584	(109,084)
Decrease in creditors	(269,800)	(78,127)
FRS 17 adjustments	72,000	44,000
Net cash inflow from operations	131,445	415,353

20. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2015 £	2014 £
Returns on investments and servicing of finance		
Interest received	25,463	9,220
	2015 £	2014 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(101,236)	(500,013)
Capital grants from DfE	17,221	16,310
Net cash outflow capital expenditure	(84,015)	(483,703)

21. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand:	2,001,493	72,893	-	2,074,386
Net funds	2,001,493	72,893	-	2,074,386

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

22. CONTINGENT LIABILITIES

in the previous year, the School was in dispute over dilapidations in relation to its previously temporarily occupied premises. While the School expects to pay over an amount in relation these dilapidations, at the date of approval of the accounts, the Governors are of the belief that this amount cannot be reliably estimated. No further updated claim has been made during the year ended 31 August 2015.

As a result, no provision has been included on the School's balance sheet.

23. RELATED PARTY TRANSACTIONS

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

24. 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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2015

25. PENSION COMMITMENTS

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

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

Not less than every four years 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 (currently 14.1%);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million, giving a notional past service deficit of £14,900 million; and
- 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%.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2015

25. PENSION COMMITMENTS (continued)

During the year, the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

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

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

The pension costs paid to TPS in the period amounted to £422,860 (2014: £406,582).

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, 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 2015 was £99,000, of which employer's contributions totalled £66,000 and employees' contributions totalled £33,000. The agreed contribution rates for future years are 14.5% 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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2015

25. PENSION COMMITMENTS (continued)

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

	Expected return at 31 August 2015 %	Fair value at 31 August 2015 £	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £
Equities	7.00	951,000	6.60	990,000
Target Return Portfolio	5.20	417,000	5.80	625,000
Commodities and Alternative Assets	5.20	10,000	1.00	24,000
Cash	2.30	284,000	2.90	300,000
Cashflow Matching	2.60	308,000	3.00	145,000
Infrastructure and property	5.70	184,000	3.60	138,000
Total market value of assets		2,154,000		2,222,000
Present value of scheme liabilities		(3,289,000)		(3,217,000)
(Deficit) in the scheme		<u>(1,135,000)</u>		<u>(995,000)</u>

The amounts recognised in the Balance Sheet are as follows:

	2015 £	2014 £
Present value of funded obligations	(3,289,000)	(3,217,000)
Fair value of scheme assets	2,154,000	2,222,000
Net liability	<u>(1,135,000)</u>	<u>(995,000)</u>

The actual return on fund assets was £(4,000) (2014: £135,000).

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

	2015 £	2014 £
Current service cost	(156,000)	(105,000)
Interest on obligation	(122,000)	(120,000)
Expected return on scheme assets	121,000	115,000
Total	<u>(157,000)</u>	<u>(110,000)</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2015

25. PENSION COMMITMENTS (continued)

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

	2015 £	2014 £
Opening defined benefit obligation	3,217,000	2,594,000
Current service cost	156,000	105,000
Interest cost	122,000	120,000
Contributions by scheme participants	42,000	33,000
Actuarial (losses)/gains	(57,000)	459,000
Benefits paid	<u>(191,000)</u>	<u>(94,000)</u>
Closing defined benefit obligation	<u>3,289,000</u>	<u>3,217,000</u>

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

	2015 £	2014 £
Opening fair value of scheme assets	2,222,000	2,045,000
Expected return on assets	121,000	115,000
Actuarial gains/(losses)	(125,000)	57,000
Contributions by employer	85,000	66,000
Contributions by employees	42,000	33,000
Benefits paid	<u>(191,000)</u>	<u>(94,000)</u>
Closing fair value of scheme assets.	<u>2,154,000</u>	<u>2,222,000</u>

The estimated value of employer contributions for the year ended 31 August 2016 is £85,000.

The actuarial gains and losses for the current year are recognized in the Statement of Financial Activities.

The cumulative amount of actuarial gains and losses recognised in the Statement of Financial Activities was £(623,000) (2014 - £(555,000)).

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	2015	2014
Discount rate for scheme liabilities	3.80%	3.80%
Rate of increase in salaries	4.30%	4.40%
Rate of increase for pensions in payment / inflation	2.50%	2.60%
Inflation assumption (CPI)	2.50%	2.60%

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2015

25. PENSION COMMITMENTS (continued)

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

	2015	2014
Retiring today		
Males	21.3	21.2
Females	25.2	25.1
Retiring in 20 years		
Males	23.7	23.6
Females	27.4	27.3

The three period history of experience adjustments is as follows:

	2015 £'000	2014 £'000	2013 £'000
Present value of defined benefit obligations	(3,289)	(3,217)	(2,594)
Fair value of share of scheme assets	2,154	2,222	2,045
Deficit in the scheme	<u>(1,135)</u>	<u>(995)</u>	<u>(549)</u>
Experience adjustments on share of scheme assets			
Amounts £000*	(125)	57	152
Experience adjustments on scheme liabilities:			
Amount £000*	<u>-</u>	<u>(141)</u>	<u>-</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

26. OPERATING LEASE COMMITMENTS

At 31 August 2015 the academy had annual commitments under non-cancellable operating leases as follows:

	2015 £	2014 £
Expiry date:		
Within 1 year	-	1,373
Between 2 and 5 years	<u>3,930</u>	<u>3,930</u>