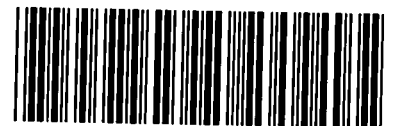


Registered number: 8160195

SACRED HEART CATHOLIC SCHOOL
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

TUESDAY



A7L1FT2J

A27

18/12/2018

#102

COMPANIES HOUSE

SACRED HEART CATHOLIC SCHOOL

(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details	1 - 2
Governors' Report	3 - 12
Governance Statement	13 - 15
Statement on Regularity, Propriety and Compliance	16
Statement of Trustees' Responsibilities	17
Independent Auditor's Report	18 - 20
Independent Reporting Accountant's Assurance Report on Regularity	21 - 22
Statement of Financial Activities Incorporating Income and Expenditure Account	23
Balance Sheet	24
Statement of Cash Flows	25
Notes to the Financial Statements	26 - 43

SACRED HEART CATHOLIC SCHOOL

(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS, GOVERNORS AND ADVISERS FOR THE YEAR ENDED 31 AUGUST 2018

Members

Rev P Smith
Rev M Dickens
P McCallum

Governors

C Donovan Chair*
J Siraut Vice-Chair*
H Agbukor
M Barton
S Cefai Headteacher & Accounting Officer
R Cofie*
Fr V Darlington Parish Priest
S Eddings Associate (resigned 16 October 2017)
J Green Parent Governor
G Lydon*
C McCallum
W Pepple (Deceased 13 May 2018)
W Samengo-Turner LEA Governor
J Fitzgerald (appointed 5 March 2018)
AM White (appointed 5 March 2018)

* 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

SACRED HEART CATHOLIC SCHOOL

(A Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2018**

Company secretary

A O'Sullivan

Executive Business Manager

S Pindoria

Senior leadership team

S Cefai, Headteacher
G Vincent, Deputy Head
R Lansiquot, Deputy Head
N Williams, Deputy Head
L Williams, Assistant Headteacher
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, 10 Queen Street Place, London, EC4R 1AG

Bankers

Lloyds TSB

Solicitors

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

SACRED HEART CATHOLIC SCHOOL

(A Company Limited by Guarantee)

GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2018

The governors present their annual report together with the financial statements and auditors' report of the charitable company from 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

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 for pupils aged 11 to 18 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.

SACRED HEART CATHOLIC SCHOOL

(A Company Limited by Guarantee)

GOVERNORS' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018

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 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 - 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 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 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;

SACRED HEART CATHOLIC SCHOOL

(A Company Limited by Guarantee)

GOVERNORS' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018

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 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.

SACRED HEART CATHOLIC SCHOOL

(A Company Limited by Guarantee)

GOVERNORS' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018

Arrangements for setting pay and remuneration of key management personnel

The Headteachers' pay is set by a panel of Governors and the terms of reference are as follows:

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

The headteacher is delegated authority by panel to set the remuneration of other key management personnel.

Trade union facility time

No relevant trade union officials are employed at Sacred Heart Catholic School.

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. The Academy Trust supplies STAC with various forms of academic support. Mr Cefai is Executive Headteacher of St Matthew Academy with effect from September 2015 extended to 31 December 2018. 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.

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. Encourage wide use of academic language.
 - 1.5. Ensure high quality homework is being set for all pupils

SACRED HEART CATHOLIC SCHOOL

(A Company Limited by Guarantee)

GOVERNORS' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018

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.
 - 2.5 Monitor and develop the teaching of new specifications for GCSE and new 'A' Levels.
 - 2.6 Focus on the quality of marking
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 Ensure intervention is in place across the curriculum.
 - 3.4 Develop strategies to increase A*/A
 - 3.5 Develop pupil's soft skills e.g. networking and communication
 - 3.6 Ensure effective and robust assessment and tracking.
 - 3.7 Further develop intervention strategies and monitoring
4. Curriculum and Assessment
 - 4.1 Ensure greater subject scrutiny, moderation and discussion of rank orders.
 - 4.2 Quality ensure examinations to ensure robust examinations in all subjects.
 - 4.3 Ensure curriculums prepare students for 100% terminal examination by developing revision strategies and using them within lessons
 - 4.4 To ensure that all departments have clear schemes of work that are being adhered to.
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 literacy.
 - 5.7 Develop Debate mat as a resource to improve literacy across subjects

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

SACRED HEART CATHOLIC SCHOOL

(A Company Limited by Guarantee)

GOVERNORS' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018

(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

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

	2013	2014	2015	2016	2017	2018
Progress 8			0.84	0.8	1.07	1.11
English Baccalaureate (9-4 English & Maths)	58	63	53	48	52	62
English Baccalaureate (9-5 English & Maths, 9-4 other Ebac components)					45	55
English & Maths 9-4	90	78	75	79	81	83
English & Maths 9-5					60	64
5+ 9-4 or A* - C	98	86	89	87	91	89
2+ 9-4 or A* -C in Science	87	79	85	81	85	86
1+ 9-4 or A* -C in a MFL	78	74	69	72	69	83

SACRED HEART CATHOLIC SCHOOL

(A Company Limited by Guarantee)

GOVERNORS' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018

Summary of GCSE results and departmental results:

Sacred Heart achieved the highest results in the London Borough of Southwark with 83% of its pupils achieving English and Maths at 9-4:

- 64% of all pupils achieved English and maths at 9-5
- 89% of all pupils achieved at least 5 9-4 overall
- 62% of all pupils achieved the English Baccalaureate (with 9-4 English & Maths)
- 83% of all pupils achieved an 9-4 in Maths
- 94% of all pupils achieved an 9-4 in English (Language or Literature)
- 86% of all pupils achieved at least two A*-C grades in Science

Departments across the school achieved a series of fantastic results:

- Biology 100% 9-4
- Combined Science 89% 9-4
- Computing 81% 9-4
- Drama 92% 9-4
- English Language 87% 9-4
- English Literature 92% 9-4
- Financial Education 100% A*-C
- French 98% 9-4
- Geography 94% 9-4
- Health & Social Care 100% D*-P
- History 88% 9-4
- Music 100% 9-4
- PE 94% 9-4
- Physics 100% 9-4
- RE 87% 9-4 (Year 10)
- Spanish 95% 9-4
- Textiles 100% 9-4

A Level Results 2018

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 76 pupils in Year 13 sat A Level courses and of the exams sat 99% of entries were graded between A* and E. Meanwhile, 68% of all entries received a grade between A* and B.

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

- Business Studies 90%
- Chemistry 88%
- Economics 85%
- English Literature 67%
- French 80%
- Further Maths 100%
- Geography 100%
- History 89%
- Mathematics 63%
- Politics 70%
- Portuguese 100%
- Psychology 62%
- Sociology 79%
- Spanish 100%

SACRED HEART CATHOLIC SCHOOL

(A Company Limited by Guarantee)

GOVERNORS' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018

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 parent's 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 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 2018 totalled £6.0m and the associated expenditure totalled £6.0m (excluding transfers) and are shown as restricted general funds in the Statement of Financial Activities. During the 12 month period ending 31 August 2018 total income of £6.9m was exceeded by expenditure of £7.1m 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 2018, the schemes liabilities exceeded its assets by £1.9m. 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 2018 the Academy held free reserves of £738k; 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 £1.6m, the purpose of which is for the general objects of the Academy Trust.

Balances carried forward are analysed between the Academy's reserves in note 14 to these financial statements.

Investment Policy

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

SACRED HEART CATHOLIC SCHOOL

(A Company Limited by Guarantee)

GOVERNORS' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018

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, 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.

Fundraising

The parents may make voluntary contributions to the school to support additional activities and events which benefit pupils but are not required to do so. No other fundraising activities are undertaken to benefit the school. The school is mindful of the guidance issued by the Charity commission. No complaints were received in the year.

Plans for Future Periods

Development of middle managers with emphasis in the following areas to improve whole School approach and monitoring procedures.

1) Curriculum Mapping

An emphasis on a user friendly curriculum map at all key stages but in particular Key Stage 3. This will allow for more careful monitoring of what is taught and when in our school and provide a vital tool for our Teaching & Learning Team to better monitor progression and differentiation.

2) Marking

A root and branch review of department marking policies. A clear schedule of book checks, which we will now expect departments to monitor more carefully. It is envisaged that the Teaching & Learning Team rather than deal with any issues directly with teachers in this area will now be encouraged to assess department processes holding middle leaders to account.

SACRED HEART CATHOLIC SCHOOL

(A Company Limited by Guarantee)

GOVERNORS' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018

3) Differentiation

Using the above mechanism and other methods, we will implement a far greater monitoring of differentiation throughout the School. Focus will, however, be concentrated at Key Stage 3 and will incorporate a different approach to observations allowing the Teaching & Learning Team to better judge the level of differentiation happening. The stretch and challenge agenda will continue.

4) Greater awareness of pupil targets and achievement

The vehicle for this has many facets but a better use of seating plans with clear information will heighten awareness and encourage early intervention strategies.

5) Homework

A crucial area in light of diminishing coursework requirements for our pupils. This means that teaching our pupils to become independent learners at a very young age is more important than ever. Homework will be an even more important vehicle to ensure good habits are learnt and a comprehensive process already in place will be reviewed and improved.

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 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 7/12/18 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 Governors' Report and in the Statement of Governors' Responsibilities. The Governing Body has formally met three times between 1 September 2017 and 31 August 2018. Attendance during the period at meetings of the full Governing Body was as follows:

<i>Governor</i>	<i>Position</i>	<i>Type</i>	<i>Meetings Attended</i>	<i>Out of a Possible</i>
Ms Christine Donovan*	Chair	Foundation	2	3
Mr John Siraut*	Vice-Chair	Foundation	3	3
Fr Victor Darlington	Parish Priest	Foundation	2	3
Mr Humphrey Agbukor		Foundation	1	3
Mr Michael Barton		Foundation	1	3
Mrs Charlotte McCallum		Foundation	3	3
Mrs Geraldine Lydon*		Foundation	3	3
John Green		Parent	3	3
Mrs Winifred Pepple (deceased)		Foundation	1	1
Mrs Rose Cofie*		Foundation	3	3
Mr William Samengo-Turner		LEA	2	3
Mr Serge Cefai	Headteacher	Staff	3	3
Mr Alex White		Staff	2	2
Mr Joseph Fitzgerald		Staff	2	2

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 Finance & Audit Committee meetings in the year were as follows:

<i>Governor</i>	<i>Position</i>	<i>Type</i>	<i>Meetings Attended</i>	<i>Out of a Possible</i>
Ms Christine Donovan	Chair	Foundation	2	3
Mr John Siraut		Foundation	3	3
Mrs Geraldine Lydon		Foundation	3	3
Mrs Rose Cofie		Foundation	3	3
Mr Serge Cefai	Headteacher	Staff	3	3

SACRED HEART CATHOLIC SCHOOL

(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

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.

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 social outcomes achieved in return for the taxpayer resources received.*

The Accounting Officer considers how the trust's use of resources has provided good value for money during each academic year.

In order to confirm that satisfactory arrangements are in place to promote economy, efficiency and effectiveness across the School, the Finance Committee of the Governing Body considers the evidence provided which form part of the School's routine management practices and which can provide a broad appreciation of the School's effectiveness. These activities include the strategic planning, financial strategy and budget setting processes, key performance indicator systems, costing and pricing policies, procurement activity, and capital projects.

During the year ended 31 August 2018, the School's focus on achieving Value for Money has included the following areas:

- Allocation of workload in the most cost-efficient manner amongst the School's administration and finance teams;
- Implementation of processes to ensure purchases, with a particular focus on facilities management contracts, are sourced as cost effectively as possible by comparing different supplier offerings; and
- Continued implementation of a strict control environment around the academy's expenditure processes, to ensure all expenditure decisions are properly reviewed.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Sacred Heart Catholic School for the period to 31 August 2018 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 Trust 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 on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period ended 31 August 2018 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 Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and
- periodic financial reports which are reviewed and agreed by the Governing Body;
- regular reviews by the Personnel, 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 auditor, to perform a range of checks on the Academy Trust's financial systems. The external auditor, haysmacintyre have completed two visits within the period to 31 August 2018.

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 auditor;
- the work of the executive business manager within the Academy Trust who has 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 7/12/18..... and signed on its behalf by:


C. Donovan
Chair of Governors
Mr S E Cefai
Accounting Officer and Headteacher

SACRED HEART CATHOLIC SCHOOL


(A Company Limited by Guarantee)

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Sacred Heart Catholic School I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, 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 2017.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of all 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 2017.

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



Serge Cefai
Accounting Officer

Date: **7/12/18**

SACRED HEART CATHOLIC SCHOOL

(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Governors (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors 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:

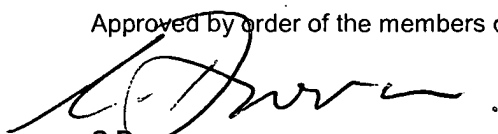
- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards (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 Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the 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 Governors are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees and signed on its behalf by:



C Donovan
Chair of Governors

Date: 7/12/18

SACRED HEART CATHOLIC SCHOOL

(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S 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 2018 which comprise 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 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion, the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2018 and of its net movement in funds, including the 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 2017 to 2018 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the 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 Governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Governors 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 Governors 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 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.

SACRED HEART CATHOLIC SCHOOL

(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SACRED HEART CATHOLIC SCHOOL (continued)

Opinions 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 Governors' Report including the Strategic Report for which the financial statements are prepared is consistent with the financial statements.
- the Governors' 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 the knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report (which incorporates the strategic report and the directors' 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 by; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Governors' Responsibilities, the Governors 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 Governors 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 Governors 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 Governors either intend to liquidate the academy's or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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.

SACRED HEART CATHOLIC SCHOOL

(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SACRED HEART CATHOLIC SCHOOL (continued)

Use of our report

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.



Tracey Young (Senior Statutory Auditor)
For and on behalf of haysmacintyre, Statutory Auditors
10 Queen Street Place
London
EC4R 1AG

Date: 13/12/18

SACRED HEART CATHOLIC SCHOOL

(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S REPORT

Independent reporting accountant's 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 2017 to 2018, 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 period 1 September 2017 to 31 August 2018 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 ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Westminster City School and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Westminster City School and 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 1 July 2012 and the Academies Financial Handbook, extant from 1 September 2017, 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 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 01 September 2017 to 31 August 2018 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 2017 to 2018 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- 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 credit card statements and expense claims;
- Review of minutes, bank certificates and related party declarations provided by Governors and senior management.

SACRED HEART CATHOLIC SCHOOL

(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S REPORT (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 period 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.


haysmacintyre
10 Queen Street Place
London
EC4R 1AG

Date: 13/12/18

SACRED HEART CATHOLIC SCHOOL

(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2018

		Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed assets funds 2018 £	Total funds 2018 £	Total funds 2017 £
	Notes					
INCOME FROM:						
Donations and capital grants	2	66,474	-	19,007	85,481	60,176
Charitable activities	3	353,943	6,456,495	-	6,810,438	6,849,287
Other trading activities	4	14,231	-	-	14,231	18,297
Investments	5	548	15,978	-	16,526	17,292
TOTAL INCOME		<u>435,196</u>	<u>6,472,473</u>	<u>19,007</u>	<u>6,926,676</u>	<u>6,945,052</u>
EXPENDITURE ON:						
Raising funds	6	63,708	-	-	63,708	12,137
Charitable activities	7	<u>365,685</u>	<u>6,625,267</u>	<u>38,302</u>	<u>7,029,254</u>	<u>7,146,285</u>
TOTAL EXPENDITURE		<u>429,393</u>	<u>6,625,267</u>	<u>38,302</u>	<u>7,092,962</u>	<u>7,158,422</u>
NET INCOME/ (EXPENDITURE)		5,803	(152,794)	(19,295)	(166,286)	(213,370)
Actuarial gains on defined benefit pension scheme	19	-	521,000	-	521,000	214,000
NET MOVEMENT IN FUNDS		5,803	368,206	(19,295)	354,714	630
RECONCILIATION OF FUNDS:						
Total funds brought forward		<u>1,148,388</u>	<u>(650,002)</u>	<u>126,386</u>	<u>624,772</u>	<u>624,142</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>1,154,191</u></u>	<u><u>(281,796)</u></u>	<u><u>107,091</u></u>	<u><u>979,486</u></u>	<u><u>624,772</u></u>

All of the Academy's activities derived from continuing operations during the above two financial periods.
A Statement of Total Recognised Gains and Losses are included in the Statement of Financial Activities.

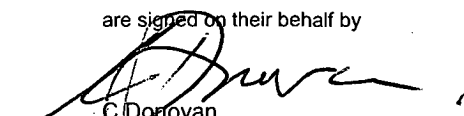
SACRED HEART CATHOLIC SCHOOL**(A Company Limited by Guarantee)****REGISTERED NUMBER: 8160195****BALANCE SHEET
AS AT 31 AUGUST 2018**

	Notes	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Tangible assets	11		522,963		556,465
Current assets					
Debtors	12	104,023		113,497	
Cash at bank and in hand		<u>2,466,015</u>		<u>2,451,259</u>	
		2,570,038		2,564,756	
Liabilities					
Creditors: Amounts falling due within one year	13	<u>(262,515)</u>		<u>(325,449)</u>	
Net current assets			<u>2,307,523</u>		<u>2,239,307</u>
Total assets less current liabilities			2,830,486		2,795,772
Defined benefit pension scheme liability	19		<u>(1,851,000)</u>		<u>(2,171,000)</u>
Net assets including pension (scheme) liabilities			<u>979,486</u>		<u>624,772</u>
Fixed asset fund	14	107,091		126,386	
Restricted income fund	14	1,569,204		1,520,998	
Pension reserve	14	<u>(1,851,000)</u>		<u>(2,171,000)</u>	
Total restricted funds			<u>(174,705)</u>		<u>(523,616)</u>
	14		<u>1,154,191</u>		<u>1,148,388</u>
Total funds			<u>979,486</u>		<u>624,772</u>

The financial statements on pages 26-43 were approved by the trustees and authorised for issue on
are signed on their behalf by

7/12/18

2018 and



C. Donovan
Trustee

SACRED HEART CATHOLIC SCHOOL**(A Company Limited by Guarantee)**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018**

	2018 £	2017 £
Net cash inflow from operating activities		
Net cash provided by operating activities	5,173	46,121
Cash flows from investing activities	<u>9,583</u>	<u>12,770</u>
Change in cash and cash equivalents in the year	14,756	58,891
 Reconciliation of net cash flow to movement in net funds:		
Cash and cash equivalents brought forward	2,451,259	2,392,368
Cash and cash equivalents carried forward	<u><u>2,466,015</u></u>	<u><u>2,451,259</u></u>
 Reconciliation of net expenditure to net cash flow from operating activities		
	2018 £	2017 £
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(166,286)	(213,370)
Adjusted for:		
Depreciation charges	59,452	54,765
Capital grants from DfE and other capital income	(19,007)	(18,989)
Interest receivable	(16,526)	(17,292)
Defined benefit pension scheme cost less contributions payable	146,000	166,000
Defined benefit pension scheme finance cost	55,000	44,000
Increase/(decrease) in debtors	9,475	(39,959)
(Decrease)/increase in creditors	(62,935)	70,966
Net cash provided by Operating Activities	<u>5,173</u>	<u>46,121</u>
 Cash flows from investing activities		
	2018 £	2017 £
Dividends, interest and rents from investments	16,526	17,292
Purchase of tangible fixed assets	(25,950)	(23,511)
Capital grants from DfE/EFA	19,007	18,989
Net cash provided by Investing Activities	<u>9,583</u>	<u>12,770</u>
 Analysis of cash and cash equivalents		
	2018 £	2017 £
Cash in hand and at bank	366,015	901,259
Cash on deposit	2,100,000	1,550,000
Total cash and cash equivalents	<u><u>2,466,015</u></u>	<u><u>2,451,259</u></u>

SACRED HEART CATHOLIC SCHOOL

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

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

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 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Sacred Heart Catholic School meets the definition of a public benefit entity under FRS 102.

1.2 Going Concern

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

1.3 DfE/EFSA grants

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.

SACRED HEART CATHOLIC SCHOOL

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

1 ACCOUNTING POLICIES (continued)

1.3 Income (continued)

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.

1.5 Tangible Fixed Assets

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.

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:

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

SACRED HEART CATHOLIC SCHOOL

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

1 ACCOUNTING POLICIES (continued)

1.5 Tangible Fixed Assets (continued)

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

1.6 Operating leases

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

1.7 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.

1.8 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.

1.9 Cash

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.

SACRED HEART CATHOLIC SCHOOL

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

1 ACCOUNTING POLICIES (continued)

1.10 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.

1.11 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 12. 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 13. 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.

SACRED HEART CATHOLIC SCHOOL

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

1 ACCOUNTING POLICIES (continued)

1.12 Pensions

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy.

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 19, 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.

1.13 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 Governors

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 2018

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 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. 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.

SACRED HEART CATHOLIC SCHOOL

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR END 31 AUGUST 2018

2 Donations and capital grants

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed assets funds 2018 £	Total funds 2018 £	Total funds 2017 £
Capital grants	-	-	19,007	19,007	18,989
Donations	66,474	-	-	66,474	41,187
Total donations and capital grants	66,474	-	19,007	85,481	60,176

In 2017, of the total income from donations and capital grants, £41,187 was to unrestricted funds and £18,989 was to restricted fixed asset funds.

3 Funding for the Academy Trust's educational operations

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/EFSA grants	-	6,456,495	6,456,495	6,497,470
Canterbury Christ Church University	-	-	-	15,055
Catering income	203,052	-	203,052	190,980
Curricular income	108,035	-	108,035	128,958
School trips	42,856	-	42,856	16,824
	353,943	6,456,495	6,810,438	6,849,287
DfE/ESFA grants				
General Annual Grant (GAG)	-	5,988,427	5,988,427	6,058,268
Statement funding	-	182,308	182,308	153,320
Other DfE Funding	-	285,760	285,760	285,882
	-	6,456,495	6,456,495	6,497,470

In 2017, of the total income from charitable activities, £336,762 was to unrestricted funds and £6,512,525 was to restricted funds.

4 Other trading activities

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Other income	14,231	-	14,231	18,297
	14,231	-	14,231	18,297

SACRED HEART CATHOLIC SCHOOL

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

5 Investment income

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Short term deposits	548	15,978	16,526	17,292
	<u>548</u>	<u>15,978</u>	<u>16,526</u>	<u>17,292</u>

In 2017, of the total investment income, £946 was to unrestricted funds and £16,346 was to restricted funds.

6 Expenditure

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on raising funds	-	-	63,708	63,708	12,137
Academy's educational operations:					
Direct costs	4,874,440	-	503,156	5,377,596	5,459,659
Allocated support costs	856,061	517,754	277,843	1,651,658	1,686,626
	<u>5,730,501</u>	<u>517,754</u>	<u>844,707</u>	<u>7,092,962</u>	<u>7,158,422</u>

In 2017, expenditure of £381,281 was from unrestricted funds, £6,743,526 from restricted funds and £33,615 from restricted fixed asset funds.

Net income / (expenditure) for the year includes:

Depreciation of tangible fixed
assets:

Auditors' remuneration - audit

Auditors' remuneration - other services

2018 £	2017 £
59,452	54,765
12,625	12,225
<u>3,000</u>	<u>2,900</u>

7 Charitable activities

	Total funds 2018 £	Total funds 2017 £
Direct costs - educational operations	5,377,596	5,459,659
Support costs - educational operations	1,651,658	1,686,626
	<u>7,029,254</u>	<u>7,146,285</u>
	2018 £	2017 £
Analysis of support costs		
Support staff costs	856,061	798,810
Depreciation	59,452	54,765
Premises costs	458,302	463,990
Other support costs	254,310	310,142
Governance costs	23,533	58,919
Total support costs	<u>1,651,658</u>	<u>1,686,626</u>

During the year the Academy made gifts to a value of £2,313 (2017: £2,937).

SACRED HEART CATHOLIC SCHOOL**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

8 Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	4,465,085	4,491,032
Social security costs	450,418	457,327
Pension costs	814,998	819,537
	<u>5,730,501</u>	<u>5,767,896</u>

Included in wages and salaries were the following costs:

Agency staff costs	52,214	69,696
Non-contractual settlement agreements	-	18,000
	<u>52,214</u>	<u>87,696</u>

The average numbers of persons employed by the Academy during the period was as follows:

	2018 No.	2017 No.
Teachers	66	70
Administration, support and management	57	59
	<u>123</u>	<u>129</u>

Higher paid staff

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

	2018 No.	2017 No.
£60,001 - £70,000	2	3
£70,001 - £80,000	3	5
£80,001 - £90,000	2	1
£90,001 - £100,000	1	1
£160,001 - £170,000	1	1

Key management personnel

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 £1,123,736 (2017: £1,103,784). In addition to these figures, £96,817 (2017 £14,704) was paid to staff governors as disclosed in note 9.

SACRED HEART CATHOLIC SCHOOL

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

9 Related Party Transactions - Governors' remuneration and expenses

During the year, no Governors received any benefits in kind (2017 - £NIL).

During the year, no Governors received any reimbursement of expenses (2017 - £NIL).

One or more Governors has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff governors 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 governors. The value of governors' remuneration and other benefits was as follows:

S Cefai (principal and trustee)

Remuneration £160,000 - £170,000 (2017: £160,000 - £170,000)

Employer's pension contributions paid £20,000-£25,000 (2017: £20,000- £25,000)

A White (staff trustee)

Remuneration £25,000 - £30,000

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

J Fitzgerald (staff trustee)

Remuneration £25,000 - £30,000

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

10 Governors' and Officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect governors 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 period ended 31 August 2018 was £2,920 (2017: £2,688). The cost of this insurance is included in the total insurance cost.

SACRED HEART CATHOLIC SCHOOL

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

11 Tangible fixed assets

	Leasehold property improvements £	Fixtures and fittings £	Computer equipment £	Motor Vehicles £	Total £
Cost					
At 1 September 2017	528,749	64,033	111,756	52,020	756,558
Additions	-	14,345	11,605	-	25,950
At 31 August 2018	528,749	78,378	123,361	52,020	782,508
Depreciation					
At 1 September 2017	61,152	18,944	93,987	26,010	200,093
Charge in year	21,150	10,999	14,298	13,005	59,452
At 31 August 2018	82,302	29,943	108,285	39,015	259,545
Net book value					
At 31 August 2018	446,447	48,435	15,076	13,005	522,963
At 31 August 2017	467,597	45,089	17,769	26,010	556,465

12 Debtors

	2018 £	2017 £
VAT recoverable	34,270	29,977
Prepayments and accrued income	69,753	83,520
	<u>104,023</u>	<u>113,497</u>

13 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	-	1,168
Taxation and social security	122,551	122,077
Accruals and deferred income	139,964	202,204
	<u>262,515</u>	<u>325,449</u>
Deferred income		
Deferred income at 1 September 2017	58,656	49,097
Resources deferred in the year	58,911	58,656
Amounts released from prior period	(58,656)	(49,097)
Deferred income at 31 August 2018	<u>58,911</u>	<u>58,656</u>

At the balance sheet date the Academy Trust held grant funding received in advance for the 2018/19 financial year.

SACRED HEART CATHOLIC SCHOOL

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

14 Funds

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted funds					
General Annual Grant (GAG)	1,519,870	6,004,405	(5,956,199)	-	1,568,076
Statemented Pupil Funding	-	182,308	(182,308)	-	-
Other DfE Funding	1,128	285,760	(285,760)	-	1,128
Pension reserve	(2,171,000)	-	(201,000)	521,000	(1,851,000)
	<u>(650,002)</u>	<u>6,472,473</u>	<u>(6,625,267)</u>	<u>521,000</u>	<u>(281,796)</u>
Restricted fixed asset funds					
DfE/EFSA capital grants	54,115	19,007	-	-	73,122
Capital expenditure from GAG	72,271	-	(38,302)	-	33,969
	<u>126,386</u>	<u>19,007</u>	<u>(38,302)</u>	<u>-</u>	<u>107,091</u>
Total restricted funds	<u>(523,616)</u>	<u>6,491,480</u>	<u>(6,663,569)</u>	<u>521,000</u>	<u>(174,705)</u>
Unrestricted funds					
General funds - all funds	1,148,388	435,196	(429,393)	-	1,154,191
Total funds	<u>624,772</u>	<u>6,926,676</u>	<u>(7,092,962)</u>	<u>521,000</u>	<u>979,486</u>

Comparative information in respect of the preceding period is as follows:

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted general 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)
	<u>(650,943)</u>	<u>6,528,871</u>	<u>(6,743,526)</u>	<u>215,596</u>	<u>(650,002)</u>
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
	<u>136,458</u>	<u>18,989</u>	<u>(33,615)</u>	<u>4,554</u>	<u>126,386</u>
Total restricted funds	<u>(514,485)</u>	<u>6,547,860</u>	<u>(6,777,141)</u>	<u>220,150</u>	<u>(523,616)</u>
Unrestricted funds					
General funds - all funds	1,138,627	397,192	(381,281)	(6,150)	1,148,388
Total funds	<u>624,142</u>	<u>6,945,052</u>	<u>(7,158,422)</u>	<u>214,000</u>	<u>624,772</u>

SACRED HEART CATHOLIC SCHOOL**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

14 Funds (continued)

There were no limits on the amount of GAG funding the academy is permitted to carry forward from one year to the next.

Statemented pupil funding was income and expenditure allocated to SEN funding

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 fund Capital Expenditure from GAG as a restricted fixed asset fund.

The Canterbury Christ Church Grant was to fund the Academy's operating costs.

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

The pension reserve relates to the Academy Trusts' membership of the Local Government Pension Scheme (LGPS)

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	1,522,929	12,079,019	(12,035,468)	1,596	1,568,076
Statemented Pupil Funding	-	335,628	(335,628)	-	-
Canterbury Christ Church	-	15,055	(15,055)	-	-
Other DfE Funding	1,128	571,642	(571,642)	-	1,128
Pension reserve	(2,175,000)	-	(411,000)	735,000	(1,851,000)
	<u>(650,943)</u>	<u>13,001,344</u>	<u>(13,368,793)</u>	<u>736,596</u>	<u>(281,796)</u>
Restricted fixed asset funds					
DfE/EFA capital grants	40,676	37,996	(10,104)	4,554	73,122
Capital expenditure from GAG	95,782	-	(61,813)	-	33,969
	<u>136,458</u>	<u>37,996</u>	<u>(38,302)</u>	<u>-</u>	<u>107,091</u>
Total restricted funds	<u>(514,485)</u>	<u>13,039,340</u>	<u>(13,407,095)</u>	<u>736,596</u>	<u>(174,705)</u>
Unrestricted funds					
General funds	<u>1,138,627</u>	<u>832,388</u>	<u>(810,674)</u>	<u>(6,150)</u>	<u>1,154,191</u>
Total funds	<u><u>624,142</u></u>	<u><u>13,871,728</u></u>	<u><u>(14,217,769)</u></u>	<u><u>730,446</u></u>	<u><u>979,486</u></u>

SACRED HEART CATHOLIC SCHOOL

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

15 Analysis of net assets between funds

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	415,872	-	107,091	522,963
Current assets	738,319	1,831,719	-	2,570,038
Current liabilities	-	(262,515)	-	(262,515)
Pension scheme liability	-	(1,851,000)	-	(1,851,000)
Total net assets	1,154,191	(281,796)	107,091	979,486

Comparative information in respect of the preceeding period is as follows:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Fund balances at 31 August 2017 are represented by:				
Tangible fixed assets	467,597	-	88,868	556,465
Current assets	703,187	1,824,051	37,518	2,564,756
Current liabilities	(22,396)	(303,053)	-	(325,449)
Pension scheme liability	-	(2,171,000)	-	(2,171,000)
Total net assets	1,148,388	(650,002)	126,386	624,772

16 Capital commitments

	2018 £	2017 £
Contracted for, but not provided in the financial statements.	83,400	-

17 Commitments under operating leases

At 31 August 2018 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts due within one year	2,160	3,603
Amounts due between one and five years	5,580	-
	7,740	3,603

All operate lease commitments relate to equipment.

SACRED HEART CATHOLIC SCHOOL

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

18 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.

19 Pensions obligations

The Academy'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 London Pensions Fund Authority Pensions Fund. Both are multi-employer defined benefit schemes

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

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

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed 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 employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2012 and the valuation report, which was published in June 2014, confirmed an employer contribution rate for the TPS of 16.4% from 1 September 2015. Employers are also currently required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 16.48% of £176,600 million giving a notional past service deficit of £14,900 million.

This employer rate will be payable until the completion and outcome of the next actuarial valuation which is being prepared as at 31 March 2016. Her Majesty's Treasury published draft Directions for the TPS on 6 September 2018 to allow the Department for Education to finalise this valuation. Early indications from the valuation are that the amount employers will be required to pay towards the scheme may increase substantially from September 2019.

There are also indications that the protections in the new cost cap mechanism required by the Public Service Pensions Act 2013 mean public sector workers will get improved pension benefits for employment over the period April 2019 to March 2023.

There are also indications that the protections in the new cost cap mechanism required by the Public Service Pensions Act 2013 mean public sector workers will get improved pension benefits for employment over the period April 2019 to March 2023.

SACRED HEART CATHOLIC SCHOOL

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

19 Pensions obligations (continued)

The employer's pension costs paid to TPS in the period amounted to £519,278 (2017: £513,965).

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

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £137,000 (2017: £131,000), of which employer's contributions totalled £97,000 (2017: £88,000) and employees' contributions totalled £40,000 (2017: £43,000). 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.

SACRED HEART CATHOLIC SCHOOL**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

19 Pensions obligations (continued)**Principal actuarial assumptions**

	2018	2017
Rate of increase of salaries	3.80%	4.20%
Rate of increase for pensions in payment/inflation	2.30%	2.70%
Discount rate for scheme liabilities	2.65%	2.60%
Inflation assumptions (CPI)	2.30%	2.70%

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

	2018	2017
<i>Retiring today</i>		
Males	20.7	20.6
Females	24.5	24.4
<i>Retiring in 20 years</i>		
Males	23.0	22.9
Females	26.7	26.6

Sensitivity analysis

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

	2018 £	2017 £
Discount rate +0.1%	4,618,000	4,794,000
Discount rate -0.1%	4,797,000	4,980,000
Mortality assumption – 1 year increase	4,884,000	5,071,000
Mortality assumption – 1 year decrease	4,536,000	4,708,000
CPI rate +0.1%	4,720,000	4,904,000
CPI rate -0.1%	4,694,000	4,868,000

SACRED HEART CATHOLIC SCHOOL

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

19 Pensions obligations (continued)

The academy trust's share of the assets in the scheme were:

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	1,676,000	1,665,000
Target return portfolio	642,000	563,000
Cash and other liquid assets	166,000	188,000
Infrastructure and property	372,000	299,000
Total market value of assets	2,856,000	2,715,000

The actual return on scheme assets was £71,000 (2017: £48,000)

Amount recognised in the statement of financial activities

	2018 £	2017 £
Current service cost (net of employee contributions)	(239,000)	(251,000)
Interest cost	(55,000)	(44,000)
Administration expenses	(4,000)	(3,000)
Total amount recognised in the SOFA	(298,000)	(298,000)

Changes in the present value of defined benefit obligations:

	2018 £	2017 £
Scheme obligations as at 1 September 2017	4,886,000	4,432,000
Current service cost	239,000	251,000
Interest cost	126,000	92,000
Employee contributions	40,000	43,000
Benefits paid	(99,000)	(107,000)
Change in financial assumptions	(485,000)	159,000
Other actuarial gains	-	16,000
At 31 August 2018	4,707,000	4,886,000

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

	2018 £	2017 £
Fair value of scheme assets at 1 September 2017	2,715,000	2,257,000
Other actuarial gains	-	16,000
Interest income	71,000	48,000
Actuarial gain/(loss)	36,000	373,000
Employer contributions	97,000	88,000
Employee contributions	40,000	43,000
Benefits paid	(99,000)	(107,000)
Administration expense	(4,000)	(3,000)
At 31 August 2018	2,856,000	2,715,000

20 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 9.