

Charity Registration No. 325104

Company Registration No. 01114031 (England and Wales)

THE SACRED HEART SCHOOL, BEECHWOOD TRUST LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

THE SACRED HEART SCHOOL, BEECHWOOD TRUST LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Governors

Mrs CA Williams (Chairman)
Sister M O'Sullivan (Vice Chairman)
Mrs M-F Mason (former Chairman)* (Resigned 31 August 2017)
Dr DAR Findley (former Vice Chairman)* (Resigned 31 August 2017)
Mr M Southern*
Mr M Stevens
Dr AJ Turner
Mrs GA Hill
Mr RG Park*
Mr J Emery* (Appointed 2 March 2017)
Mrs P Edgar (Appointed 19 July 2017)
Mr G Garcia* (Appointed 2 August 2017)

Mrs M-F Mason resigned as Chairman on 31st August 2017 and Mrs C A Williams was appointed Chairman on 1st September 2017.

Dr D A R Findley resigned as Vice Chairman on 31st August 2017 and Sister M O'Sullivan was appointed Vice Chairman on 1st September 2017.

* Members of the Finance Committee

Secretary

AJG Harvey

Key personnel and professional advisers

AJ Lennon BA (Hons)	Headmaster
AJG Harvey	Director of Finance

Charity number

325104

Company number

01114031

Address and Registered office

Beechwood Sacred Heart
12 Pembury Road
Tunbridge Wells
Kent
TN2 3QD

Auditor

RSM UK Audit LLP
Hanover House
18 Mount Ephraim Road
Tunbridge Wells
Kent
TN1 1ED

Bankers

Barclays Bank plc
8 Calverley Road
Tunbridge Wells
Kent
TN1 2TB

THE SACRED HEART SCHOOL, BEECHWOOD TRUST LIMITED

GOVERNORS REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 AUGUST 2017

The directors of The Sacred Heart School, Beechwood Trust Limited (the "Company"), who are also the trustees of the charity and the governors of the School (and will be referred to throughout these financial statements as the "Governors"), present their report and the audited financial statements of the Company for the year ended 31 August 2017 and confirm that they comply with the Company's revised Memorandum and Articles of Association, the Charities SORP FRS102 (effective 1 January 2015) and the Companies Act 2006.

Status

The Company was founded in 1973 as a company limited by guarantee (company number 1114031) and is a registered charity (charity number 325104).

Directors, trustees and governors

The governors of the School who served during the year are detailed in Legal and Administrative Information.

Structure, governance and management

Governing Documents

The Company is governed by its Memorandum and Articles of Association of 16 May 1973. These were amended on 21 August 2006. The roles and responsibilities of Governors are further defined in a revised Instrument of Government which was approved by the Board on 21 August 2006.

Governing body

The Company has a unified governing body which oversees the activities of both the Senior School and the Preparatory School (which includes the Nursery School). The Company is also referred to in this report as the Trust, where the context requires. All Governors are members of the Company. The Governors are also directors of the Company and charity trustees. There are also a number of members of the Company who are drawn from the local community, have a prior association with the School or have connections with the Roman Catholic Church.

The Board of Governors is a self-appointing body. Re-appointments are made by the members in the annual general meeting. Election to the Board is for a term of three years or less. If a Governor newly appointed after August 2006 serves for consecutive periods exceeding nine years in aggregate, special provisions apply to any further period of tenure.

There shall be up to four Foundation Governors appointed from among the Governors, whose role is to secure and safeguard the Roman Catholic character and ethos of the School.

Recruitment and training of governors

The Governors have generally been recruited from those known to existing governors, those who have or have had a close relationship with the School, those who make a contribution to the local community and those who are expected to bring relevant specialist skills or experience to the Board's deliberations. In addition, the Society of the Sacred Heart has at present the right to appoint one person as Governor, although this right has not been exercised in recent years. The Governors should be predominantly, but not exclusively, Roman Catholics. During the past three years, the Board, through its Governance Committee, has recruited six new Governors and extended the range of skills available.

Governors are encouraged to build awareness of their responsibilities by reference to the Guidelines for Governors' Manual, produced by the Independent Schools' Council, and to undertake regular visits to the School. Individual Governors also attend training programmes, often through AGBIS (the Association of Governing Bodies of Independent Schools), as appropriate.

Organisational management

The Governors, as charity trustees, are legally responsible for the overall management and control of the School. The Board meets at least three times a year and minutes are drawn up summarising its deliberations and conclusions reached. The School's policies are devised and regularly reviewed and in some cases individual Governors are delegated to maintain oversight of particular policies. The Foundation Governors also meet at least once a term and report regularly to the Board.

THE SACRED HEART SCHOOL, BEECHWOOD TRUST LIMITED

GOVERNORS REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

The financial planning, budgeting and performance of the School are monitored and controlled by the Finance Committee. Certain responsibilities have been delegated to the Finance Committee by the Board and the Finance Committee meets as required, but at least once a term. The main objectives of meetings of the Finance Committee are to review termly accounts, to approve fee levels, to agree the overall payroll budget each year and to examine and approve the annual budget. The Finance Committee is expected to maintain an overall brief to review and control bursaries and scholarships granted in accordance with the policy referred to below. The Finance Committee also has responsibility for the review of the School's outstanding debtors and determines the appropriate actions to recover problematic debts.

The Board also has a number of other Sub-Committees, namely: the Education and Pastoral Committee, the Marketing Committee, the Regulatory & Compliance Committee, the Property and Estates Committee and the Governance Committee.

The Education and Pastoral Committee meets on a regular, at least termly, basis. Among other initiatives, it has examined actions taken within the School as a result of external Inspections. The Marketing Committee reviews all aspects of the School's competitiveness in the local/UK and international markets and is responsible for maintaining the comprehensive 'alumni' network. The main responsibilities of the Regulatory and Compliance Committee are to ensure that Governors are fully conversant with and, in exercising their duties, act in compliance with all applicable legal and regulatory requirements, including DfE/ISI Regulations. The Estates and Property Committee meet on a regular basis and have been heavily involved with progressing the land sale and obtaining planning permission for the new Sports Hall / Design studio. The Governance Committee meets regularly and focuses on developing the terms of reference for new and existing Committees and on governor recruitment and development.

The day-to-day management of the School is the responsibility of the Headmaster, supported by a Senior Management Team, which includes the Director of Finance. The Director of Finance is directly responsible to the Board for the financial administration of the School. The Headmaster and the Director of Finance prepare reports to the Board and attend full meetings of the Board, as well as meetings of the Finance Committee.

Remuneration of key management personnel

The remuneration of the Headmaster is set by the Governors with an annual review. The remuneration of all other key personnel is set by the Headmaster with annual reviews.

External relationships

The School has contacts with local charities and various School activities seek to raise funds for their purposes.

The School hosts public competitions and involves its pupils in various outside activities (e.g. Model United Nations General Assembly / Young Enterprise / Mathematics Olympiads).

The School makes its facilities available for outside educational courses, performance arts and other events, as well as occasional weddings and other social events.

Risk management

The Board of Governors, assisted by the Headmaster and the Director of Finance, is responsible for the management of the risks faced by the School. The School has in place a large number of policies covering many aspects of its activities. Specific Governors have been delegated to review the operation of these policies in practice and to report back on a regular basis to the Board. The Board regularly reviews the process by which risk is identified and managed, but recognises that any process can only provide reasonable, and not absolute, assurance that risks are being adequately managed and identified in the risk register.

THE SACRED HEART SCHOOL, BEECHWOOD TRUST LIMITED

GOVERNORS REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

The Governors consider that the principal risks and uncertainties facing the School are as follows:

- Maintenance of reputation
- Unforeseen reduction in pupil numbers
- Safeguarding of pupils
- Security of School buildings
- Availability of bank facilities.

Risk management - Safeguarding: In particular, there are comprehensive policies and procedures relating to Safeguarding Children, which are updated annually and approved by Governors to ensure compliance with ISI regulatory requirements updated in September 2016, as well as other applicable legislative requirements, including the DfE's statutory guidance document 'Keeping Children Safe in Education' (July 2015). The Senior leadership team, which includes the school's Safeguarding Lead, reports on these matters to Governors at every meeting of the Governing body so that Governors are assured that the risks are mitigated as far as possible.

Risk management - Financial: The School's financial risk management objectives are to maximize revenue, to control costs and to closely manage bank facility requirements. In managing the School's financial risk management objectives, the Finance Committee monitors the School's exposure to credit risk by reviewing outstanding debtors when required and the School's exposure to liquidity risk by reviewing forecast bank facility requirements at each meeting.

Objects, aims, objectives and activities

Charitable objects

The charity's objects are set out in its Memorandum of Association. These are to advance education by conducting any Roman Catholic boarding or day school or schools for children and young persons.

Aims and intended impact

Consistent with these objects, the School actively supports the attainment of the highest standards in the Independent Schools sector. The Trust aims to provide a first-class education, both through strong and supportive academic teaching and through the development of cultural, artistic, sporting and social skills in all of its pupils. It is intended that each pupil should develop to his or her full potential in a caring environment so that all pupils can become confident and able to contribute fully to the wider community. The spiritual aspect of growing up in a Catholic Christian environment is regarded as a very important quality of the School, but fostering an understanding and respect for other faiths is also a priority.

Strategic report

Principal activities in the year for the public benefit

The Preparatory School has a Nursery where children can start from age 3+ and thereafter accepts pupils up to age 11. The Senior School accepts pupils from age 11 to 18. The Trust educated 241 girls and boys in the Senior School and 113 girls and boys in the Preparatory School in 2016/17. In the year 2016/17, the School had 54 boarders.

The comparative pupil numbers in the School for this and the prior year are:

	2016/17	2015/16
Senior School	238	240
Preparatory and Nursery School	115	143
Total	<u>353</u>	<u>383</u>

Grant-making policy

The School's Grant-making Policy is kept under regular review. Scholarships are awarded on merit. Requests for assistance with fees require the applicant to make a statement of the applicant's financial affairs. Grants are awarded by reference to perceived financial need and the schooling requirement of the pupil.

THE SACRED HEART SCHOOL, BEECHWOOD TRUST LIMITED

GOVERNORS REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

The overall cost to the School for Grants in the year 2016/17 was:

	£	Pupils
Scholarships	312,206	71
Bursaries	529,852	77
Other (including staff & sibling discounts)	174,727	30
Total	<u>1,016,785</u>	<u>178*</u>

* The actual number of individual pupils in receipt of Grant assistance in 2016/17 was 161, as 11 pupils received both Scholarship and Bursary assistance.

The School has a written policy for admissions and the awarding of scholarships, bursaries, other Grants and prizes, in accordance with the Instrument of Government. Bursaries are subject to the scrutiny and approval of the Finance Committee on a case-by-case basis.

Volunteers

The Parents' Association held a number of fund-raising events from which the School benefitted.

Objectives for the year

The School's specific objectives for the year 2016/17, as set out in last year's report were as follows:

Objective 1 - To maintain its current high standards of academic achievement, as measured by public examination results and independent value-added criteria, as part of a thorough all-round education for its pupils of all ages. To complete the preparation, resourcing and transition to new GCSE and A-Level courses in 2016/17.

Objective 2 - To continue its policy of providing wide access to the School through appropriate bursaries and to continue to provide public benefit in other ways by working effectively and productively with the local community in as many ways as possible.

Objective 3 - To introduce a new management information system (MIS) (3SYS) and transfer all data, reporting, and systems information; train all staff in the features of the new MIS.

Objective 4 - To complete successfully the process of selling part of the School's land by obtaining planning consent for the development and to begin the implementation of the construction of a new Sports Hall I Design Studio in 2016/17 academic year.

Review of achievements and performance for the year

There has been much further evidence during the past year of the high quality of the all-round education that the School provides for its pupils.

The School's most recent full Independent Schools Inspectorate (ISI) inspection occurred in February 2014. In eight out of the ten categories, the inspectors awarded the highest 'excellent' rating, whilst in two other categories the School was found to be 'good', the second highest rating. The School was found to be fully compliant with all procedures and policies. Parental approval ratings for the School were extremely high. In a one day inspection in May 2016, the school had 'met all of the regulatory standards'.

THE SACRED HEART SCHOOL, BEECHWOOD TRUST LIMITED

GOVERNORS REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Public examination results again confirmed that the academic attainment of our pupils of all ages continued to be high during the past year. At GCE A-level, our pupils obtained an overall pass-rate of 92%, with 71% of all entries being at Grade A* to Grade C, which is largely in-line with predicted grades. These results again enabled all of our Year 13 pupils to take up places on courses of their choice at higher education institutions. At GCSE 25.3% of grades awarded were at A*/A (national average 21.3%). 79% of the grades were graded A*-C against a national average of 65.3% the pass rate was significantly above national averages. New courses at GCSE and A-Level were successfully introduced with the final tranche of new GCSE and A-Level courses coming on-stream in September 2017.

Comparative figures for 2016/17 against the National Average and the prior year's achievements are shown below:-

Examination	2016/17	National Average	2015/16
A-Level			
Pass Rate	92%	97.9%	97%
Grades A* to B	44.4%	53.2%	44%
GCSE			
Grades A* to C	79%	65.3%	84%
Grades A* to A	25.3%	21.3%	38.6%

In addition, 83% of our Year 6 pupils who took the Kent 11+ selection tests, gained grammar school entry in September 2017.

The School's teams continued to compete in a wide variety of sports in matches against local schools with a better than expected degree of success for a school of this size. Boys and girls participated in a wide range of sports with large numbers of pupils representing the school.

Performing Arts also continue to flourish at Beechwood, as was proven once again by the success of Senior School and Preparatory School pupils in the LAMDA Speech & Drama examinations and in the ABRSM, Trinity and LCM Music examinations, many with Distinction or Honours in a wide range of instruments.

The Trust has therefore fully met its first objective, as detailed above.

All of the Trustees are conversant with the Charity Commission's guidelines concerning Charities and Public Benefit and have given consideration to them when assessing our activities within this report. We therefore believe that we have complied fully with the duty in the Charities Act 2011 to have due regard to the Public Benefit guidance published by the Commission.

As is our usual practice, we have once again conducted an audit of the public benefit provided by the School. In the year 2016/17, the School educated 353 children, of whom 282 were U.K. residents. As a matter of policy we provide access to our education to children from less affluent backgrounds. In the past year, we have provided financial help in the form of bursaries to 73 pupils, at a cost of £529,852 from general funds.

We also make our facilities available to a number of outside bodies. In the past year, courses for the general public have been run, using School facilities, by a language school, a dance group, a music school, and The Royal Photographic Society. We make available, on request, one of our School minibuses for the use of a local primary school.

Charitable work throughout the year saw our pupils continue to apply themselves willingly in aid of various needy causes. Pupils in the Senior School raised £8,104 for Cancer Research and CAFOD. Pupils in the Preparatory School also raised over £1,700 for several charities, including MacMillan Cancer.

THE SACRED HEART SCHOOL, BEECHWOOD TRUST LIMITED

GOVERNORS REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

We also continued to contribute to the local community through a number of acts of community service, including providing volunteer help at St Barnabas' Primary School, Oakley School and the Pepenbury Centre for the Disabled; group and individual visits to care homes, Harvest Festival collections for our local parish church St Augustine's and carol singing at Christmas in the town centre.

The Trust has therefore fully met its second objective for the year, as detailed above.

Further very pleasing progress was made during the past year in the implementation of a new assessment and reporting system and a new management information system. A significant amount of work took place in 2016/17.

The Trust has therefore fully met its third objective for the year, as detailed above.

Some ongoing delays have been experienced in the school's plans to complete the sale of part of its land to finance improvement to its facilities for sport through the construction of a new sports hall and conversion of the existing gym into a Design Studio. The land sale is expected to be to a mid-sized (70 bed) care home. Lengthy and time consuming preparations have been required in ensuring that planning permission for the project was granted. A revised planning application was submitted in December 2016 with approval granted in April 2017.

The Trust has therefore partly met its fourth objective, as detailed above.

Future plans

Since Mr Aaron Lennon took up his post as Headmaster in January 2013, he has produced detailed proposals for the development of the School. These developments in facilities, Teaching pedagogy and learning will not affect the Trust's intention to continue to be an inclusive school offering a very high standard of pastoral care and individual attention to all its pupils of all ages.

The School's specific objectives for 2017/18 are as follows:

Objective 1 - To continue to shape our society by producing well rounded pupils who make a positive contribution to society and the world.

Objective 2 - To maintain its current high standards of academic achievement, as measured by public examination results and independent value-added criteria, as part of a thorough all-round education for its pupils of all ages. To complete the preparation, resourcing and transition to new GCSE and A-Level courses in 2016/17.

Objective 3 - To continue its policy of providing wide access to the School through appropriate bursaries and to continue to provide public benefit in other ways by working effectively and productively with the local community in as many ways as possible.

Objective 4 - To introduce a new management information system (MIS) (3SYS) and transfer all data, reporting, and systems information; train all staff in the features of the new MIS.

Objective 5 - To complete successfully the process of selling part of the School's land. To review, on the successful completion of the sale of the land, the best use of our proposed land sale money in line with our charitable objectives. The present plans include the construction of a new sports hall and design studio in 2017/18 academic year.

Financial review and results for the year

In 2016/17, the School's average total pupil numbers were 353, which represents an 8% decrease on the 2015/16 numbers. This was attributable to a decrease in the number of Preparatory School numbers actually reduced by almost 18% in the same period. As a result, the 2016/17 financial results showed a deficit of £(2,103) although the School had budgeted a deficit for 2016/17 of £(24,272). The capital expenditure in the year was £161,122.

THE SACRED HEART SCHOOL, BEECHWOOD TRUST LIMITED

GOVERNORS REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

The initial budget for 2017/18 projects a deficit but this is anticipated to reduce as the School roll increases over the course of the year. The deficit is attributable in part to a relatively reduced uptake into the Prep School, single form entry in Year 7 and the stabilising of boarding pupils when compared with 2016/17. Sixth form numbers currently stand at 92, an increase upon 2016/17 reflecting an excellent retention rate and successful marketing. At the start of the 2017/18 academic year, Senior School numbers have remained stable at 242, compared to September 2016 (240); Prep School numbers have reduced from 115 to 96 over the same period.

Boarding numbers have held up well in a complex and competitive market; the School now has 66 boarders in residence. Following the successful introduction of boys' boarding at the start of 2014/15, boys now comprise just under half of total boarding numbers.

The Preparatory School continues to be significantly impacted by intense local competition, in both the independent and state sectors. Preparatory School pupil numbers in 2017/18 are a further 15% down on 2016/17 numbers, which reflects a national trend in the independent sector. Recent Open Days and marketing initiatives have been well attended and recent refurbishment of Junior House reflects a positive future for the Prep School.

The benefits of the continued improvement in cost control and budgeting processes, especially in departmental teaching costs, catering and information technology, are now feeding through to the bottom line. The School's balance sheet remains strong and the School's bankers continue to support the School's funding requirements.

Reserves policy

As at 31 August 2017, the Company had a surplus on its unrestricted funds (General Reserve) of £5,793,937 (31 August 2016: £5,796,040). It remains the policy of the Board to generate future operating surpluses which will enable the Board to maintain appropriate reserves policies.

Investment powers

The Memorandum of Association of the Company empowers the Governors to invest the monies of the Company not immediately required for its purposes in such investments, securities or property as may be deemed appropriate and within the law.

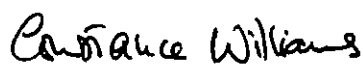
Auditor

The auditor, RSM UK Audit LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Disclosure of information to auditor

The Governors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Furthermore, each of the Governors has confirmed that he/she has taken all the steps that he/she ought to have taken as a Governor in order to make himself/herself aware of any relevant audit information and to establish that it has been communicated to the auditor.

The Governors' Report was approved by the board of Trustees and the Strategic Report (included therein) was approved by the board of Governors in their capacity as the directors of the Company and signed on its behalf by:



Mrs CA Williams
Chairman

Dated: 17th November 2017

THE SACRED HEART SCHOOL, BEECHWOOD TRUST LIMITED

STATEMENT OF GOVERNORS RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2017

The Governors, who are also the directors of The Sacred Heart School, Beechwood Trust Limited for the purpose of company law, are responsible for preparing the Governors Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Governors are required to:

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

The Governors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SACRED HEART SCHOOL, BEECHWOOD TRUST LIMITED

Opinion on financial statements

We have audited the financial statements of The Sacred Heart School, Beechwood Trust Limited (the 'charitable company') for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 charitable company'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 other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SACRED HEART SCHOOL, BEECHWOOD TRUST LIMITED (CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors Report.

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

- the information given in the Governors Report is inconsistent in any material respect with the financial statements; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Governors

As explained more fully in the Statement of Governors' Responsibilities, the Governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the 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 charitable company'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 charitable company 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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

James Saunders (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Hanover House
18 Mount Ephraim Road
Tunbridge Wells
Kent, TN1 1ED

.....
17/11/2017

THE SACRED HEART SCHOOL, BEECHWOOD TRUST LIMITED

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

	Notes	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
<u>Income from:</u>					
Donations and legacies	3	27,297	12,915	40,212	41,588
Charitable activities	4	5,179,750	-	5,179,750	5,062,762
Other trading activities	5	4,751	-	4,751	26,714
Investments		-	-	-	205
Total income		5,211,798	12,915	5,224,713	5,131,269
<u>Expenditure on:</u>					
Raising funds	6	40,051	-	40,051	37,744
Charitable activities	7	5,173,850	12,915	5,186,765	5,066,629
Total expenditure		5,213,901	12,915	5,226,816	5,104,373
Net (expenditure)/income for the year/ Net movement in funds		(2,103)	-	(2,103)	26,896
Fund balances at 1 September 2016		5,796,040	-	5,796,040	5,769,144
Fund balances at 31 August 2017		5,793,937	-	5,793,937	5,796,040


THE SACRED HEART SCHOOL, BEECHWOOD TRUST LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	12		7,381,342		7,432,004
Current assets					
Stocks		27,084		27,933	
Debtors	13	427,140		318,243	
Cash at bank and in hand		363		1,048	
		454,587		347,224	
Creditors: amounts falling due within one year	14	(1,875,141)		(1,742,916)	
Net current liabilities			(1,420,554)		(1,395,692)
Total assets less current liabilities			5,960,788		6,036,312
Creditors: amounts falling due after more than one year	16		(166,851)		(240,272)
Net assets			5,793,937		5,796,040
Income funds					
Unrestricted funds			5,793,937		5,796,040
			5,793,937		5,796,040

The financial statements were approved by the Governors on 16/11/2017



Mr RG Park
Trustee

Company Registration No. 01114031

THE SACRED HEART SCHOOL, BEECHWOOD TRUST LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Cash generated from operations	25		176,470		410,598
Investing activities					
Purchase of tangible fixed assets		(161,122)		(295,714)	
Interest paid		(19,497)		(17,459)	
Net cash used in investing activities			(180,619)		(313,173)
Financing activities					
Repayment of bank loans		(63,545)		(74,294)	
Net cash used in financing activities			(63,545)		(74,294)
Net (decrease)/increase in cash and cash equivalents			(67,694)		23,131
Cash and cash equivalents at beginning of year			(583,595)		(606,726)
Cash and cash equivalents at end of year			(651,289)		(583,595)
Relating to:					
Bank balances and short term deposits			363		1,048
Bank overdrafts			(651,652)		(584,643)

THE SACRED HEART SCHOOL, BEECHWOOD TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

Charity information

The Sacred Heart School, Beechwood Trust Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Beechwood Sacred Heart, 12 Pembury Road, Tunbridge Wells, Kent, TN2 3QD.

1.1 Accounting convention

These financial statements have been prepared under the historical cost convention, in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS 102, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The Sacred Heart School, Beechwood Trust Limited meets the definition of a public benefit entity under FRS 102.

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

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, are set below.

1.2 Going concern

The governors have assessed the School's ability to continue as a going concern. In making this assessment the directors have considered the forecast pupil numbers for future years, cash flow and working capital requirements in line with the School's agreed overdraft facility limits.

As shown in note 23, the school sold land post year end for £2,550,000 which means the school has sufficient cash reserves to meet its ongoing liabilities.

In addition, the governors have also obtained confirmation of an overdraft facility (of £400,000 from 16 December 2017) with the School's bankers. The School will open renewal negotiations with the bank in due course however the governors have no reason to believe that the renewal will not be forthcoming on acceptable terms.

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

THE SACRED HEART SCHOOL, BEECHWOOD TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies (Continued)

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Governors in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Fees and similar income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Fees receivable and charges for services for use of premises are accounted for in the period in which the service provided. Donations are accounted for as soon as their amount and receipt are certain.

Scholarships and bursaries

Scholarships are awarded on the basis of the academic performance of individual students. Bursaries are given to the children of teachers of the School and other children at the discretion of the trustees and the headmaster.

1.5 Expenditure

Expenditure is recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Expenditure on raising funds are those costs associated with generating incoming resources from all sources other than from charitable activities.

The company undertakes the running of the School and as such education, premises and support costs are treated as direct charitable expenditure. Teaching costs relating to the next academic year are classified as prepayments and carried forward in order to match them against the relevant fee income.

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements. Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. It is the charitable company's policy to capitalise all items of a capital nature over £50.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% on cost or valuation
Equipment and furniture	10% on written down value
Computer & other equipment	25% on cost or valuation

No depreciation is provided on freehold land.

THE SACRED HEART SCHOOL, BEECHWOOD TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies (Continued)

1.7 Stocks

Stock represent consumables and goods for resale and are valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less the estimated cost of disposal.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial Instruments

The charity has applied the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the entity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors, and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

1.10 Pension scheme

Retirement benefits to employees of the School are provided by the Teachers' Pension Scheme (TPS). This is a defined benefit scheme which is externally funded and contracted out of the State Earnings Related Pension Scheme. Contributions to the scheme are charged to the Statement of Financial Activities so as to spread the cost of pensions over employees' working lives with the School in such a way that the pension cost is a substantially level percentage of present and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of quinquennial valuations, using a prospective benefit method.

Retirement benefits to employees are also provided to non-teaching staff by the Pension Trust. This is a multi-employer defined contribution scheme (with some guarantees) and contributions are charged to the Statement of Financial Activities when payable.

The company operates a defined contribution pension scheme for non-teaching staff. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the Statement of Financial Activities.

THE SACRED HEART SCHOOL, BEECHWOOD TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies (Continued)

1.11 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

2 Critical accounting estimates and judgements

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

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

Critical judgements

Costs associated with the potential land sale

Costs associated with the potential sale of land have been included within prepayments rather than expensed as they have fallen due. At the year ended 31 August 2017, these costs totalled £296,796. It is the judgement of the Governors that these should only be expensed once the land sale has been completed.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2017	Total 2016
	£	£	£	£
Donations	27,297	12,915	40,212	41,588
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
For the year ended 31 August 2016	3,811	37,777		41,588
	<u> </u>	<u> </u>		<u> </u>

THE SACRED HEART SCHOOL, BEECHWOOD TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

4 Charitable activities

	Unrestricted funds	
	2017	2016
	£	£
Gross fees	5,934,503	6,027,145
Less: Bursaries and discounts	(1,016,785)	(1,099,343)
Net fees	4,917,718	4,927,802
Optional subjects	157,114	117,712
Registration fees	15,475	13,852
Recoverables	89,443	3,396
	5,179,750	5,062,762

The above educational awards were all made to individuals. These include tuition scholarships of £312,206 made to 71 individuals (2016: £387,926 made to 80 individuals), discretionary awards of £174,727 made to 30 individuals (2016: £169,217 made to 31 individuals) and bursaries of £529,852 made to 77 individuals (2016: £542,198 made to 79 individuals).

5 Other trading activities

	Unrestricted funds	
	2017	2016
	£	£
Holiday courses	-	10,400
School facility lettings	4,751	16,314
	4,751	26,714

6 Raising funds

	Unrestricted funds	
	2017	2016
	£	£
Finance and other costs	40,051	35,274
Trading expenditure	-	2,470
	40,051	37,744

THE SACRED HEART SCHOOL, BEECHWOOD TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

7 Charitable activities

	Staff costs	Other	Depreciation	Total 2017	Total 2016
	£	£	£	£	£
Teaching costs	2,967,770	289,608	120,881	3,378,259	3,219,097
Welfare costs	234,294	416,596	-	650,890	683,835
Premises costs	72,644	330,091	90,903	493,638	498,738
	3,274,708	1,036,295	211,784	4,522,787	4,401,670
Share of support costs (see note 8)	267,293	377,150	-	644,443	647,074
Share of governance costs (see note 8)	-	19,535	-	19,535	17,885
	3,542,001	1,432,980	211,784	5,186,765	5,066,629
Analysis by fund					
Unrestricted funds	3,542,001	1,420,065	211,784	5,173,850	
Restricted funds	-	12,915	-	12,915	
	3,542,001	1,432,980	211,784	5,186,765	
For the year ended 31 August 2016					
Unrestricted funds	3,219,097	671,058	498,738		5,053,852
Restricted funds	-	12,777	-		12,777
	3,219,097	683,835	498,738		5,066,629

THE SACRED HEART SCHOOL, BEECHWOOD TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

8 Support costs

	Support costs	Governance costs	2017	2016
	£	£	£	£
Staff costs	267,293	-	267,293	260,767
Computer expenses and equipment expenses	114,744	-	114,744	109,151
Communications cost	95,522	-	95,522	113,403
Marketing	44,014	-	44,014	26,823
Commission on introductions	67,328	-	67,328	79,492
Subscriptions and inspections	12,445	-	12,445	7,894
Legal and professional fees	3,146	-	3,146	5,856
Miscellaneous	33,577	-	33,577	40,770
Doubtful debts	6,374	-	6,374	2,918
Audit and accountancy fees	-	15,000	15,000	16,320
Trustees' expenses	-	4,535	4,535	1,565
	<u>644,443</u>	<u>19,535</u>	<u>663,978</u>	<u>664,959</u>

9 Interest payable and similar charges

	2017	2016
	£	£
On borrowings falling due within 5 years:		
Bank loan	<u>19,497</u>	<u>17,459</u>

10 Net movement in funds

	2017	2016
	£	£
Net movement in funds is stated after charging/(crediting)		
Auditor's remuneration	12,000	12,000
Depreciation of owned tangible fixed assets	211,784	211,239
Operating lease charges	<u>33,931</u>	<u>41,817</u>

THE SACRED HEART SCHOOL, BEECHWOOD TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

11 Employees

Number of employees

The average monthly number employees during the year was:

	2017 Number	2016 Number
Teaching	86	83
Domestic and maintenance	24	17
Administration	9	9
	<u>119</u>	<u>109</u>

Employment costs

	2017 £	2016 £
Wages and salaries	2,909,543	2,933,477
Social security costs	274,924	240,806
Other pension costs	357,534	370,425
	<u>3,542,001</u>	<u>3,544,708</u>

The number of employees whose annual remuneration was £60,000 or more were:

	2017 Number	2016 Number
£60,001 - £70,000	1	1
£80,001 - £90,000	1	1

The charity makes contributions to the Teachers' Pension Scheme. The assets of the scheme are paid to an independently administered fund. The pension costs charge represents contributions payable by the charity to the fund and amounted to £349,497 (2016: £356,688).

The key management personnel of the charity comprise the Headmaster, supported by a Senior Management Team, which includes the Director of Finance. The employee benefits of key management personnel total £286,573 (2016: £281,429).

The Governors did not receive any emoluments during this year or the preceding year.

One (2016: two) of the Governors claimed expenses of £1,239 (2016: £463) during the year in respect of travel.

THE SACRED HEART SCHOOL, BEECHWOOD TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

12 Tangible fixed assets

	Freehold land and buildings £	Equipment and furniture £	Total £
Cost			
At 1 September 2016	7,746,170	1,325,660	9,071,830
Additions	108,987	52,135	161,122
At 31 August 2017	7,855,157	1,377,795	9,232,952
Depreciation and impairment			
At 1 September 2016	750,247	889,579	1,639,826
Depreciation charged in the year	90,903	120,881	211,784
At 31 August 2017	841,150	1,010,460	1,851,610
Carrying amount			
At 31 August 2017	7,014,007	367,335	7,381,342
At 31 August 2016	6,995,923	436,081	7,432,004

Included within freehold land and buildings is land at a value of £3,310,000 (2016: £3,310,000) which is not depreciated.

13 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Fees	79,625	27,613
Other debtors	347,515	290,630
	427,140	318,243

14 Creditors: amounts falling due within one year

	Notes	2017 £	2016 £
Bank loans and overdrafts	17	715,197	658,937
Trade creditors		150,529	199,392
Other taxation and social security		69,663	71,252
Deferred income and deposits held	15	850,283	728,591
Other creditors		89,469	84,744
		1,875,141	1,742,916

THE SACRED HEART SCHOOL, BEECHWOOD TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

14 Creditors: amounts falling due within one year (Continued)

Included within other creditors and accruals are amounts totalling £46,727 (2016: £46,797) in respect of outstanding pension contributions.

The bank overdraft is repayable on demand. The bank overdraft is secured by a legal charge over the company's freehold land and buildings and a fixed and floating charge over the company's assets.

15 Fees in advance

Included within deferred income and deposits held is an amount of £758,862 (2016: £600,976) in respect of fees received in advance.

	2017 £	2016 £
Brought forward	600,976	469,085
Additional fees in advance	758,862	600,976
Utilised in year	(600,976)	(469,085)
Carried forward	758,862	600,976

16 Creditors: amounts falling due after more than one year

	Notes	2017 £	2016 £
Bank loans	17	35,672	88,468
Other creditors		131,179	151,804
		166,851	240,272

Included in deposits held is £19,594 (2016: £14,600) which falls due after more than five years.

17 Borrowings

	2017 £	2016 £
Bank overdrafts	651,652	584,643
Bank loans	99,217	162,762
	750,869	747,405
Payable within one year	715,197	658,937
Payable after one year	35,672	88,468

The bank loan is repayable by 96 equal instalments commencing 25 months after the first draw down of the loan and bear interest at 3.25% above the Bank's Base Lending Rate. The bank loan is secured by a legal charge over the company's freehold land and buildings and a fixed floating charge over the company's assets.

THE SACRED HEART SCHOOL, BEECHWOOD TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

18 Financial Instruments	2017 £	2016 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	92,865	38,496
Carrying amount of financial liabilities		
Measured at amortised cost	239,998	284,137

19 Pension and similar obligations

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS"), for its teaching staff. This is a multi-employer defined benefits pension scheme.

The Teachers' Pensions Scheme ("TPS") is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010, and from 1 April 2014 by the Teachers' Pensions Scheme Regulations 2014. The TPS is an unfunded scheme and members contribute on a 'pay as-you-go' basis, and along with employers' contributions, are credited to the Exchequer.

Valuation of the Teachers' Pensions Scheme

Not less than every four years the Government Actuary ("GA"), using normal actuarial principles, conducts a formal actuarial review of the TPS. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors.

The latest actuarial valuation was carried out as at 31 March 2012 in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation being published in June 2014. The key elements of the valuation and subsequent consultation are:

- Total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £191,500 million
- Value of the notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £176,600 million
- Assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings
- Rate of real earnings growth is assumed to be 2.75%
- Assumed nominal rate of return is 5.06%

During the year the employer contribution rate was 16.48%.

The TPS valuation for 2012 determined an employer rate of 16.48% (including a 0.08% administration fee) from 1 September 2015 and an employer cost cap of 10.9%. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the year amounted to £349,497 (2016: £356,688).

Under the definitions set out in Financial Standards (FRS102, Section 28) Retirement Benefits, the TPS is a multi-employer pension scheme. The School is unable to identify its share of the underlying assets and liabilities of the scheme.

Accordingly, the School has taken the exemption in FRS102, Section 28 and has accounted for its contributions to the scheme as if it were a defined-contribution scheme. The School has set out above the information available on the scheme and the implications for the School in terms of the anticipated rates.

THE SACRED HEART SCHOOL, BEECHWOOD TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

19 Pension and similar obligations (Continued)

The school also operates a defined contribution pension scheme for non-teaching staff. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £8,037 (2016: £13,737).

20 Restricted funds

	Balance at 1 September 2016	Income	Expenditure	Balance at 31 August 2017
	£	£	£	£
Chaplain	-	12,915	(12,915)	-
	-	12,915	(12,915)	-

The charity received a donation of £12,915 (2016: £12,777) in the year to be utilised against the cost of the Chaplains salary. All funds have been utilised in the year.

21 Prior year restricted funds

	Balance at 1 September 2015	Income	Expenditure	Transfers	Balance at 31 August 2016
	£	£	£	£	£
Chaplain	-	12,777	(12,777)	-	-
Outdoor classroom - centenary project	-	25,000	-	(25,000)	-
	-	37,777	(12,777)	(25,000)	-

In the prior year, the Parents Association donated £25,000 towards construction of an outdoor classroom. This was part of the school's centenary project. As this classroom is for the general use of the school, the balance on this fund was transferred into unrestricted general funds.

THE SACRED HEART SCHOOL, BEECHWOOD TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

22 Operating lease commitments

Operating lease payments represent rental payables by the company for certain equipment. Leases are negotiated for an average term of 5 years.

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2017 £	2016 £
Within one year	73,397	75,784
Between two and five years	57,168	89,518
	<u>130,565</u>	<u>165,302</u>

23 Events after the reporting date

On 10 November 2017 the School sold a parcel of land for £2,550,000.

24 Related party transactions

During the year, A Harvey, Director of finance, made no loans to the charitable company (2016: one loan of £20,000).

The charity received a donation of £12,915 (2016: £12,777) from Tunbridge Wells Association Trust Fund, a charity in which Sister O'Sullivan is a trustee.

25 Cash generated from operations

	2017 £	2016 £
(Deficit)/surplus for the year	(2,103)	26,896
Adjustments for:		
Interest paid	19,497	17,459
Depreciation and impairment of tangible fixed assets	211,784	211,239
Movements in working capital:		
Decrease/(increase) in stocks	849	(321)
(Increase) in debtors	(108,897)	(20,197)
(Decrease)/increase in creditors	(66,352)	46,080
Increase in deferred income	121,692	129,442
Cash generated from operations	<u>176,470</u>	<u>410,598</u>