

**Charity Registration No. 325104**

**Company Registration No. 01114031 (England and Wales)**

**THE SACRED HEART SCHOOL BEECHWOOD  
TRUST LIMITED**

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

# THE SACRED HEART SCHOOL BEECHWOOD TRUST LIMITED

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Governors</b>	Mrs CA Williams (Chair)	
	Sister M O'Sullivan (Vice Chair)	(Resigned 24 September 2018)
	Mrs P Edgar (Vice Chair)	
	Mr M Southern*	
	Mr M Stevens	
	Mrs GA Hill	
	Mr RG Park*	
	Mr J Emery*	
	Mrs L Morel	(Appointed 14 August 2018)
	Dr AJ Turner	(Resigned 23 March 2018)
	Mr G Garcia*	(Resigned 12 June 2018)

\* Members of the Finance Committee

<b>Secretary</b>	Mr G Garcia	(Appointed 10 September 2018)
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<b>Key personnel and professional advisers</b>	Mrs H Rowe BA (Hons), PGCE, Dip RAM	Head
	Mr J Coakley BA (Hons), PGCE, MA	Head of Prep
	Mr G Garcia FCCA, MBA, FCI Arb, CDir	Secretary and Bursar

<b>Charlty number</b>	325104
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<b>Company number</b>	01114031
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<b>Address and Registered office</b>	Beechwood Sacred Heart 12 Pembury Road Tunbridge Wells Kent TN2 3QD
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<b>Auditor</b>	RSM UK Audit LLP 3rd Floor Portland 25 High Street Crawley West Sussex RH10 1BG
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<b>Bankers</b>	Barclays Bank plc 8 Calverley Road Tunbridge Wells Kent TN1 2TB
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# THE SACRED HEART SCHOOL BEECHWOOD TRUST LIMITED

## GOVERNORS REPORT (INCORPORATING THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 AUGUST 2018

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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 2018 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 School was founded in 1915, incorporated 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-appointed body. Re-appointments are made by the members at 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. Their 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 Roman Catholics, however preference is given to candidates who will further the objects and the principles of the School. During the past year, the Board, through its Governance Committee, has recruited a new Governor and extended the range of skills available. The intention is to recruit additional governors during the 2018/19 academic year.

Governors are encouraged to build awareness of their responsibilities by reference to the Guidelines for Governors' Manual, produced by the Independent Schools' Council (ISI), 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. The School's policies are devised and regularly reviewed and, when necessary, individual Governors are delegated to maintain oversight of specific 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 (INCORPORATING THE STRATEGIC REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

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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 once a term or more often if required. The main objectives of meetings of the Finance Committee are to review termly accounts, to approve fee levels, to agree the overall annual payroll budget and to examine and approve the annual budget. The Finance Committee is expected to maintain an overall brief and 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 has a number of other Sub-Committees, namely: the Education and Pastoral Committee, the Marketing Committee, the Nominations Committee, the Governance Committee and the Property and Estates Committee.

The Education and Pastoral Committee meets termly, or more often if necessary. Among other initiatives, it has examined actions taken within the School as a result of external inspections. The Marketing Committee reviews relevant 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 Governance 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. It meets regularly and focuses on developing the terms of reference for new and existing Committees and on governor recruitment and development. The Property and Estates Committee meets on a regular basis and has been heavily involved with progressing the land sale, which was completed within the last year. The Nominations Committee meets as necessary and is currently looking to identify up to two more governors during the 2018/19 academic year.

The day-to-day management of the School is the responsibility of the Head, supported by a Senior Management Team, which includes the Bursar. The Bursar is directly responsible to the Board for the financial administration, resources and all non-teaching operations of the School and is also Clerk to the Board of Governors. The Head and the Bursar prepare reports to the Board and attend full meetings of the Board, as well as meetings of the Finance and the Property & Estates Committees.

### **Remuneration of key management personnel**

The remuneration of the Head is set by the Governors. The remuneration of all other key personnel is set by the Head. All remuneration is reviewed annually.

### **External relationships**

The School is involved with, and raises funds for various local charities. The School makes its facilities available for outside educational courses, performance arts and other events. The School works with local businesses to develop and run a Junior Enterprise Challenge with local primary schools participating.

### **Risk management**

The Board of Governors, assisted by the Head and the Bursar, 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 assurance that risks are being adequately managed and identified in the risk register.

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

- Safeguarding of pupils
- Maintenance of reputation
- Unforeseen reduction in pupil numbers
- Security of IT systems and physical facilities
- Availability of bank facilities.

# THE SACRED HEART SCHOOL BEECHWOOD TRUST LIMITED

## GOVERNORS REPORT (INCORPORATING THE STRATEGIC REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

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Risk management - Safeguarding: the School has 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 2017, as well as other applicable legislative requirements, including the DfE's statutory guidance document 'Keeping Children Safe in Education' (Sept. 2018). The senior leadership team, which includes the school's Designated Safeguarding Lead, reports on these matters to Governors at every meeting of the Governing body to assure Governors that the risks are mitigated as necessary.

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.

### Strategic report

The description under the headings "Achievements and performance" and "Financial review" meet the company law requirements for the Governors to present a strategic report.

### 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 its pupils. It is intended that each pupil should develop to their 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 an important quality of the School, equally fostering an understanding and respect for other faiths is a priority. The School is open to pupils of all faiths and none.

#### 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 236 pupils in the Senior School and 109 pupils in the Preparatory School. The School had 54 boarders.

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

	2017/18	2016/17
Senior School	236	238
Preparatory and Nursery School	109	115
Total	<u>345</u>	<u>353</u>

#### Grant-making policy

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

# THE SACRED HEART SCHOOL BEECHWOOD TRUST LIMITED

## GOVERNORS REPORT (INCORPORATING THE STRATEGIC REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

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The overall cost to the School for Grants in the year 2017/18 was:

Grant	Value £	Pupils
Scholarships	298,333	67
Bursaries	515,884	65
Other (including staff & sibling discounts)	173,516	29
Total	<u>987,733</u>	<u>161*</u>

\* The actual number of individual pupils in receipt of Grant assistance in 2017/18 was 146, as 15 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 based on the merits of each case.

### Volunteers

The Friends of Beechwood held a number of fund-raising events from which the School benefitted. The funding of 3 external table tennis tables in a purpose-built area was one such project delivered over the summer for the benefit of senior school pupils.

### Objectives for the year

The School's objectives for the year 2017/18, as set out in last year's report were 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.

### Review of achievements and performance for the year

#### Objective 1

The school continues to work hard to provide an environment and ethos that encourages pupils' social awareness together with the setting and fulfilment of personal goals. Pivotal is a focus on providing spiritual, moral and academic frameworks along with the wherewithal to build on these foundations whilst at school as well as in later years. There has been continued evidence during the past year of the high quality of the all-round education that the School provides for its pupils, illustrated in academic results and sporting participation and achievement.

# THE SACRED HEART SCHOOL BEECHWOOD TRUST LIMITED

## GOVERNORS REPORT (INCORPORATING THE STRATEGIC REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

The School had an ISI Compliance Inspection in January 2018, when the School was assessed to have met the standards in the schedule to the Education (ISS) Regulations 2014, the National Minimum Standards for Boarding Schools 2015 (NMS), and the relevant requirements of the statutory framework for the Early Years Foundation Stage. 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.

The School has continued to see the strength of sporting achievement grow each year. A successful 6th Form rugby tour to France, U13 girls participation in tag rugby festival, the introduction of cricket to the girls' curriculum, pupils gaining medals at a local cross-country event, individual success in athletics, horse riding, football, rugby, basketball, rock climbing and tennis where pupils achieved county, district and club success.

### Objective 2

Public examination results again confirmed that the academic attainment of our pupils throughout the School continued to be high during the past year. At GCE A-level, our pupils obtained an overall pass rate of 93%, with 69% of all entries being at Grade A\* to Grade C, which was largely in line with predicted grades. These results enabled all our Year 13 pupils to take up places on courses of their choice at higher education institutions. At GCSE 37% of grades awarded were at 9-7/A\*-A (national average 20%). 91% were graded 9-4/A\*-C against a national average of 67% giving the School a pass rate significantly above national average. New courses at GCSE and A-Level were introduced with the final tranche of new GCSE and A-Level courses being implemented from September 2017.

Comparative figures for 2017/18 against the National Average and the prior year's achievements are shown below:

BEECHWOOD								
	A Level			GCSE				
	A*/B	A*-E	Pupils	A*/A 7-9	A*/B 5-9	A*/C 4-9	5+ A*/C 4-9	Pupils
2018	48%	93%	44	36.6%	83.0%	91.2%	97%	34
2017	49%	93%	28	25.3%	55.8%	78.5%	85%	40

ENGLAND				
	A Level		GCSE	
	A*/B	A*-E	A*/A (9-7)	A*/C (9-4)
2018	53.0%	97.6%	20.3%	66.9%
2017	52.9%	97.9%	19.8%	66.1%

In addition, 60% of our Year 6 pupils who took the Kent 11+ selection tests, gained grammar school entry in September 2017.

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

One pupil has participated in the Kent U15 athletics league and been accepted in the England Athletics Club in the last year; another achieving county honours in basketball, representing the South East District in a national basketball 3's competition; and two other pupils have been involved in the West Kent Girls' football trials.

Performing Arts 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.

The School believes during the year it has met both its first and second objectives.

# THE SACRED HEART SCHOOL BEECHWOOD TRUST LIMITED

## GOVERNORS REPORT (INCORPORATING THE STRATEGIC REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

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### Objective 3

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 the activities within this report. The Trustees therefore believe they have complied fully with their duty in the Charities Act 2011 to have due regard to the Public Benefit guidance published by the Commission.

The Trustees have conducted a review of the public benefit provided by the School. In the year 2017/18, the School educated 345 children, of whom 291 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 65 pupils, at a cost of £515,884 from general funds.

We make our facilities available to a number of outside bodies. We continued to provide space this year, for publicly attended courses run by a language school, a dance group, and a music school. We make available, on request, one of the School minibuses for the use of St. Barnabas, a local primary school.

Charitable work throughout the year saw our pupils continue to apply themselves willingly in aid of various good causes. Valuable funding has been raised through our Sponsored Walk, Prep Art Exhibitions, Carol Singing and a Charity Netball Match. Pupils raised £8,000 for Charlotte's Bag, the School's chosen charity for the year, and various sums for Macmillan Cancer, CAFOD and Children in Need.

The School continued to contribute to the local community through a number of acts of community service: with the 6th Form providing fortnightly litter picking at Grosvenor and Hilbert parks; 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.

In June the School set up and ran the inaugural Tunbridge Wells Junior Enterprise Challenge with local business support. This resulted in 110 teams from local primary schools developing product ideas for healthy eating and competing over 3 days. On the final day, students set up and ran a trade fair to promote their product and deliver a presentation to the audience and panel of judges.

The School over the last year has made a worthwhile contribution to the community, and believe we delivered on its third objective, to provide a wide public benefit and to engage with and share its facilities with the local community.

### Objective 4

The School completed the implementation of a new management information system (3SYS), which is in widespread use by both teaching and pastoral staff. Staff will continue to receive training in its use and any enhancements to the system will be adopted by the school. Our fourth objective has been achieved and delivered an immediate impact on the efficiency of our compliance systems.

### Objective 5

Our fifth objective has been fully met as the School completed the sale of part of its land early in 2018. The proceeds will be used to finance improvement to its estate and facilities including sport. The planned use of the disposed land is for the construction of a mid-sized (70 bed) care home. A programme of works to update the School's estate has been started, to include a complete refurbishment of the old gym, and various capital projects are scheduled to take place during the 2018/19 year.

### Financial review and results for the year

In 2017/18, the School's average total pupil numbers were 345, representing a 2.3% decrease on the 2016/17 numbers. This was attributable to a decrease in the number of Preparatory School pupils, which reduced by 5.2% in the same period. The 2017/18 financial results showed a surplus of income over expenditure of £1,430,915, which was attributable to the net proceeds of the sale of land in the sum of £2,030,494. The underlying result was a deficit of £(599,579), impacted by a significant one off item of £207,596 representing the costs of a sports hall project that was discontinued. The net results from school operations was therefore £(391,983), although the School had budgeted a deficit for 2017/18 of £(85,000). The capital expenditure in the year was £467,214.



# THE SACRED HEART SCHOOL BEECHWOOD TRUST LIMITED

## GOVERNORS REPORT (INCORPORATING THE STRATEGIC REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

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### Going concern

The initial budget for 2018/19 projects a deficit of £(293,324), but with initiatives to reduce fee discounts and elements of costs control and as the School roll increases over the course of the year, the School is aiming to deliver a reduced deficit. The budget deficit is attributable in part to a reduced intake into the Preparatory School, a single form of entry in Year 7 and the lack of growth in boarding pupils. Sixth form numbers are steady on last year at 91, a decrease of 1 on 2017/18 reflecting an excellent retention rate and successful marketing. At the start of the 2018/19 academic year, Senior School numbers have remained stable at 241, compared to September 2017 (242); Preparatory School numbers have reduced from 96 to 70 over the same period.

Boarding numbers have held up well in a complex and competitive market, but we have not delivered growth. The School now has 65 boarders in residence.

The Preparatory School continues to be significantly impacted by intense local competition, in both the independent and state sectors. Preparatory School pupil numbers in 2018/19 are 5.2% down on 2017/18 numbers.

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 Governors are confident that the land sale proceeds will shelter the school from accessing any line of bank funding over the next twelve months and the School's bankers continue to support the School's funding requirements.

### Reserves policy

As at 31 August 2018, the Company had a surplus on its unrestricted funds (General Reserve) of £8,471,803 (31 August 2017: £5,793,937). The free reserves of the Charity, which are defined as unrestricted reserves excluding tangible fixed assets, amounted to £(196,818). It remains the policy of the Board to generate future operating surpluses which will turn around the position of negative free reserves and enable the Board to strengthen its reserves position. The Board believes the actions noted in the going concern section will help in generating these surpluses.

### 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.

### Future plans

Mrs Helen Rowe was appointed Head in June 2018 and immediately started to implement new initiatives which included the appointment of a Head of Preparatory School; increasing the school's emphasis on teaching and learning; reviewing requirements for an impending Section 48 inspection by the Diocese of Southwark; beginning preparations for an ISI inspection, commencing a much needed programme of estate improvements; and beginning to raise the profile of the school locally and internationally.

The Head and Board are leading on the development of a much needed programme of estate improvements. The objective is to develop a multi-year plan with criteria that ensures the allocation and use of the land sale proceeds being prioritised to investments that grow the pupil numbers, leading to the generation of operational surpluses for continued reinvestment in the school's infrastructure and delivering on its charitable objectives. The impact of the land sale is expected to drive the physical development of the school over the next 3 years. The Head is continuing to seek efficiencies in operational costs, so as to position the School to cope with any economic shocks that impact the Independent school sector.

# THE SACRED HEART SCHOOL BEECHWOOD TRUST LIMITED

## GOVERNORS REPORT (INCORPORATING THE STRATEGIC REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

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The School's specific objectives for 2018/19 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.

Objective 3 - To continue its policy of providing wide access to the School through appropriate bursaries, whilst being financially responsible, 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 consolidate and improve management and financial information systems along with reporting and training for staff. To improve the standard of information and reporting systems to the Senior Leadership Team and Governors.

Objective 5 - To continue to review the best use of our proposed land sale proceeds in line with our charitable objectives. The present plans include upgrading areas of the Nursery and Preparatory School, the refitting of the gym and, subject to planning permission, the construction of a new all-weather sports facility, in the 2018/19 academic year.

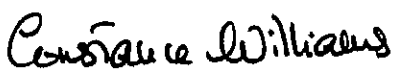
### Auditor

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 they have taken all the steps that they ought to have taken as a Governor in order to make themselves 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  
Chair of the Board

Dated: 29/11/2018

# **THE SACRED HEART SCHOOL BEECHWOOD TRUST LIMITED**

## **STATEMENT OF GOVERNORS RESPONSIBILITIES**

### **FOR THE YEAR ENDED 31 AUGUST 2018**

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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; 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**

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## **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 2018 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 2018 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.

## **Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Governors' Report, which includes the Directors' Report and Strategic Report, prepared for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Governors' Report and Strategic Report been prepared in accordance with applicable legal requirements.

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

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### 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 and Strategic Report.

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

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

### 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.

### Use of this report

This report is made solely to the charitable company'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 charitable company'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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Zoe Longstaff-Tyrrell (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
3rd Floor  
Portland  
25 High Street  
Crawley  
West Sussex, RH10 1BG

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# THE SACRED HEART SCHOOL BEECHWOOD TRUST LIMITED

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

	Notes	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
<b><u>Income from:</u></b>					
Donations and legacies	3	-	11,000	11,000	40,212
Charitable activities	4	5,158,626	-	5,158,626	5,179,750
Other trading activities	5	7,365	-	7,365	4,751
Other income	6	2,030,494	-	2,030,494	-
<b>Total Income</b>		<b>7,196,485</b>	<b>11,000</b>	<b>7,207,485</b>	<b>5,224,713</b>
<b><u>Expenditure on:</u></b>					
Raising funds	7	19,632	-	19,632	40,051
Charitable activities	8	5,756,938	-	5,756,938	5,186,765
<b>Total expenditure</b>		<b>5,776,570</b>	<b>-</b>	<b>5,776,570</b>	<b>5,226,816</b>
<b>Net income/(expenditure) for the year/ Net movement in funds</b>		<b>1,419,915</b>	<b>11,000</b>	<b>1,430,915</b>	<b>(2,103)</b>
Gross transfers between funds		11,000	(11,000)	-	-
<b>Net income/(expenditure) for the year</b>		<b>1,430,915</b>	<b>-</b>	<b>1,430,915</b>	<b>(2,103)</b>
<b><u>Other recognised gains and losses</u></b>					
Revaluation of tangible fixed assets		1,246,951	-	1,246,951	-
<b>Net movement in funds</b>		<b>2,677,866</b>	<b>-</b>	<b>2,677,866</b>	<b>(2,103)</b>
Fund balances at 1 September		5,793,937	-	5,793,937	5,796,040
<b>Fund balances at 31 August</b>		<b>8,471,803</b>	<b>-</b>	<b>8,471,803</b>	<b>5,793,937</b>

# THE SACRED HEART SCHOOL BEECHWOOD TRUST LIMITED

## BALANCE SHEET

AS AT 31 AUGUST 2018

	Notes	2018 £	£	2017 £	£
<b>Fixed assets</b>					
Tangible assets	13		8,668,621		7,381,342
<b>Current assets</b>					
Stocks		24,089		27,084	
Debtors	14	114,370		427,140	
Cash at bank and in hand		1,237,670		363	
		1,376,129		454,587	
<b>Creditors: amounts falling due within one year</b>	15	(1,436,270)		(1,875,141)	
<b>Net current liabilities</b>			(60,141)		(1,420,554)
<b>Total assets less current liabilities</b>			8,608,480		5,960,788
<b>Creditors: amounts falling due after more than one year</b>	17		(136,677)		(166,851)
<b>Net assets</b>			8,471,803		5,793,937
<b>Income funds</b>					
<u>Unrestricted funds</u>					
General unrestricted funds		7,224,852		5,793,937	
Revaluation reserve		1,246,951		-	
			8,471,803		5,793,937
			8,471,803		5,793,937

The financial statements were approved by the Governors on 25/11/2018

  
M Southern  
Trustee

Company Registration No. 01114031

# THE SACRED HEART SCHOOL BEECHWOOD TRUST LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	2018 £	£	2017 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	26		162,204		176,470
<b>Investing activities</b>					
Purchase of tangible fixed assets		(467,214)		(161,122)	
Proceeds on disposal of tangible fixed assets		2,260,888		-	
Interest paid		(1,066)		(19,497)	
<b>Net cash generated from/(used in) investing activities</b>			1,792,608		(180,619)
<b>Financing activities</b>					
Repayment of bank loans		(65,853)		(63,545)	
<b>Net cash used in financing activities</b>			(65,853)		(63,545)
<b>Net Increase/(decrease) in cash and cash equivalents</b>			1,888,959		(67,694)
Cash and cash equivalents at beginning of year			(651,289)		(583,595)
<b>Cash and cash equivalents at end of year</b>			1,237,670		(651,289)
<b>Relating to:</b>					
Bank balances and short term deposits			1,237,670		363
Bank overdrafts			-		(651,652)



# THE SACRED HEART SCHOOL BEECHWOOD TRUST LIMITED

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

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### 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

At the time of approving the financial statements, the Governors have a reasonable expectation that the charity 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.

#### 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 SACRED HEART SCHOOL BEECHWOOD TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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### 1 Accounting policies (Continued)

The charity 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.

Properties whose fair value can be measured reliably are held under the revaluation model and are carried at a revalued amount, being their fair value at the date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value of the land and buildings is usually considered to be their market value.

#### 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' 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.

# THE SACRED HEART SCHOOL BEECHWOOD TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

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### 1 Accounting policies (Continued)

#### **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 an unfunded scheme and contributions are calculated 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 current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit method. The TPS is a multi-employer scheme but 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 are recognised in the period to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

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.

#### **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.

The Governors do not consider there are any judgements or estimations which may have any significant effect on the financial statements.

# THE SACRED HEART SCHOOL BEECHWOOD TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 3 Donations and legacies

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Donations	-	11,000	11,000	40,212
For the year ended 31 August 2017	27,297	12,915		40,212

### 4 Charitable activities

	Unrestricted funds	
	2018 £	2017 £
Gross fees	5,862,762	5,934,503
Less: Bursaries and discounts	(987,733)	(1,016,785)
Net fees	4,875,029	4,917,718
Optional subjects	183,601	157,114
Registration fees	13,803	15,475
Recoverables	86,193	89,443
	5,158,626	5,179,750

The above educational awards were all made to individuals. These include tuition scholarships of £295,770 made to 71 individuals (2017: £312,206 made to 71 individuals), discretionary awards of £145,731 made to 29 individuals (2017: £174,727 made to 30 individuals) and bursaries of £447,107 made to 72 individuals (2017: £529,852 made to 77 individuals).

### 5 Other trading activities

	2018 £	2017 £
School facility lettings	7,365	4,751

### 6 Other income

	2018 £	2017 £
Net gain on disposal of tangible fixed assets	2,030,494	-

# THE SACRED HEART SCHOOL BEECHWOOD TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### 7 Raising funds

	Unrestricted funds	
	2018	2017
	£	£
Finance and other costs	19,632	40,051

### 8 Charitable activities

	Staff costs	Other	Depreciation	Total	Total
	£	£	£	2018	2017
	£	£	£	£	£
Teaching costs	3,037,115	329,264	134,692	3,501,071	3,378,259
Welfare costs	303,202	448,749	-	751,951	650,890
Premises costs	51,509	372,731	61,800	486,040	493,638
	3,391,826	1,150,744	196,492	4,739,062	4,522,787
Share of support costs (see note 9)	284,189	709,793	-	993,982	644,443
Share of governance costs (see note 9)	-	23,894	-	23,894	19,535
	3,676,015	1,884,431	196,492	5,756,938	5,186,765
<b>Analysis by fund</b>					
Unrestricted funds	3,676,015	1,884,431	196,492	5,756,938	
	3,676,015	1,884,431	196,492	5,756,938	
<b>For the year ended 31 August 2017</b>					
Unrestricted funds	3,542,001	1,420,065	211,784		5,173,850
Restricted funds	-	12,915	-		12,915
	3,645,552	1,047,575	493,638		5,186,765

# THE SACRED HEART SCHOOL BEECHWOOD TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 9 Support costs

	Support costs	Governance costs	2018	2017
	£	£	£	£
Staff costs	284,189	-	284,189	267,293
Computer expenses and equipment expenses	105,907	-	105,907	114,744
Communications cost	111,558	-	111,558	95,522
Marketing	32,434	-	32,434	44,014
Commission on introductions	98,996	-	98,996	67,328
Subscriptions and inspections	10,422	-	10,422	12,445
Legal and professional fees	56,714	-	56,714	3,146
Miscellaneous	31,639	-	31,639	33,577
Doubtful debts	54,527	-	54,527	6,374
Costs of aborted sports hall project	207,596	-	207,596	-
Audit and accountancy fees	-	20,820	20,820	15,000
Trustees' expenses	-	3,074	3,074	4,535
	<u>993,982</u>	<u>23,894</u>	<u>1,017,876</u>	<u>663,978</u>

### 10 Interest payable and similar charges

	2018	2017
	£	£
On borrowings falling due within 5 years:		
Bank loan	1,066	19,497

### 11 Net movement in funds

	2018	2017
	£	£
Net movement in funds is stated after charging/(crediting)		
Auditor's remuneration	18,170	12,000
Depreciation of owned tangible fixed assets	196,492	211,784
Profit on disposal of tangible fixed assets	(2,030,494)	-
Operating lease charges	88,588	33,931

# THE SACRED HEART SCHOOL BEECHWOOD TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### 12 Employees

#### Number of employees

The average monthly number employees during the year was:

	2018 Number	2017 Number
Teaching	80	86
Domestic and maintenance	24	24
Administration	8	9
	<u>112</u>	<u>119</u>

#### Employment costs

	2018 £	2017 £
Wages and salaries	2,974,249	2,909,543
Social security costs	282,756	274,924
Other pension costs	360,918	357,534
Staff costs	<u>3,617,923</u>	<u>3,542,001</u>
Staff restructuring costs	58,092	-
	<u>3,676,015</u>	<u>3,542,001</u>

Staff restructuring costs comprise:

Redundancy payments	<u>58,092</u>	<u>-</u>
---------------------	---------------	----------

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

	2018 Number	2017 Number
£60,001 - £70,000	1	1
£70,001 - £80,000	1	1
£150,001 - £160,000	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 £352,861 (2017: £349,497).

The key management personnel of the charity comprise the Trustees, the Head, supported by a Senior Management Team, as listed on page 1. The total remuneration of key management personnel was £304,464 (2017: £286,573).

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

Two (2017: one) of the Governors claimed expenses of £3,074 (2017: £1,239) 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 2018

### 13 Tangible fixed assets

	Freehold land and buildings £	Equipment and furniture £	Total £
<b>Cost or valuation</b>			
At 1 September 2017	7,855,157	1,377,795	9,232,952
Additions	310,682	156,532	467,214
Disposals	(230,394)	-	(230,394)
Revaluation	344,001	-	344,001
	<hr/>	<hr/>	<hr/>
At 31 August 2018	8,279,446	1,534,327	9,813,773
	<hr/>	<hr/>	<hr/>
<b>Depreciation and impairment</b>			
At 1 September 2017	841,150	1,010,460	1,851,610
Depreciation charged in the year	61,800	134,692	196,492
Revaluation	(902,950)	-	(902,950)
	<hr/>	<hr/>	<hr/>
At 31 August 2018	-	1,145,152	1,145,152
	<hr/>	<hr/>	<hr/>
<b>Carrying amount</b>			
At 31 August 2018	8,279,446	389,175	8,668,621
	<hr/>	<hr/>	<hr/>
At 31 August 2017	7,014,007	367,335	7,381,342
	<hr/>	<hr/>	<hr/>

Land and buildings with a carrying amount of £8,000,000 were revalued at 12th July 2018 by Vail Williams LLP, independent valuers not connected with the charity on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties.

At 31 August 2018, had the revalued assets been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £6,953,715 (2017 - 7,014,007).

Included within freehold land and buildings is land at a value of £4,000,000 (2017: £3,310,000) which is not depreciated.

### 14 Debtors

	2018 £	2017 £
<b>Amounts falling due within one year:</b>		
Fees	49,224	79,625
Other debtors	65,146	347,515
	<hr/>	<hr/>
	114,370	427,140
	<hr/>	<hr/>



# THE SACRED HEART SCHOOL BEECHWOOD TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### 15 Creditors: amounts falling due within one year

	Notes	2018 £	2017 £
Bank loans and overdrafts	18	33,364	715,197
Trade creditors		168,578	150,529
Other taxation and social security		69,612	69,663
Deferred income	16	735,703	850,283
Other creditors		429,013	89,469
		<u>1,436,270</u>	<u>1,875,141</u>

Included within other creditors and accruals are amounts totalling £47,029 (2017: £46,727) in respect of outstanding pension contributions.

The bank overdraft at 2017 (Nil in 2018) 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.

### 16 Fees in advance

Included within deferred income and deposits held is an amount of £652,784 (2017: £758,862) in respect of fees received in advance.

	2018 £	2017 £
Brought forward	758,862	600,976
Additional fees in advance	652,784	758,862
Utilised in year	(758,862)	(600,976)
	<u>652,784</u>	<u>758,862</u>
Carried forward	652,784	758,862

### 17 Creditors: amounts falling due after more than one year

	Notes	2018 £	2017 £
Bank loans	18	-	35,672
Other creditors		136,677	131,179
		<u>136,677</u>	<u>166,851</u>

Included in deposits held is £38,575 (2017: £19,594) which falls due after more than five years.

# THE SACRED HEART SCHOOL BEECHWOOD TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### 18 Borrowings

	2018 £	2017 £
Bank overdrafts	-	651,652
Bank loans	33,364	99,217
	<u>33,364</u>	<u>750,869</u>
Payable within one year	33,364	715,197
Payable after one year	-	35,672
	<u>-</u>	<u>35,672</u>

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.

### 19 Financial instruments

	2018 £	2017 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	59,937	92,865
	<u>59,937</u>	<u>92,865</u>
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	734,268	239,998
	<u>734,268</u>	<u>239,998</u>

# THE SACRED HEART SCHOOL BEECHWOOD TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

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### 20 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' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions 2014. 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' Pensions Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published in June 2014.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (previously 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

The TPS valuation for 2012 determined an employer rate of 16.48% (including a 0.08% administration fee), which was payable from September 2015. 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 £362,435 (2017: £349,497).

The TPS is a multi-employer pension plan and there is insufficient information to account for the scheme as a defined benefit plan so it is accounted for as a defined contribution plan.

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 £8,057 (2017: £8,037).

# THE SACRED HEART SCHOOL BEECHWOOD TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### 21 Restricted funds

The charity had the following restricted funds during the year:

	Balance at 1 September 2017	Income	Expenditure	Transfers	Balance at 31 August 2018
	£	£	£	£	£
Sainsbury's Bench	-	1,000	-	(1,000)	-
Projector	-	10,000	-	(10,000)	-
	<u>-</u>	<u>11,000</u>	<u>-</u>	<u>(11,000)</u>	<u>-</u>

The transfer of £11,000 reflects the purchase of the bench and projector as these are held for the general purpose of the School.

Prior year	Balance at 1 September 2016	Income	Expenditure	Transfers	Balance at 31 August 2017
	£	£	£	£	£
Chaplain	-	12,915	(12,915)	-	-
	<u>-</u>	<u>12,915</u>	<u>12,915</u>	<u>-</u>	<u>-</u>

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

# THE SACRED HEART SCHOOL BEECHWOOD TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### 22 Unrestricted funds -

These are unrestricted funds which are material to the charity's activities made up as follows:

	Balance at 1 September 2017	Income	Expenditure	Transfers	Revaluations	Balance at 31 August 2018
	£	£	£	£	£	£
Unrestricted funds	5,793,937	7,196,485	(5,776,570)	11,000	-	7,224,852
Revaluation reserve	-	-	-	-	1,246,951	1,246,951
	<u>5,793,937</u>	<u>7,196,485</u>	<u>(5,776,570)</u>	<u>11,000</u>	<u>1,246,951</u>	<u>8,471,803</u>

These are unrestricted funds which are material to the charity's activities made up as follows:

General unrestricted funds represents funds cumulative effect of surplus and deficit for the use of the meeting the charitable aims.

Revaluation reserve represents the cumulative effect of revaluations of the freehold land and buildings recognised on the Statement of Financial Activities.

# THE SACRED HEART SCHOOL BEECHWOOD TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### 23 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:

	2018 £	2017 £
Within one year	82,255	73,397
Between one and five years	144,892	57,168
In over five years	3,738	-
	<u>230,885</u>	<u>130,565</u>

### 24 Capital commitments

At 31 August 2018 the charity had capital commitments as follows:

Contracted for but not provided in the financial statements:

Acquisition of property, plant and equipment	228,496	-
	<u>228,496</u>	<u>-</u>

### 25 Related party transactions

The charity received a donation of £nil (2017: £12,915) from Tunbridge Wells Association Trust Fund, a charity in which Sister O'Sullivan is a trustee.

### 26 Cash generated from operations

	2018 £	2017 £
Surplus/(deficit) for the year	1,430,915	(2,103)
Adjustments for:		
Interest paid	1,066	19,497
Gain on disposal of tangible fixed assets	(2,030,494)	-
Depreciation and impairment of tangible fixed assets	196,492	211,784
Movements in working capital:		
Decrease in stocks	2,995	849
Decrease/(increase) in debtors	312,770	(108,897)
Increase/(decrease) in creditors	363,040	(66,352)
(Decrease)/increase in deferred income	(114,580)	121,692
<b>Cash generated from operations</b>	<u>162,204</u>	<u>176,470</u>