

Company Registration Number: 09413691 (England and Wales)

SAINT CECILIA'S CHURCH OF ENGLAND SCHOOL
(A company limited by guarantee)

Annual Report and Financial Statements

For the year ended 31 August 2017

SAINT CECILIA'S CHURCH OF ENGLAND SCHOOL
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Reference and Administrative Details
For the year ended 31 August 2017

Members	The Southwark Diocesan Board of Education The Parochial Church Council of All Saints Wandsworth Revd G Prior The Right Reverend Dr Richard Cheetham, Bishop of Kingston
Trustees	Revd G Prior, Chair N Gallagher, Head Teacher ^{1,2} P Bishop K Diamond (resigned 2 March 2017) ^{1,2} T Evans ^{1,2} S Howe Revd A Kurk ^{1,2} G Wilson ¹ M Andrews ^{1,2} R Chambers (appointed 10 November 2016) J Ewins (appointed 9 February 2017) N Wild (appointed 10 November 2016)
	¹ Members of the Resources Committee ² Members of the Audit Committee
Company registered number	09413691
Company name	Saint Cecilia's Church of England School
Principal and registered office	Saint Cecilia's Church of England School Sutherland Grove London SW18 5JR
Company secretary	D Cobb
Senior management team	N Gallagher, Head Teacher A Kennedy, Deputy Head Teacher F Kite, Deputy Head Teacher (Resigned 31 August 2017) A Gillespie, Assistant Head Teacher P Bishop, Assistant Head Teacher J Miller, Assistant Head Teacher A Harrington, Assistant Head Teacher R Croft, Assistant Head Teacher D Cobb, School Business Development Manager
Independent auditors	Williams Giles Limited Chartered Accountants Statutory Auditors 12 Conqueror Court Sittingbourne Kent ME10 5BH

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Reference and Administrative Details of the Academy, its Trustees and Advisers
For the year ended 31 August 2017

Advisers (continued)

Bankers	NatWest Bank plc Parklands De Havilland Way Horwich Bolton BL6 4YU
Solicitors	Winckworth Sherwood LLP Minerva House 5 Montague Close London SE1 9BB

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Trustees' Report
For the year ended 31 August 2017

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2016 to 31 August 2017. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The trust operates an academy for pupils aged 11 to 19 serving a catchment area in Wandsworth, South West London. It has a pupil capacity of 950 and had a roll of 938 in the school census on 5 October 2017.

Structure, governance and management

Constitution

The academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the academy trust.

The Trustees of Saint Cecilia's Church of England School are also the directors of the charitable company for the purpose of company law.

The charitable company is known as Saint Cecilia's Church of England School .

Details of the Trustees who served during the are included in the Reference and administrative details on page 1.

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before he/she ceases to be a member.

Method of recruitment and appointment or election of Trustees

Members

The members of the Academy Trust shall comprise the signatories to the Memorandum, the Diocesan Board of Education, the Bishop and the Parochial Church Council of the Parish being the "Foundation Members", the Chairman of the Governors provided that person is a Foundation Governor and any person appointed under Article 16.

Trustees

The number of Governors shall be not less than 3, but shall not be subject to a maximum. The first Governors shall be those named in the initial Memorandum. The Academy Trust shall have the following Governors: up to 10 Foundation Governors appointed under Article 50; 2 staff Governors appointed under Article 50A; 2 parent Governors elected or appointed under Articles 53-58 and the Headteacher. The Academy may also have up to 3 co-opted Governors, a person who is appointed to be a Governor by being co-opted by the Governors who have not themselves been so appointed. The Governors may not co-opt an employee of the Academy Trust as a co-opted Governor if the number of Governors who are employed by the Academy Trust would thereby exceed one third of the total number of Governors (including the Headteacher).

The term of office for any Governor shall be four years, save that this time limit shall not apply to the Headteacher and any ex officio Governor. Subject to remaining eligible to be a particular type of Governor, any Governor may be re-appointed or re-elected.

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Trustees' Report (continued)
For the year ended 31 August 2017

Policies and procedures adopted for the induction and training of Trustees

The training and induction for new Governors depends on their experience. All new Governors are given a tour of the Academy and the chance to meet with staff and students. All governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. Induction tends to be done informally and is tailored specifically to the individual. All new governor inductions include a meeting with the Headteacher and Chair of Governors.

Pay policy for key management personnel

Senior Leader Pay is determined by the Headteacher in consultation with Governors, with the pay of the Headteacher being determined by the Governing Body. The school pays in line with national pay scales and compares pay with similar schools in the London area to ensure that salaries offered are competitive and sufficient to attract high quality staff.

Organisational structure

The structure consists of three levels: the Governors; Senior Leadership Team and Middle Leaders, (including Curriculum Team Leaders). The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the plan and budget, and making major decision about the direction of the Academy, capital expenditure and Senior Leader appointments.

The Senior Leadership Team consists of the Headteacher, one Deputy Headteacher, six Assistant Headteachers and the School Business and Development Manager. The Senior Leadership Team controls the Academy at an executive level implementing the policies laid down by the Governors and reporting back to them. The Headteacher is the Accounting Officer for the Academy Trust. As a group, the Senior Leadership Team are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment panels for middle and senior leader posts will often include Governors. Some spending control is devolved to Curriculum Team Leaders, with authorisation from a Senior Leader.

Connected organisations, including related party relationships

The Academy does not have any relationships with other charities or organisations.

Strategic report

Objectives and Activities

Objects and aims

The Academy Trust's object is specifically restricted to the following:

To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a Church of England School designated as such ("the Academy") which shall offer a broad and balanced curriculum and shall be conducted in accordance with the principles, practices and tenets of the Church of England including any trust deed governing the use of land used by the Academy both generally and in particular in relation to arranging for religious education and daily acts of worship and having regard to any advice issued by the Diocesan Board of Education.

Saint Cecilia's is a school renowned for excellence in all areas. Built on solid biblical foundations, where the

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Trustees' Report (continued)
For the year ended 31 August 2017

fruits of the spirit are actively cultivated, it is a school where all pupils thrive academically and socially because of the high quality teaching and exceptional pastoral support. We seek to achieve 'academic excellence within a caring Christian community.'

The academic results demonstrate that Saint Cecilia's is a school where pupils progress academically at rates faster than they would elsewhere; a school where exceptional progress is the norm. Academic success and personalised social support ensure all pupils are equipped for the next stage of their life. Deprivation does not stand in the way of development, and all children are encouraged to pursue Higher Education regardless of their background.

Jesus Christ is reflected in every strand of the school's work and as a result, as noted in the last Ofsted report, pupils are extraordinarily content, have tangible high self-esteem and radiate self-confidence. Pupils enjoy school and are actively engaged in all facets of school life resulting in exceptionally high attendance and very low mobility.

Principal Aims:

- Highest possible aspirations for all
- Outstanding teaching to become the norm
- All pupils and groups of pupils make exceptional progress
- All pupils are happy and content, full of self-confidence and with high self-esteem
- To give glory to God through outstanding and enjoyable education.

Objectives, strategies and activities

Saint Cecilia's Church of England School is a mixed 11-19 secondary school. The pupils at the school are encouraged to be ambitious and to achieve to their highest ability, whilst retaining a sense of who they are and what values are important in our society. We foster a genuine sense of respect for the individual alongside an appreciation of the culture and beliefs of others.

The principal objective of the Academy is to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing Saint Cecilia's Church of England school.

Objectives, strategies and activities

The main objectives of the period ending 31 August 2017 were:

- To develop the whole child.
- To promote the highest standards of academic achievement, motivation and self-discipline.
- To ensure high quality teaching and learning in all subjects at all stages.
- To encourage each individual child to develop their talents to the full.
- To ensure that everyone is treated equally and with respect.
- To develop in pupils an awareness and appreciation of spiritual, moral, social and cultural values and attitudes.
- To help pupils develop creative, lively and critically enquiring minds and the ability to question and discuss rationally.
- To promote an awareness of our place in, dependency on and respect for the world environment.
- To promote the fundamental British values of democracy, the rule of law, individual liberty and mutual respect and tolerance of those with different faiths and beliefs.

Saint Cecilia's Church of England School believes pupils should enjoy and learn from their everyday experiences, both in and out of school, valuing their school days as part of progress of lifelong learning. Fulfilment grows from a sense of personal achievement and pupils are given the opportunity to participate in a wide range of educational and recreational activities, including decision-making which affects the development of their school. Teaching is organised to enable pupils to work individually as well as in groups, cooperatively as well as competitively. Assessment of pupils' work accentuates positive achievement as well as providing direction for future improvement.

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Trustees' Report (continued)
For the year ended 31 August 2017

All staff will have the opportunity to develop further through working collaboratively with others to enhance their own expertise and attending appropriate training courses.

Parents will fulfil their role as true partners, recognising their role in the student, school, parent partnership to ensure that their child realises their full potential.

Governors will contribute to the life of the school on a wider scale, acting as critical friends to support the school in becoming a nationally recognised centre of excellence.

Public benefit

The Governors confirm that they have referred to the guidance contained in the Charities Commission's general guidance on public benefit when reviewing the Academy's aims and objectives and in planning future activities. In particular, the Governors consider how planned activities will contribute to the aims and objectives they have set.

Admissions

Saint Cecilia's participates in the co-ordinated admissions scheme of the London Borough of Wandsworth. The school also adheres to the common timetable for admissions, including the arrangements for dealing with applications received after the closing date as set out in Wandsworth Council's scheme.

Saint Cecilia's will admit 150 students to year 7. Places are allocated as follows:

- 100 Foundation places will be offered to children who themselves or their parents/carers are practising members of a Christian church.
- 50 Open places will be offered to children irrespective of their religious background.
- 10 Foundation and 5 Open places will be offered to children who demonstrate that they have the aptitude to benefit from a specialist course in music.

Achievements and performance

Key performance indicators

The Academy is heavily oversubscribed receiving over 1,000 applications for 150 places in year 7. Pupils will leave the school periodically due to personal circumstances and wherever possible, places are filled quickly by those on our waiting lists. However, it is not common for pupils to elect to move during Key Stage 4 as their GCSE examinations are imminent, so there are some places available in years 10 and 11. In the sixth form there were 197 students. The total number of pupils and students at the end of the summer term 2017 was 926.

In the summer of 2016 the academy once again attained excellent results in national GCSE and A' Level examinations.

In the vast majority of subjects, most pupils progress well from their different starting points and achieve or exceed standards expected for their age nationally. Where progress, for either a particular group or in a particular subject is slower than expected, the systematic monitoring of performance data by school leaders ensures quick identification and response to concerns. Accurate and robust internal data tracking and quality assurance systems enable school leaders to intervene proactively to prevent difficulties before they become problematic. The subjects and groups that underperformed in 2015-16 were picked up in the School improvement plan and most made significant gains in 2016-17 (including disadvantaged, low prior attainment and SEN(D)).

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Trustees' Report (continued)
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Headline Measures

	2016		2017	
	School	National	School	National
Progress 8	0.05	0	*	*
Attainment 8	56.2	49.5	52.6	*
	(Prediction 55.7)			
% A*-C English	93%	74%	#	#
% A*-C Mathematics	83%	68%	#	#
% A*-C English and Mathematics	79.10%	62%	#	#
% 9-4 English	#	#	88.80%	*
% 9-4 Mathematics	#	#	83.20%	*
% 9-4 English and Mathematics	#	#	80.40%	*
% Entering the EBacc	33.80%	N/A	51%	*
% Achieving the EBacc	29%	19%	#	#
% 9-5 English	#	#	78.30%	*
% 9-5 Mathematics	#	#	59.40%	*
% 9-5 English and Mathematics	#	#	55.90%	*
% Entering the EBacc (9-4)	#	#	37.80%	*
% Achieving the EBacc (9-4)	#	#	34.30%	*
% staying in education or employment for 2 terms after KS4	98%	94%	*	*

Denotes that no data will be available as this national measure has been replaced with the new numeric grading structure. The two systems are not aligned to enable accurate and reliable historic comparison.

* Denotes that figures were not available at the time of printing this report.

Legacy Headlines (for comparison purposes)

	2014		2015		2016	
	School	National	School	National	School	National
% 5A*-C EM	70%	55%	67%	56%	65.00%	*
% EP English	72%	70%	82%	69%	83.60%	*
% EP Mathematics	86%	65%	70%	66%	78.20%	*
% more than EP English	33%	32%	41%	30%	40.30%	*
% More than EP Mathematics	50%	29%	33%	30%	45.10%	*

Saint Cecilia's Church of England School is an inclusive school with a strong track record of ensuring that all pupils have the opportunity to succeed and move on to the further education of their choice.

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Trustees' Report (continued)
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Financial review

Most of the Academy's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, some of which are restricted for particular purposes. The grants received from the ESFA during the year end 31 August 2017 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2017, total expenditure of £7,682k was met by recurrent grant funding from the ESFA together with other incoming resources. The excess of expenditure over income for the period (excluding restricted fixed asset funds and transfers to restricted fixed asset funds) was £981k.

At 31 August 2017 the net book value of fixed assets was £11,874k. Movements in tangible fixed assets are shown in note 15 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The London Borough of Wandsworth Pension Fund, in which the Academy participates, showed a deficit of £824k at 31 August 2017.

Going concern

The Academy, as is the case for most schools nationally, have faced a period where its funding has not risen sufficiently to stay in line with its rising costs. National Insurance, employer pension contributions and pay rises in particular have added significant pressures to the school budget. Saint Cecilia's expects that there will be further real terms cuts to education budgets in the coming years, including the removal of the Education Services Grant entirely and an indication of a 1.4% cut to Baseline Funding through the proposed new National Funding Formula. During the same period, costs are expected to rise through nationally agreed pay awards and other inflationary pressures. With reserves at a low level, the only ways to meet these rising costs are to increase student numbers or to reduce expenditure.

Significant savings have been achieved in the last year by reviewing contractual arrangements for services including: renegotiating the photocopier contract (£4,000 saving); changing HR providers (£7,000 saving); changing grounds maintenance provider (£2,000 saving); reviewing the catering provision (circa £70,000 saving); outsourcing management of lettings (circa £10,000 saving); providing 10 months management consultancy through by seconding one of its Deputy Headteachers to act as a consultant Headteacher to another CofE secondary school (£100,000 one off saving, not annual); and further reviews are under way. This in itself was not be enough to ensure a balanced budget and a review of the curriculum and staffing structure was undertaken in the Spring of 2017 and staffing costs were reduced significantly in time for September 2017. As the Academy has limited reserves, it reached agreement with the ESFA for an advance of General Annual Grant (GAG) to ensure sufficient funding while it restructured. This funding was received in July 2017 and is repayable over the next five years.

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Trustees' Report (continued)
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Principal risks and uncertainties

Financial

The current funding position where grants are being reduced at the same time as costs are rising produces a number of financial risks including: having insufficient reserves to meet any significant unforeseen or emergency expenditure; the risk that future funding cuts will require reductions in expenditure that will reduce the ability to achieve the key objectives; and reduced reserves creates a risk to cash flow making it more difficult to ensure there is sufficient cash in hand to pay immediate costs.

Infrastructure

Although the school is relatively new (opened in September 2003), there are elements of the infrastructure that require periodic replacement and upgrading. Modern ICT systems and networks have a reasonably short lifespan and represent a significant financial investment for a school of this size. Additionally, items of plant and equipment (including boilers; carpets; tables and chairs) have a limited lifespan and the revenue funding provided by the ESFA is insufficient to meet these lifecycle costs. Investment is prioritised to minimise the impact on teaching and learning, but overall, the assets of the school will gradually decline.

Reserves policy

The Governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Governors have determined that the appropriate level of unrestricted reserves should be equivalent to four weeks normal expenditure, which would be £480,000.

The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a contingency to respond to unexpected costs such as urgent maintenance or repairs.

The Academy's reserves as at 31 August 2017 were in an overall deficit position of £511,500. This is below the level set in the reserves policy and Governors expect to gradually increase reserves over time. Governors have carefully considered the speed in which they can increase reserves as they can only be increased by making an annual surplus from its operating activities. A significant reduction in expenditure in operating activities would be likely to impact on the Academy's ability to achieve its aim and objectives.

The recent financial climate and political policy has created a position where Schools and Academies are facing year on year real term budget cuts making it increasingly difficult to achieve the objectives of the Academy while generating an operating surplus and building reserves. This has a significant long term implication for all schools and academies as they are expected to fund the majority of their lifecycle replacement costs through their annual operating revenue. The current government policy and subsequent levels of funding are unsustainable in the medium term, which is a view held unanimously by all within the education sector.

Material investments policy

Under the Memorandum and Articles of Association, the academy has the power to invest funds not immediately required. However, as the reserves of the Academy are below the level set in the Reserves Policy, the Academy is not in a position to invest for the foreseeable future. Governors will review the investment policy at a time when they are confident that reserves can be maintained in excess of the levels set in the reserves policy for a reasonable investment period.

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Trustees' Report (continued)
For the year ended 31 August 2017

Plans for future periods

Future developments

The Academy will continue striving to maintain and improve the high levels of performance that it has become accustomed to for all its pupils and students. The Academy will continue to ensure that at the time that children leave the school, they are well prepared for future study, training or employment and that they are able to make the best choices for their life chances.

The Academy has a good understanding of its strengths and areas for development based on rigorous analysis of data and monitoring of teaching and learning. Additionally, external factors such as political policy and funding decisions are regularly reviewed to ensure that the Academy is well placed to respond to challenges and take advantage of opportunities.

In particular, the Academy is seeking to:

- Maintain and improve on the excellent levels of academic achievement that have become the norm for the school.
- Assess the advantages that a Multi Academy Trust structure could provide
- Increase the school roll so that funding can be increased accordingly
- Seek to develop additional classroom and sports facilities to meet the demand for school spaces locally

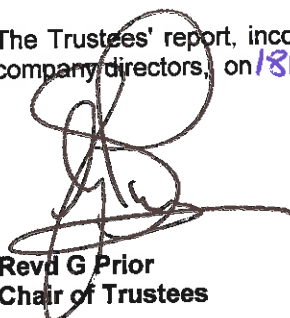
Over the past year, funding for education has not risen in line with inflationary pressures faced by schools - most notably staff pay awards that are negotiated nationally, but paid locally by each school. The impact of this is a real term funding cut for schools that must be met by reducing costs through efficiencies or reductions in staff numbers. As decisions on curriculum and staffing for the next academic year need to be made in advance to enable the planning and selection of GCSE option choices from children, it is very difficult to reduce costs quickly when there is uncertainty about future funding levels. The annual Funding Statement is received in March annually, by which time curriculum choices for the following September have already been made. As making substantial cuts to budget mid year would have significantly risked the achievement of educational standards, the school restructured for the start of the 2017/18 academic year. This led to an operating deficit for the year being recorded of £566k. This cost was funded through the receipt of an Advance of GAG from the ESFA.

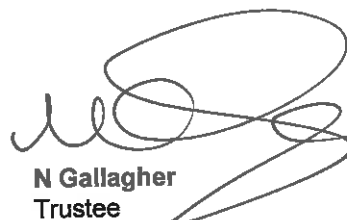
Disclosure of information to auditors

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 18/12/17 and signed on its behalf by:


Revd G Prior
Chair of Trustees


N Gallagher
Trustee

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Governance Statement

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Head Teacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Saint Cecilia's Church of England School and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of trustees has formally met 4 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Revd G Prior, Chair	3	4
N Gallagher, Head Teacher	4	4
P Bishop	4	4
K Diamond	2	3
T Evans	2	4
S Howe	4	4
Revd A Kurk	4	4
G Wilson	4	4
M Andrews	4	4
R Chambers	4	4
J Ewins	2	2
N Wild	4	4

The Board of Trustees has remained relatively stable over the year and, although a number of governors have resigned their positions in the summer of 2016, the academy were very successful in recruiting experienced replacements who have key legal and business skills, which has strengthened the Board.

Martin Howe continued as advisor as he has significant financial skills, qualifications and experience. Archdeacon John Kiddle was appointed as an advisor to the Trust in the summer term to enable stronger links to the Diocese and to ensure that the Christian ethos of the school is reflected in its work.

The Academy Trust reviewed its committee structure in 2015/16 and introduced a Faith Committee. This committee ensure that the Christian ethos and culture are embedded and reflected in all aspects of school life, which has enabled the school to achieve an outstanding SIAM's judgement.

In the Autumn term, the Governing Body reviewed the annual work plan for its sub committees and moved responsibility for staffing matters from the Resources Committee to the Curriculum & Standards Committee. This was to ensure an appropriate balance of responsibilities to ensure a fair and equal distribution.

The Resources Committee is a sub-committee of the main board of trustees. Its purpose is to monitor and agree budget, finance, personnel and premises issues, as set out in its terms of reference. It puts forward proposals to the Full Governing Body based on information from the Headteacher, School Business and Development Manager and other members of the Senior Leadership Team. The Resources Committee reviews the internal audit reports and fulfils the role of the Audit Committee for the Trust.

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Governance Statement (continued)

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
G Wilson (Chair)	5	5
N Gallagher	5	5
T Evans	2	2
G Prior	3	3
Revd A Kurk	5	5
M Andrews	5	5
C Baker	4	4
J Ewins	3	3
M Howe (advisor)	4	5
K Diamond	1	3

Review of Value for Money

As Accounting Officer, the Head Teacher has responsibility for ensuring that the academy delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the academy's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the academy has delivered improved value for money during the year by:

- Reviewing and competitively tendering the grounds maintenance contract
- Outsourcing the management of lettings to a specialist provider
- Considering the outsourcing of the Catering Service to specialist providers
- Re-tendering the ICT Support Services Contract
- Renegotiating the photocopier contract to provide improved equipment and the implementation of print management software
- Competitively tendering the contract for HR support services
- Competitively tendering the contract for Audit Services
- Reviewing staff contracts to redefine roles as vacancies arise
- Holding a recruitment fair to reduce the cost of traditional newspaper advertising

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Saint Cecilia's Church of England School for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

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Governance Statement (continued)

The Risk and Control Framework

The academy's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Williams Giles as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. In particular the checks carried out in the current period included:

On a termly basis, the internal auditor reports to the board of trustees through the audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

Visit 1	Visit 2	Visit 3
Fixed asset register	Governance and procedures	Schools Meals
Banking and cash collection	Voluntary fund and school journey	Financial monitoring and reporting
Income	Payroll	Contracts and procurement
Expenditure		Lettings and income generation

Three internal audit inspections were undertaken and reported to Governors in the year to 31 August 2017. There were no material control issues arising, but a number of minor issues were reported and subsequent actions taken to rectify these.

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Governance Statement (continued)

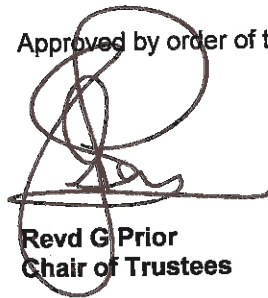
Review of Effectiveness

As Accounting Officer, the Head Teacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

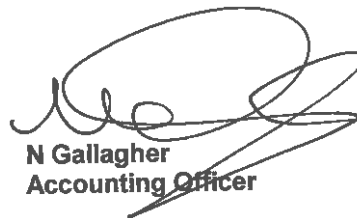
- the work of the internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Resources Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 18/12/17 and signed on their behalf, by:



Revd G Prior
Chair of Trustees



N Gallagher
Accounting Officer

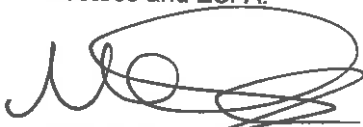
SAINT CECILIA'S CHURCH OF ENGLAND SCHOOL
(A company limited by guarantee)

Statement on Regularity, Propriety and Compliance

As Accounting Officer of Saint Cecilia's Church of England School I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

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



Niall Gallagher
Accounting Officer

18/12/17

SAINT CECILIA'S CHURCH OF ENGLAND SCHOOL
(A company limited by guarantee)

Statement of Trustees' Responsibilities
For the year ended 31 August 2017

The Trustees (who act as governors of Saint Cecilia's Church of England School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 18/12/17 and signed on its behalf by:



Revd G Prior
Chair of Trustees

SAINT CECILIA'S CHURCH OF ENGLAND SCHOOL
(A company limited by guarantee)

Independent Auditors' Report on the Financial Statements to the Members of Saint Cecilia's Church of England School

Opinion

We have audited the financial statements of Saint Cecilia's Church of England School for the year ended 31 August 2017 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

This report is made solely to the academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

SAINT CECILIA'S CHURCH OF ENGLAND SCHOOL
(A company limited by guarantee)

Independent Auditors' Report on the Financial Statements to the Members of Saint Cecilia's Church of England School

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

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

Responsibilities of trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the academy's or to cease operations, or have no realistic alternative but to do so.

SAINT CECILIA'S CHURCH OF ENGLAND SCHOOL
(A company limited by guarantee)

Independent Auditors' Report on the Financial Statements to the Members of Saint Cecilia's Church of England School

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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



Alyson Howard FCCA DChA CF (Senior statutory auditor)

for and on behalf of

Williams Giles Limited

Chartered Accountants
Statutory Auditors

12 Conqueror Court
Sittingbourne
Kent

ME10 5BH

Date: 19 December 2017

SAINT CECILIA'S CHURCH OF ENGLAND SCHOOL
(A company limited by guarantee)

Independent Reporting Accountants' Assurance Report on Regularity to Saint Cecilia's Church of England School and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 1 July 2016 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Saint Cecilia's Church of England School during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Saint Cecilia's Church of England School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Saint Cecilia's Church of England School and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Saint Cecilia's Church of England School and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Saint Cecilia's Church of England School's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Saint Cecilia's Church of England School's funding agreement with the Secretary of State for Education dated 27 February 2015, and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

SAINT CECILIA'S CHURCH OF ENGLAND SCHOOL
(A company limited by guarantee)

**Independent Reporting Accountants' Assurance Report on Regularity to Saint Cecilia's Church of
England School and the Education and Skills Funding Agency (continued)**

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Williams Giles

Reporting Accountant

Williams Giles Limited

Chartered Accountants
Statutory Auditors

12 Conqueror Court
Sittingbourne
Kent
ME10 5BH

Date: *19 December 2017*

SAINT CECILIA'S CHURCH OF ENGLAND SCHOOL
(A company limited by guarantee)

Statement of Financial Activities incorporating Income and Expenditure Account
For the year ended 31 August 2017

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset fund 2017 £	Total funds 2017 £	Total funds 2016 £
Income from:						
Donations and capital grants	2	21,545	-	20,594	42,139	44,517
Charitable activities	4	-	5,769,559	-	5,769,559	5,983,030
Other trading activities	3	659,035	230,668	-	889,703	542,165
Total income		<u>680,580</u>	<u>6,000,227</u>	<u>20,594</u>	<u>6,701,401</u>	<u>6,569,712</u>
Expenditure on:						
Charitable activities		218,680	6,834,108	263,402	7,316,190	6,654,106
Other expenditure	5	366,117	-	-	366,117	264,316
Total expenditure	8	<u>584,797</u>	<u>6,834,108</u>	<u>263,402</u>	<u>7,682,307</u>	<u>6,918,422</u>
Net income / (expenditure) before transfers		95,783	(833,881)	(242,808)	(980,906)	(348,710)
Transfers between Funds	19	(149,885)	99,381	50,504	-	-
Net expenditure before other recognised gains and losses		(54,102)	(734,500)	(192,304)	(980,906)	(348,710)
Actuarial gains/(losses) on defined benefit pension schemes	24	-	356,000	-	356,000	(552,000)
Net movement in funds		(54,102)	(378,500)	(192,304)	(624,906)	(900,710)
Reconciliation of funds:						
Total funds brought forward		54,102	(957,000)	12,066,402	11,163,504	12,064,214
Total funds carried forward		<u>-</u>	<u>(1,335,500)</u>	<u>11,874,098</u>	<u>10,538,598</u>	<u>11,163,504</u>

SAINT CECILIA'S CHURCH OF ENGLAND SCHOOL
(A company limited by guarantee)
Registered number: 09413691

Balance Sheet
As at 31 August 2017

	Note	£	2017 £	£	2016 £
Fixed assets					
Tangible assets	15		11,874,098		12,066,402
Current assets					
Debtors	16	322,709		283,770	
Cash at bank and in hand		406,744		173,014	
		<u>729,453</u>		<u>456,784</u>	
Creditors: amounts falling due within one year	17	<u>(640,953)</u>		<u>(402,682)</u>	
Net current assets			<u>88,500</u>		<u>54,102</u>
Total assets less current liabilities			<u>11,962,598</u>		<u>12,120,504</u>
Creditors: amounts falling due after more than one year	18	<u>(600,000)</u>		<u>-</u>	
Net assets excluding pension scheme liabilities			<u>11,362,598</u>		<u>12,120,504</u>
Defined benefit pension scheme liability	24	<u>(824,000)</u>		<u>(957,000)</u>	
Net assets including pension scheme liabilities			<u>10,538,598</u>		<u>11,163,504</u>
Funds of the academy					
Restricted income funds:					
Restricted income funds	19	(511,500)			
Restricted fixed asset fund	19	11,874,098		12,066,402	
Restricted income funds excluding pension liability		<u>11,362,598</u>		<u>12,066,402</u>	
Pension reserve		<u>(824,000)</u>		<u>(957,000)</u>	
Total restricted income funds			<u>10,538,598</u>		<u>11,109,402</u>
Unrestricted income funds	19		-		<u>54,102</u>
Total funds			<u>10,538,598</u>		<u>11,163,504</u>

The financial statements on pages 22 to 45 were approved by the Trustees, and authorised for issue, on 18/11/17 and are signed on their behalf, by:


Reyd G Prior
Chair of Trustees


N Gallagher
Trustee

SAINT CECILIA'S CHURCH OF ENGLAND SCHOOL
(A company limited by guarantee)

Statement of Cash Flows
For the year ended 31 August 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash used in operating activities	21	<u>(415,766)</u>	<u>(38,231)</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(71,098)	(77,892)
Capital grants from DfE/ESFA		20,594	21,156
Net cash used in investing activities		<u>(50,504)</u>	<u>(56,736)</u>
ESFA Concessionary Loan		700,000	
Net cash provided by financing activities		<u>700,000</u>	
Change in cash and cash equivalents in the year		<u>233,730</u>	<u>(94,967)</u>
Cash and cash equivalents brought forward		173,014	267,981
Cash and cash equivalents carried forward	22	<u><u>406,744</u></u>	<u><u>173,014</u></u>

SAINT CECILIA'S CHURCH OF ENGLAND SCHOOL
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2017

1. Accounting Policies

Saint Cecilia's Church of England School is a charitable company limited by guarantee and an exempt charity incorporated in England and Wales. The registered office is Saint Cecilia's Church of England School, Sutherland Grove, London, SW18 5JR. The principal activity of the academy trust is to provide a primary education for pupils that satisfies the requirements of the Education Act 2002.

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Saint Cecilia's Church of England School constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

SAINT CECILIA'S CHURCH OF ENGLAND SCHOOL
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2017

1. Accounting Policies (continued)

1.3 Income

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

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

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account in the period in which it is receivable, where receipt is probable and it is measurable.

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

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

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

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities are costs incurred on the academy's educational operations, including support costs and those costs relating to the governance of the academy appointed to charitable activities.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

SAINT CECILIA'S CHURCH OF ENGLAND SCHOOL
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2017

1. Accounting Policies (continued)

1.5 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

The buildings on Church land are situated on land, not owned by the Academy Trust, and are occupied on a rolling supplemental agreement with the Diocese of Southwark. The underlying land is subject to a variety of specific trusts and vests in a number of different parties represented by the Diocese of Southwark. Whilst the Academy Trust does not own the buildings, the Trustees do not regard the termination of the agreement to occupy as likely and therefore have reflected the fact that the Academy derives economic value from the buildings, which it is obliged to maintain and improve, by including them in the accounts. This is at the valuation based on the Mouchel desktop valuation completed for the EFA, as if occupied under long leasehold. The basis of the value is Fair Value, as defined by the International Financial Reporting Standards (IFRS). No value for land has been included. This treatment reflects the substance of the transaction, not the strict legal form of the transaction and places no restriction on either the, Academy or the Diocese or the trusts which own the land.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Buildings & Church Land	-	2% straight line basis
Fixtures and fittings	-	10% straight line basis
Computer equipment	-	20% straight line basis

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

SAINT CECILIA'S CHURCH OF ENGLAND SCHOOL
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2017

1. Accounting Policies (continued)

1.6 Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.7 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the academy. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of financial activities incorporating income and expenditure account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.8 Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.9 Pensions

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 24, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

SAINT CECILIA'S CHURCH OF ENGLAND SCHOOL
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2017

1. Accounting Policies (continued)

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities incorporating income and expenditure account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.10 Fund accounting

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

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

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

1.11 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the academy; this is normally upon notification of the interest paid or payable by the Bank.

1.12 Debtors

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

1.13 Cash at Bank and in hand

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

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1. Accounting Policies (continued)

1.14 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.15 Financial instruments

The academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 17 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

1.16 Concessionary Loan

The ESFA have advanced funding in the amount of £700,000 which is to be deducted from funding to the period to 2022. This advance has been provided interest free and has been separately shown in notes 16 and 17.

1.17 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from EFA. Payments received from EFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 28.

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1. Accounting Policies (continued)

1.18 Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 14 for the carrying amount of the property plant and equipment, and note 1.5 for the useful economic lives for each class and assets.

2. Income from donations and capital grants

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset fund 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	21,545	-	-	21,545	23,361
Devolved formula capital grants	-	-	20,594	20,594	21,156
	<u>21,545</u>	<u>-</u>	<u>20,594</u>	<u>42,139</u>	<u>44,517</u>
<i>Total 2016</i>	<u>23,361</u>	<u>-</u>	<u>21,156</u>	<u>44,517</u>	

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3. Other trading activities

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2015 £
Hire of facilities	23,633	-	23,633	40,786
Catering income	166,006	-	166,006	134,625
Other income	108,222	230,668	338,890	126,916
Educational trips and visits	361,174	-	361,174	239,838
	<u>659,035</u>	<u>230,668</u>	<u>889,703</u>	<u>542,165</u>
<i>Total 2016</i>	<u>500,725</u>	<u>41,440</u>	<u>542,165</u>	

4. Funding for Academy's educational operations

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	5,325,074	5,325,074	5,586,019
Pupil Premium	-	207,965	207,965	198,961
	<u>-</u>	<u>5,533,039</u>	<u>5,533,039</u>	<u>5,784,980</u>
Other government grants				
SEN Income	-	236,520	236,520	198,050
	<u>-</u>	<u>236,520</u>	<u>236,520</u>	<u>198,050</u>
	<u>-</u>	<u>5,769,559</u>	<u>5,769,559</u>	<u>5,983,030</u>
<i>Total 2016</i>	<u>-</u>	<u>5,983,030</u>	<u>5,983,030</u>	

5. Other expenditure

	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
School Trips	366,117	366,117	264,316
<i>Total 2016</i>	<u>264,316</u>	<u>264,316</u>	

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6. Direct costs

	Educational operations £	Total 2017 £	Total 2016 £
Educational supplies	95,255	95,255	126,393
Examination fees	114,437	114,437	100,013
Staff development	24,753	24,753	23,876
Other direct costs	49,469	49,469	41,929
Agency supply	62,134	62,134	162,441
Wages and salaries	3,584,087	3,584,087	3,186,540
National insurance	373,101	373,101	310,342
Pension cost	545,475	545,475	480,374
	<u>4,848,711</u>	<u>4,848,711</u>	<u>4,431,908</u>
<i>At 31 August 2016</i>	<u>4,431,908</u>	<u>4,431,908</u>	

7. Support costs

	Educational operations £	Total 2017 £	Total 2016 £
LGPS costs	19,000	19,000	10,000
Technology costs	161,380	161,380	197,154
Recruitment and support costs	16,868	16,868	33,101
Maintenance of premises and equipment	235,822	235,822	82,128
Cleaning	121,082	121,082	92,899
Rent and rates	36,412	36,412	(11,283)
Energy costs	79,556	79,556	85,068
Insurance	35,121	35,121	43,841
Security and transport	303	303	430
Catering	178,491	178,491	161,546
Other support costs	357,273	357,273	345,712
Agency supply	80,599	80,599	149,590
Governance costs	33,999	33,999	17,472
Wages and salaries	505,995	505,995	547,063
National insurance	45,306	45,306	39,012
Pension cost	296,870	296,870	170,820
Depreciation	263,402	263,402	257,645
	<u>2,467,479</u>	<u>2,467,479</u>	<u>2,222,198</u>
<i>At 31 August 2016</i>	<u>2,222,198</u>	<u>2,222,198</u>	

In 2016, all Support costs were incurred in respect of educational operations.

During the year ended 31 August 2017, the academy incurred the following Governance costs:
£33,999 (2016 - £17,472) included within the table above in respect of educational operations.

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8. Expenditure

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Educational operations:					
Direct costs	4,564,797	-	283,914	4,848,711	4,431,908
Support costs	930,880	375,103	1,161,496	2,467,479	2,212,198
	<u>5,495,677</u>	<u>375,103</u>	<u>1,445,410</u>	<u>7,316,190</u>	<u>6,644,106</u>
<i>Total 2016</i>	<u>5,046,182</u>	<u>339,773</u>	<u>1,258,151</u>	<u>6,644,106</u>	

9. Net income/(expenditure)

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned by the charity	263,402	257,645
Operating lease rentals	46,591	90,140
	<u>263,402</u>	<u>257,645</u>

10. Auditors' remuneration

	2017 £	2016 £
Fees payable to the academy's auditor for the audit of the academy's annual accounts	10,700	9,000
Fees payable to the academy's auditor in respect of:		
Audit-related assurance services	2,100	1,675
All other non-audit services not included above	1,650	650
	<u>14,450</u>	<u>11,325</u>

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11. Staff costs

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	4,090,082	3,733,603
Social security costs	418,407	349,354
Operating costs of defined benefit pension schemes	842,345	651,194
	<u>5,350,834</u>	<u>4,734,151</u>
Apprenticeship levy	2,110	-
Supply teacher costs	142,733	312,031
	<u>5,495,677</u>	<u>5,046,182</u>

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

	2017 No.	2016 No.
Teachers	63	56
Administration and support	45	47
Management	10	10
	<u>118</u>	<u>113</u>

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

	2017 No.	2016 No.
In the band £60,001 - £70,000	5	4
In the band £70,001 - £80,000	1	2
In the band £80,001 - £90,000	1	0
In the band £100,001 - £110,000	1	1

All of the above employees, with the exception of one employee, participated in the Teachers Pension Scheme. Total contributions to the TPS for these employees were £85,576 (2016 - £73,576).

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £755,245 (2016 - £802,958).

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12. Trustees' remuneration and expenses

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

		2017 £	2016 £
N Gallagher	Remuneration	105,000-110,000	105,000-110,000
	Pension contributions paid	15,000-20,000	15,000-20,000
P Bishop	Remuneration	65,000-70,000	65,000-70,000
	Pension contributions paid	15,000-20,000	10,000-15,000
A Pearson	Remuneration		25,000-30,000
	Pension contributions paid		0-5,000
Revd A Kurk	Remuneration	35,000-40,000	30,000-35,000
	Pension contributions paid	5,000-10,000	0-5,000
Ralf Chambers	Remuneration	25,000-30,000	
	Pension contributions paid	0-5,000	

During the year ended 31 August 2017, expenses totalling £2,518 (2016 - £NIL) were reimbursed to 4 Trustees (2016 - 0).

13. Trustees' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2017 was £1,369 (2016 - £2,500).

14. Net pension interest

	2017 £	2016 £
Interest income on pension scheme assets	31,000	41,000
Interest on pension scheme liabilities	(50,000)	(51,000)
	<u>(19,000)</u>	<u>(10,000)</u>

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15. Tangible fixed assets

	Buildings & Church Land £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 September 2015 - as restated	12,366,326	61,847	20,667	12,448,840
Additions	22,709	43,745	4,644	71,098
At 31 August 2017	<u>12,389,035</u>	<u>105,592</u>	<u>25,311</u>	<u>12,519,938</u>
Depreciation				
At 1 September 2016	370,927	6,452	5,059	382,438
Charge for the year	247,781	10,559	5,062	263,402
At 31 August 2017	<u>618,708</u>	<u>17,011</u>	<u>10,121</u>	<u>645,840</u>
Net book value				
At 31 August 2017	<u>11,770,327</u>	<u>88,581</u>	<u>15,190</u>	<u>11,874,098</u>
At 31 August 2016	<u>11,995,399</u>	<u>55,395</u>	<u>15,608</u>	<u>12,066,402</u>

16. Debtors

	2017 £	2016 £
Trade debtors	24,312	16,798
VAT recoverable	111,067	40,193
Other debtors	80,232	75,774
Prepayments and accrued income	107,098	151,005
	<u>322,709</u>	<u>283,770</u>

17. Creditors: Amounts falling due within one year

	2017 £	2016 £
Concessionary Loan	100,000	-
Trade creditors	312,866	159,603
Other taxation and social security	108,568	103,110
Other creditors	98,440	84,970
Accruals and deferred income	21,079	54,999
	<u>640,953</u>	<u>402,682</u>

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17. Creditors: Amounts falling due within one year (continued)

	2017 £	2016 £
Deferred income		
Deferred income at 1 September 2016	54,166	-
Resources deferred during the year	5,020	54,166
Amounts released from previous years	(54,166)	-
	5,020	54,166
Deferred income at 31 August 2017	5,020	54,166

18. Creditors: Amounts falling due after more than one year

	2017 £	2016 £
Concessionary Loan	600,000	-
	600,000	-

19. Statement of funds

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Unrestricted funds						
Unrestricted funds	54,102	680,580	(584,797)	(149,885)	-	-
	54,102	680,580	(584,797)	(149,885)	-	-
Restricted funds						
General Annual Grant	-	5,325,074	(5,935,955)	99,381	-	(511,500)
Other DFE/EFA grants	-	207,965	(207,965)	-	-	-
Local authority grants	-	236,520	(236,520)	-	-	-
Other Income	-	230,668	(230,668)	-	-	-
Pension reserve	(957,000)	-	(223,000)	-	356,000	(824,000)
	(957,000)	6,000,227	(6,834,108)	99,381	356,000	(1,335,500)
	(957,000)	6,000,227	(6,834,108)	99,381	356,000	(1,335,500)
Restricted fixed asset fund						
General fixed assets	12,066,402	-	(263,402)	71,098	-	11,874,098
Devolved formula capital grant	-	20,594	-	(20,594)	-	-
	12,066,402	20,594	(263,402)	50,504	-	11,874,098
	11,109,402	6,020,821	(7,097,510)	149,885	356,000	10,538,598
Total restricted funds	11,109,402	6,020,821	(7,097,510)	149,885	356,000	10,538,598
Total of funds	11,163,504	6,701,401	(7,682,307)	-	356,000	10,538,598

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19. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 September 2015 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2016 £</i>
Unrestricted funds						
Unrestricted funds	138,059	524,086	(395,531)	(212,512)	-	54,102
	<u>138,059</u>	<u>524,086</u>	<u>(395,531)</u>	<u>(212,512)</u>	<u>-</u>	<u>54,102</u>
Restricted funds						
General Annual Grant	-	6,024,470	(6,180,246)	155,776	-	-
Pension reserve	(320,000)	-	(85,000)	-	(552,000)	(957,000)
	<u>(320,000)</u>	<u>6,024,470</u>	<u>(6,265,246)</u>	<u>155,776</u>	<u>(552,000)</u>	<u>(957,000)</u>
Restricted fixed asset fund						
General fixed assets	12,246,155	-	(257,645)	77,892	-	12,066,402
Devolved Formula Capital Grant	-	21,156	-	(21,156)	-	-
	<u>12,246,155</u>	<u>21,156</u>	<u>(257,645)</u>	<u>56,736</u>	<u>-</u>	<u>12,066,402</u>
Total restricted funds	<u>11,926,155</u>	<u>6,045,626</u>	<u>(6,522,891)</u>	<u>212,512</u>	<u>(552,000)</u>	<u>11,109,402</u>
Total of funds	<u>12,064,214</u>	<u>6,569,712</u>	<u>(6,918,422)</u>	<u>-</u>	<u>(552,000)</u>	<u>11,163,504</u>

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

General Annual Grant: Income received from the EFA to cover the normal running costs of the Academy.

Other DfE/EFA grants: This includes the pupil premium.

Other government grants: This includes SEN funding received from the Local Authority.

The transfer of funds relates to the purchase of fixed assets during the period and the excess of GAG expenditure over income.

Restricted funds are applied specifically in accordance with the rules of each grant and support the education provision delivered by the academy.

Restricted fixed asset funds are applied to the maintenance and improvement of all the academy's fixed assets.

Buildings on Church land subject to restricted trust comprise assets which are recognised in accordance with the accounting policy set out in note 1.5 on page 28. The land upon which these buildings are situated was originally donated solely for the purpose of providing a site for school buildings. Were school

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19. Statement of funds (continued)

operations ever to cease on this site/ these sites, the land and obligations would revert to the original trustees for this site.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

20. Analysis of net assets between funds

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset fund 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	11,874,098	11,874,098
Current assets	-	729,453	-	729,453
Creditors due within one year	-	(640,953)	-	(640,953)
Creditors due in more than one year	-	(600,000)	-	(600,000)
Provisions for liabilities and charges	-	(824,000)	-	(824,000)
	<u>-</u>	<u>(1,335,500)</u>	<u>11,874,098</u>	<u>10,538,598</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset fund 2016 £	Total funds 2016 £
Tangible fixed assets	-	-	12,066,402	12,066,402
Current assets	54,102	402,682	-	456,784
Creditors due within one year	-	(402,682)	-	(402,682)
Provisions for liabilities and charges	-	(957,000)	-	(957,000)
	<u>54,102</u>	<u>(957,000)</u>	<u>12,066,402</u>	<u>11,163,504</u>

21. Reconciliation of net movement in funds to net cash flow from operating activities

	2017 £	2016 £
Net expenditure for the year (as per Statement of Financial Activities)	(980,906)	(348,710)
Adjustment for:		
Depreciation charges	263,402	257,645
Increase in debtors	(38,939)	(85,175)
Increase in creditors	838,271	74,165
Capital grants from DfE and other capital income	(20,594)	(21,156)
Defined benefit pension scheme obligation inherited	-	10,000
Defined benefit pension scheme cost less contributions payable	223,000	75,000
ESFA Concessionary Loan	(700,000)	-
Net cash used in operating activities	<u>(415,766)</u>	<u>(38,231)</u>

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22. Analysis of cash and cash equivalents

	2017	2016
	£	£
Cash in hand	406,744	173,014
Total	<u>406,744</u>	<u>173,014</u>

23. Contingent liabilities

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy is required either to re-invest the proceeds or to repay to the Education Funding Agency the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of State sums determined by reference to:

- the value at the time of the Academy's site and premises and other assets held for the purposes of the Academy; and
- the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

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24. Pension commitments

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

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

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (currently 16.48%)
- 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%.

During the previous year the employer contribution rate was 16.48%. The TPS valuation for 2012 determined an employer rate of 16.4%, 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 employer's pension costs paid to TPS in the period amounted to £482,112 (2016 - £424,992).

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

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has

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24. Pension commitments (continued)

accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £210,000 (2016 - £201,626), of which employer's contributions totalled £157,000 (2016 - £150,874) and employees' contributions totalled £53,000 (2016 - £50,752). The agreed contribution rates for future years are 24.3% for employers and var% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.60 %	2.20 %
Rate of increase in salaries	4.20 %	4.10 %
Rate of increase for pensions in payment / inflation	2.70 %	3.20 %
Inflation assumption (CPI)	2.70 %	2.30 %
Commutation of pensions to lump sums	50.00 %	50.00 %

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

	2017	2016
Retiring today		
Males	24.4	23.9
Females	26	25.4
Retiring in 20 years		
Males	26.7	26.1
Females	28.3	27.7

Sensitivity analysis	At 31 August	At 31 August
	2017	2016
	£	£
Discount rate +0.1%	2,540,000	2,202,000
Discount rate -0.1%	2,676,000	2,322,000
Mortality assumption - 1 year increase	2,690,000	2,319,000
Mortality assumption - 1 year decrease	2,526,000	2,205,000
CPI rate +0.1%	2,617,000	2,271,000
CPI rate -0.1%	2,597,000	2,252,000

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24. Pension commitments (continued)

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Gilts	80,000	164,000
Other bonds	183,000	140,000
Equities	1,297,000	987,000
Property	54,000	-
Cash and other liquid assets	12,000	12,000
Derivatives	-	-
Multi-asset fund	157,000	-
Total market value of assets	1,783,000	1,304,000

The actual return on scheme assets was £211,000 (2016 - £181,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2017 £	2016 £
Current service cost	(361,000)	(225,000)
Interest income	31,000	41,000
Interest cost	(50,000)	(51,000)
Admin expenses	(1,000)	-
Total	(381,000)	(235,000)

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

	2017 £	2016 £
Opening defined benefit obligation	2,261,000	1,242,000
Current service cost	361,000	225,000
Contributions by scheme participants	53,000	51,000
Change in financial assumptions	(112,000)	692,000
Estimated benefits paid	(6,000)	-
Interest cost	50,000	51,000
Closing defined benefit obligation	2,607,000	2,261,000

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24. Pension commitments (continued)

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

	2017	2016
	£	£
Opening fair value of scheme assets	1,304,000	922,000
Expected return on assets	31,000	41,000
Actuarial losses	244,000	140,000
Employer contributions	157,000	150,000
Estimated benefits paid	(6,000)	-
Contributions by scheme participants and other employers	53,000	51,000
	1,783,000	1,304,000
	1,783,000	1,304,000

25. Operating lease commitments

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

	2017	2016
	£	£
Amounts payable:		
Within 1 year	97,768	100,379
Between 1 and 5 years	144,336	120,214
	242,104	220,593
	242,104	220,593

26. Related party transactions

Owing to the nature of the academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

During the year the following related party transactions took place:

The Southward Diocesan Board of Education, a member, provided education services (including advice and guidance on Admissions & Appeals; School Governance; Personnel; Church School Effectiveness; Ethos, Management, Standards & Curriculum; and Buildings) to the academy amounting to £nil (2016 - £7,891), no amounts were due at the year end.

L Newlands, wife of trustee G Wilson, provided accompanist services for the academy amounting to £76 (2016 - £1,406), no amounts were due at the year end.

V Gallagher, wife of trustee N Gallagher, has been paid remuneration and benefits of £39,310 (2016 - £40,759) from an employment with the academy trust, no amounts were due at the year end.

These transactions were conducted on normal commercial terms without the exercise of any influence by the related party involved. In entering into the above transactions the trust has complied with the requirements of the EFA's Academies Financial Handbook.

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27. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £ 10 for the debts and liabilities contracted before he/she ceases to be a member.

28. Agency Arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for EFA. In the accounting period ending 31 August 2017 the trust received £17,817 (2016 - £19,395) and disbursed £10,131 (2016-£9,449) from the fund. £17,632 remained undistributed at the 31 August 2017 and is included in other creditors (2016 - £9,946).