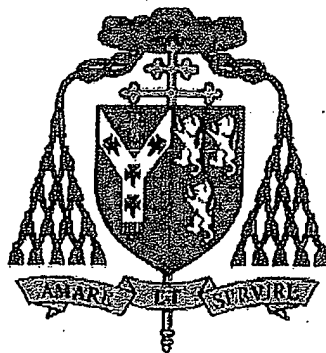
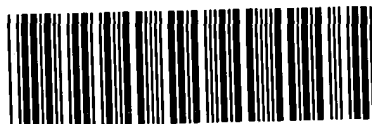


The Cardinal Vaughan Memorial School
(A Company Limited by Guarantee)
Annual Report and Financial Statements
Year to 31 August 2018



Company Registration Number:
9482572 (England and Wales)

WEDNESDAY



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22/05/2019
COMPANIES HOUSE

The Cardinal Vaughan Memorial School

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The Cardinal Vaughan Memorial School

Reference and Administrative Details

Members

- The Most Reverend V. G. Nichols
- The Right Reverend J. F. Sherrington
- Mr J. P. Morrison
- Mr P. S. Camoletto
- The Westminster Roman Catholic Diocese Trustee

Directors

The following Directors have held office during the period 1 September 2017 to 31 August 2018:

Mrs R. Biddulph	Foundation	Appointed 01.01.10	Until 31.08.22
Mr P. Coppel	Foundation	Appointed 07.09.11	Until 31.08.19
Mr M. Craven	Foundation	Appointed 16.12.08	Until 31.08.20
Mgr. J. Curry (Archbishop's Representative)	Foundation	Appointed 12.12.08	Ex Officio
Mrs K. Griffin	Foundation	Appointed 15.05.11	Until 31.08.22
Miss B. Kangwa	Foundation	Appointed 01.09.10	Until 31.08.22
Mr J. McAleer	Foundation	Appointed 01.11.15	Until 31.08.19
Mr S. McWeeney	Foundation	Appointed 01.01.16	Until 31.08.20
Mr A. Ndoca	Foundation	Appointed 19.10.11	Until 31.08.19
Mr P. Van den Bergh	Foundation	Appointed 01.12.17	Until 31.08.21
Mrs K. Bingham	Parent	Elected 01.09.14	Until 31.08.18
Mr D. Freely	Parent	Elected 21.11.17	Resigned: 04.12.18
Mr I. Henry	Parent	Elected 24.05.16	Until 23.05.20
Mrs A. McNulty	Parent	Elected 01.09.14	Until 31.08.18
Mr A. Scofield	Parent	Elected 01.09.14	Until 31.08.18
Mr P. Stewart	Parent	Elected 10.10.13	Until 09.10.17
Mr P. Stewart	Foundation	Re-appointed 01.02.18	Until 31.08.21
Mr P. Kelleher	Staff	Elected 13.05.15	Until 12.05.19
Mr A. Bell	Staff	Elected 20.09.17	Until 19.09.21
Mr P. Stubbings (Headmaster)	Staff	Appointed 31.10.11	Ex Officio

Clerk to the Board of Directors

Miss J. Nicholls

Senior Leadership Team:

- | | |
|-------------------------|-------------------|
| • Headmaster | Mr P. Stubbings |
| • Associate Head | Miss C. Whelan |
| • Deputy Head | Mr N. Kehoe |
| • Deputy Head | Mr A. Cosgrove |
| • Bursar | Mr S. Keogh |
| • Associate Deputy Head | Mr F. Zanre |
| • Assistant Head | Dr. M. Szatkowski |
| • Assistant Head | Mr D. Godwin |
| • Assistant Head | Mr P. Lanigan |

Company Name	The Cardinal Vaughan Memorial School
Principal and Registered Office	89 Addison Road London W14 8BZ
Company Registration Number	9482572 (England and Wales)
Independent Auditor	PKF Littlejohn 1 Westferry Circus Canary Wharf London E14 4HD.
Bankers	Lloyds Bank plc 3 rd Floor, Queen Square Wolverhampton, WV1 1TF
Solicitors	Browne Jacobson LLP Mowbray House Castle Meadow Road Nottingham NG2 1BJ

The Cardinal Vaughan Memorial School

Directors' Report

The Directors present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a Directors' report, and a directors' report under company law.

The trust operates an academy for pupils aged 11 to 18 serving a pan-London catchment area. It has a pupil capacity of 969 and had a roll of 967 in the school census on 17 May 2018.

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the academy trust. The Directors of The Cardinal Vaughan Memorial School Limited are also the directors of the charitable company for the purposes of company law. The charitable company is known as The Cardinal Vaughan Memorial School.

Details of the Directors who served during the year are included in the Reference and Administrative Details on page 3.

Members' Liability

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

Directors' Indemnities

For the year to 31 August 2018, the School purchased Indemnity Insurance on behalf of the Directors from Zurich Municipal covering a sum up to £5,000,000 in aggregate.

Method of Recruitment and Appointment or Election of Directors

Directors of the Academy Trust are elected or appointed in accordance with the Articles of Association. The total number of directors shall be not less than three but is not subject to any maximum and shall include Foundation directors, including the Archbishop of Westminster or his nominee, the Headmaster, up to two Staff directors, a maximum of five Parent directors and Co-opted directors.

Foundation directors are appointed by the Diocesan Bishop who shall appoint such number as shall ensure that they outnumber other directors by at least two.

The number of Staff directors may not exceed one third of the total number of directors. The Directors are responsible for determining the appointment process, which is set out in the Directors Rules and Structures.

Parent directors must be parents or individuals exercising parental responsibility of a pupil registered at the school. If the number of parents standing for election is less than the number of vacancies, the directors may appoint an individual who is a parent or someone exercising parental responsibility of a pupil registered at the school. Where this is not practical, the directors may appoint a person who is the parent of a child of compulsory school age. The Directors are responsible for determining the arrangements for the election of parent directors, which is set in the Directors Rules and Structures.

The directors may co-opt directors, someone appointed to be a director who is not him or herself co-opted, for a one-year term. Individuals employed by the company may not be co-opted if this would bring the number of directors employed by the company to more than one third of the total number of directors.

The Cardinal Vaughan Memorial School

Directors' Report (continued)

Policies and Procedures Adopted for the Induction and Training of Directors

On appointment Directors attend an induction programme and are inducted into their roles. During the year Directors may attend courses suitable to their role.

Organisational Structure

The organisational structure of the Academy consists of two levels:

- The Board of Directors (as detailed on page 3) of which the Headmaster is an ex-officio member
- The Senior Leadership team (as detailed on page 3)

The Board of Directors is responsible for the strategic aims and development of the Academy, which is implemented by the Headmaster and Senior Leadership Team.

The structure aims to encourage involvement in decision making at all levels, support professional development and distribute leadership and responsibility.

There are three main sub-committees of the Board of Directors:

- The Resources Committee oversees the budget and finances of the Academy and all staffing matters including pay
- The Curriculum Committee oversees the monitoring and performance of the curriculum
- The Admissions Committee oversees the Academy's admissions policy and its implementation

Additional ad-hoc committees are established as and when required.

The Senior Leadership Team manages the Academy at an executive level implementing the policies established by the Board of Directors and reporting back to them. The Headmaster and members of the Senior Leadership Team have delegated authority for operational reasons for the authorisation of expenditure and appointment of staff in accordance with the policies and procedures agreed by the Board of Directors. Some spending control is further devolved to other members of staff, for example, Heads of Department.

Arrangements for setting pay and remuneration of key management personnel

The Board of Directors have established Pay and Performance Management Policies which details the procedure for the determination and annual review of pay and remuneration.

Appointments to the Leadership Scale are made by the Directors by determination of an appropriate pay range which accommodates other staff with strategic school responsibility and maintains any necessary local or statutory differentials. In conducting the annual review of pay and remuneration the Directors are mindful of the provisions of the School Teachers Pay & Conditions Document, any professional advice obtained, benchmarking data and the outcome of the annual performance management cycle in setting the pay and remuneration of the academy's key personnel.

Trade union facility time

Under the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017, where an academy trust has more than 49 full time equivalent employees throughout any 7 months within the reporting period, it must include information included in Schedule 2 of the Regulations. The information to be published consists of four tables covering:

Relevant union officials:

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
0	0

Percentage of time spent on facility time:

Percentage of time	Number of employees
0%	0

The Cardinal Vaughan Memorial School

Directors' Report (continued)

Percentage of pay bill spent on facility time:

The total cost of facility time	£nil
the percentage of the total pay bill spent on facility time, calculated as:	0%

Paid trade union activities:

Time spent on paid trade union activities as a percentage of total paid facility time hours	0%
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Related Parties and other Connected Charities and Organisations

The Academy is associated with The Vaughan Foundation (a company limited by guarantee and a registered charity) which advances the extra-curricular education of pupils at the School. During the year the School provided administrative services and facilities to the Foundation at no cost. There were no funds due from the Foundation at 31 August 2018. Four of the Trustees of the Foundation are also employees of the School.

The Academy has an Agreement with the Diocese of Westminster which provides the mechanism to partner with one or more schools within the Diocese of Westminster. Since September 2016 the Academy has been working with Newman Catholic College for the provision of mutually beneficial curriculum and professional development.

During the period 1 September 2017 to 31 August 2018 the Academy maintained links with a number of other schools and academies as part of its Teaching School status which it obtained in September 2015 and its work as one of the three main lead schools in the Royal Borough Teaching Alliance.

There are no other related party transactions for the financial year ended 31 August 2018.

Objectives and Activities

Objects and Aims

The principal activity of the Academy is the provision of secondary education to boys aged 11 to 18 and girls aged 16 to 18. The Academy is non-selective. The School has specialist status in Mathematics and ICT and a second specialism as a high performing school in Science. It also provides up to 10% of pupils admitted into the First Form with bursaries for individual music tuition.

Our principal role as a Catholic school is to participate in the apostolic mission of the Church by providing a Catholic framework in which children may grow in their understanding and practice of the faith and in which they are prepared to undertake their responsibilities as Catholics in society. In the words of Cardinal Manning, we seek **'the formation of the whole man, his intellect, his heart, his will, his character and his soul.'**

The Academy's objects ("the Objects") are specifically restricted to the advancement of the Catholic religion in the Diocese by such means as the Diocesan Bishop may think fit and proper but without prejudice to the generality of the foregoing:

- (i) the establishing, maintaining, carrying on, managing and developing of Catholic schools in the United Kingdom conducted in accordance with the principles and subject to the regulations and discipline of the Catholic Church; and
- (ii) subject to the approval of the Diocesan Bishop, and as purely ancillary to (i) above, the establishing, maintaining, carrying on, managing and developing of other schools in the United Kingdom.

The Cardinal Vaughan Memorial School

Directors' Report (continued)

- (iii) Purely as ancillary to the above promoting for the benefit of the inhabitants of the areas in which the Academies are situated the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life.

Objectives, Strategies and Activities

The following extract is from the School Development Plan:

Review and enhance the Catholic life of the School	<ul style="list-style-type: none"> • Implement recommendations of Section 48 Inspection • Enhance Catholic School links and between RE departments • Review Admissions policy and procedures • Review provision of Religious Education at KS5 • Promote awareness of the Church's activities around the world
Improve academic progression for all pupils	<ul style="list-style-type: none"> • All departments to review departmental examination results • Departments to report to LMs on a range of strategies to improve outcomes for all pupils • Review attainment of all groups and develop intervention strategies accordingly such as personalised learning, targeted mentoring, small group booster classes, Easter revision classes, Lent half-term booster lessons & summer schools • Maintain and review provision at KS5
To continue the development of teaching and learning in the School	<ul style="list-style-type: none"> • Review possibilities of qualifications in addition to GCSEs for some middle/lower prior attainment pupils • Improve understanding of different teaching methods and share best practices within the School • Enhance the staff CPD program in line with the second priority of the fund raising campaign
Agree and implement a whole-school Communication Strategy	<ul style="list-style-type: none"> • Continue the development and expansion of the Virtual Learning Environment (VLE) for use by whole school • Continue to provide Parent-Gateway for parents • Vaughan Foundation to continue to support developmental activities • Updating the School's website
Respond to planned developments in Education policy	<ul style="list-style-type: none"> • Future impacts on departmental resources assessed • Respond to curriculum changes at KS4 and KS5 • Keep abreast of changes to compulsory post 16 curriculum initiatives • Continue response to planned funding cuts (and central government efficiency savings) • Evaluate Tri-borough arrangements
Develop a building development strategy (OFSTED target: Improve the accommodation of some teaching rooms and other areas of the School).	<ul style="list-style-type: none"> • Administration, Staffroom and Library Accommodation • Main Building Refurbishment • Addison Hall upgrade • Upgrade gymnasium and changing room provision • Upgrade Playing Fields

The Cardinal Vaughan Memorial School

Directors' Report (continued)

Develop sustainable links with the wider community	<ul style="list-style-type: none"> • Embedding of the School's enhanced participation within the Catholic family of schools • Maintain links with St. Paul's Boys School, Barnes • Maintenance of links between CVMS and universities • Maintain and develop an extended curriculum at end of the academic year to provide extended learning opportunities across the School • Maintain close links with the broader community through a range of activities
Assess effectiveness of Departments in addressing the School's main objectives	<ul style="list-style-type: none"> • Review of departmental publications • Review department development plans • Improve the quality of leadership shown by middle managers

Public Benefit

The Academy's ethos is built on developing each pupil to take on their responsibilities as Catholics in society. With this in mind and in developing the strategic aims of the Academy the Directors have given careful consideration to the Charity Commission's general guidance on public benefit.

The Academy contributes significantly to the benefit of the local community and the development of its pupils that they may grow in their understanding of others; the importance of valuing diversity and promotion of equality; and encourage full participation in developing positive relationships and community cohesion through, for example:

- Offering an extensive range of interschool activities including sports, arts and cultural pursuits such as debating.
- Coordinating a community service volunteer programme for those pupils over 16 (about a third of the pupil population) to volunteer their time in supporting local groups such as Sixty Plus and local primary schools.
- Hosting meetings for local community groups and making our facilities available for hire to various community groups and other schools.
- Provision of after-school activities for primary school children to learn music on Monday evenings
- Establishing a voluntary group as part of HCPT The Pilgrimage Trust whereby our pupils volunteer to support disabled and disadvantaged youngsters on day trips and on a one-week holiday pilgrimage thereby offering respite to the parents of those to whom they provide care.
- Maintaining a culture of philanthropy amongst our pupils who over the last six years raised over £40,000 in support of a School on the Eritrean border.
- Running a variety of activities throughout the year for the community to attend including:
 - An extensive range of lectures for parents, former pupils and the community to attend
 - A Christmas Tea Dance for 200 local senior citizens hosted by our pupils
 - An extensive range of concerts and participation by our pupils in numerous local events

Strategic Report

Achievements and Performance

At the Vaughan we are determined to draw out and develop the aptitudes and talents of all our pupils. In this, we are successful, as our outstanding public examination results show. This has been another fine year for A-Level results, with the School firmly retaining its position at the top of national tables. 20.5% of grades attained at A-Level were at A* (well over twice the national average), with 78.8% at A* - B, while fourteen students obtained places at Oxbridge. These superlative results, no flash in the pan, are, for the sixth year in a row, good enough to place us at the top of *The Times's* school league table for all Catholic comprehensive schools at A-Level. At GCSE, our pupils again more than doubled the national average for

The Cardinal Vaughan Memorial School

Directors' Report (continued)

boys at A* and A* & A grades; the proportion of boys securing more than five good grades, including Mathematics and English, has exceeded that of their national counterparts by many magnitudes.

Academic success, however, important as it is, is incomplete without our Catholic ethos, which underpins everything we do. Quite simply, we see our principal role, as a Catholic school, to be a seed ground for the apostolic mission of the Church. The School aims, through the provision of a Catholic ethos and of sound Catholic teaching, to prepare our pupils to undertake their responsibilities as Catholics in society. Working in partnership with parents, we aim to foster in our pupils a love for the Church which will help them to grow and develop as they make their way through life.

The School provides one of the largest programmes of community service, after-school sporting, cultural and music activities of any state school in the country including providing several overseas trips each year, participation in the Duke of Edinburgh's Award and World Challenge Programme and offering an extensive range of after-school clubs and activities ranging from chess to rock-climbing.

Key Performance Indicators

The School's most recent OFSTED inspection took place in 2006 prior to conversion to Academy status and reported that:

This is an outstanding school of which pupils, parents, staff and governors are rightly proud. Parents are extremely positive about the quality of education and the pastoral care provided. Since its last inspection four years ago, the school has sustained the high quality of education it offers to pupils. The Headmaster, ably assisted by his leadership team, middle managers and governors, provides outstanding leadership and a clear vision for the future. 'Enjoy and achieve' is at the heart of the school's aims for pupils, and they do. The boys enter the school with high levels of attainment in English and mathematics, and continue to achieve extremely well as they move through the school because teaching and the curriculum are outstanding.

A-Level Results 2018 - In 2018, The Times A-Level League Tables ranked Cardinal Vaughan as the highest attaining comprehensive school in the country, for the sixth year in a row. Our A-Level students achieved double the national average of grades at A*, with 79% receiving grades marked A* - B. The A2-Level Pass Rate was 100% and average number of UCAS points per candidate was 136. The last six years have produced the best results in the School's one hundred year history; this year fourteen pupils have obtained a place at Oxbridge.

GCSE Results 2018 - The GCSE results for 2018 reveal the Vaughan has more than doubled the national average for boys at A* and A* & A grades; the proportion of boys securing more than five good grades, including Maths and English, has significantly exceeded that of their national counterparts and in English Literature quadrupled the national average. The 2018 GCSE Pass Rate (Grades A* - G or 9 - 1) was 99.9% (National Average: 98%) 94% of our pupils obtained 5 or more A* - C (9-4) grades (including English and Mathematics).

Going Concern

After making appropriate enquiries, the board of Directors has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Directors' Report (continued)

Plans for Future Periods

The Directors main focus will be the implementation of their School Development Plan and maintaining educational standards in the face of reducing (in real terms) public funding as well as continuing the mission of the Academy in its principal role, as a Catholic school, to be a seed ground for the apostolic mission of the Church and through the provision of a Catholic ethos and of sound Catholic teaching, to prepare our pupils to undertake their responsibilities as Catholics in society.

The Directors have also agreed plans for future provision to provide adequate and suitable accommodation for those using and occupying the School. Subject to funding, these plans will involve the creation of additional classrooms to provide the capacity needed to implement innovative curriculum developments and maintain appropriate staff:pupil ratios. These plans will also include the creation of a new Learning Resource

Centre for pupils and the wider community; a further increase in the number of specialist teaching spaces to promote Independent learning and research as well as accommodation for support services and teachers to support their own professional development, research and planning.

Funds Held as Custodian Trustee on Behalf of Others

The Academy holds funds in a separate bank account as part of a memorial fund bequeathed by a former pupil whose bequest supports the provision of two prizes for Speech Day annually in recognition of the pupils whose achievement and effort made in their studies is greatest.

Auditor

Insofar as the Directors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Our independent auditor PKF Littlejohn LLP has signified its willingness to continue in office as auditors and the Directors have approved their reappointment.

Directors' report, incorporating a strategic report, was approved by order of the board of Directors, as the company directors, on 12 December 2018 and signed on the board's behalf by:



Michael Craven
Chairman of the Board of Directors

12 December 2018

The Cardinal Vaughan Memorial School

Governance Statement

Scope of Responsibility

As Directors we acknowledge we have overall responsibility for ensuring that The Cardinal Vaughan Memorial 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 Directors has delegated the day-to-day responsibility to the Headmaster, 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 The Cardinal Vaughan Memorial School and the Secretary of State for Education. They are also responsible for reporting to the Board of Directors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Directors' Report and in the Statement of Directors' Responsibilities. The **Board of Directors** has formally met **seven** times during the last academic year. Attendance during this period at meetings of the Board of Directors was as follows:

Director	Meetings attended	Out of a possible	
A. Bell	6	6	
R. Biddulph	6	7	
K. Bingham	6	7	
P. Coppel	6	7	
Mgr J. Curry	5	7	Archbishop's Representative
M. Craven	6	7	Chairman
D. Freely	5	5	
K. Griffin	4	7	
I. Henry	7	7	
B. Kangwa	6	7	
P. Kelleher	5	7	
J. McAleer	5	7	
A. McNulty	6	7	
S. McWeeney	7	7	
A. Ndoca	7	7	
A. Scoffield	5	7	
P. Stewart	5	6	
P. Stubbings	7	7	
P. Van den Bergh	0	5	

There is one vacancy on the Board of Directors.

The Academy carries out a review of its governance annually and a review of its self-evaluation will take place in November 2018.

The Cardinal Vaughan Memorial School

Directors' Report (continued)

Financial Review

The majority of the Academy's income is derived from the DFE principally in the form of a recurrent annual grant, the use of which is to defray the normal operational costs of the Academy. The grants received from the DFE and associated expenditure are shown as restricted general funds in the Statement of Financial Activities.

The Academy also received capital grants fixed assets from the DFE. Such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund.

The Academy also received charitable donations from The Vaughan Foundation and other charitable organisations.

The Directors have approved a finance manual describing the policies and procedures for staff to follow in managing the Academy's resources.

During the year the Academy has refurbished and extended the Science department using its own reserves derived from the funds raised through voluntary donations from its fundraising campaign 'Love & Service' and other voluntary sources.

The Directors are aware that funding per pupil from government sources has decreased in real terms. The Resources Committee monitor this every year as the budget is set and the Directors are aware of the increasing financial pressures the Academy faces as next year's cost of living award, pension increases and National Insurance contribution costs will not be funded by any increase in the annual maintenance grant. The Directors will therefore be considering ways in which it can maintain financial stability under such a funding methodology.

During the period ending 31 August 2018 total income of £8,345,156 exceeded total expenditure of £8,302,419 by £42,736. This sum in addition to the funds received from the predecessor school are to be spent on future capital works and augmenting the Academy's operational activities.

Reserves Policy

• Public Funds

The School may need to hold reserves from one year to the next for a range of reasons, the most common of which are:

1. A reserve to deal with unplanned variations in expenditure, for example, the need for agency staff to cover an unexpectedly long term absence.
2. To smooth variations in income between years as a result of significant variations in pupil numbers.
3. A planned build up of funds to pay for a major project, for example, refurbishment of an ICT classroom.

The School intends to hold up to £75,000 in reserve for these items.

• Voluntary Funds

The financial reserves that the Directors have set aside since the formation of the Academy provide financial stability and a means for the development of the School's principal activities. The Directors intend to maintain their undesignated funds at a level which is at least equal to one month's operational expenditure (i.e. £500,000).

In addition to designated funds identified in the Financial Statements, Directors have set aside undesignated funds for the following specific purposes:

- **General Charitable and Educational Purposes** - Donations to registered charities and local community projects or to provide financial or educational support to pupils in need.
- **Building Developments** - To provide the funds needed to pay for future capital projects.

The Cardinal Vaughan Memorial School

Directors' Report (continued)

As at 31 August 2018 the Academy had unrestricted reserves of £1,380,559 the purpose of which is the general objects of the Academy and priorities as identified in the Directors' Report. It is anticipated that within twelve months that the surplus will be smaller as plans for future developments are implemented.

Investment Policy

The Directors regularly review the amount of funds that the School requires to ensure the School is able to meet its continuing obligations and takes a cautious approach towards investment adopting a short-term low-risk strategy investing in short-term bank deposits.

Voluntary funds raised for capital projects which are not immediately needed may be placed with the Diocesan Building Fund. This pooling of funds with other Diocesan Schools provides a social and ethical solution to the financing of capital projects across schools within the Diocese reducing the costs of borrowing to all schools for future capital investment.

Principal Risks and Uncertainties

The Directors keep under review the strategic risks facing the Academy and the ways in which they may help manage or mitigate such risks. The risks faced and controls for such risks are detailed in the Academy's Risk Register. Some of the most important risks being faced at present include:

- The impact of planned changes to education policy and, in particular, the changes in the economy which have resulted in a decline in funding from public sources to education over several years, for example, the detrimental impact of revised local and national funding formula and post-16 funding formula as well as the lack of additional funding to cover the cost of pay and pension increases.
- The possible impact of falling pupil numbers or a change in the pupil demographic. Given the Academy continues to be heavily oversubscribed this is unlikely to be a significant risk, however, with increased post-16 provision opening recently Directors will be reviewing the impact this may have on external admission to the Sixth Form.
- The need for improved facilities and the historic lack of capital funding for the predecessor school to implement the long-term strategic building plan to provide an appropriate teaching and learning environment and identified as a weakness of the School during its last Ofsted inspection. The Directors are conscious of the disruptive impact proposed building works may have on teaching and learning as they, supported by funds from the Vaughan community, continue to work on providing such facilities themselves.
- The need to recruit and retain staff. The Directors have established a number of strategies to help recruit and retain suitably qualified staff and to invest in their professional development and training in order to reduce this risk and improve educational standards.

Fundraising

Our alumni, parents, former parents, friends and supporters are extremely important to us, and our Privacy Notice explains how we collect, store, manage and protect their data; what we hold and how we use it to provide services to them and in relation to our fundraising approach to support the charitable aims and objectives of the Academy. Please see our website for further information
https://www.cvms.co.uk/docs/privacy_notices/Privacy_notice_for_alumni_friends_supporters.pdf

We employ a full-time Development and Alumni Relations Manager who coordinates our approach to fundraising which is monitored by the Resources Committee of the Board of Directors.

We aim to conform to recognised standards and expectations of fundraising including safeguarding our community from unreasonably intrusive or persistent fundraising approaches. There were no complaints about our fundraising approach during the year.

The Cardinal Vaughan Memorial School

Governance Statement (continued)

The **Resources Committee** is a sub-committee of the main Board of Directors. Its purpose is to oversee the budget process and monitor the Academy's financial position as well as consider financial, personnel and premises related development plans, policies and procedures including all pay matters. Attendance during the last academic year at meetings of the Resources Committee was as follows:

Director	Meetings attended	Out of a possible	
M. Craven	0	6	
Mgr J. Curry	4	6	
D. Freely	4	4	
B. Kangwa	5	6	
S. McWeeney	6	6	
A. Ndoca	6	6	
P. Stewart	4	4	
P. Stubbings	6	6	
P. Van den Bergh	0	4	

Review of Value for Money

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

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

- responding to successive changes in the funding formula which has reduced the available funding (in real terms) to the Academy whilst maintaining high academic standards and been named the top comprehensive boys' school in the country for a sixth year in a row
- working closely with the Academy's community to secure additional funding to support the schools three long term aims of developing its people, programmes and projects through voluntary sources.
- Commencing a systematic review of contracts for services to examine what efficiencies can be made without detrimental impact to provision and exploring new models for delivering some types of provision.

The Cardinal Vaughan Memorial School

Governance Statement (continued)

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Cardinal Vaughan Memorial School for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Directors has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Directors is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Directors.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Directors
- 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 Directors has considered the need for a specific internal audit function and has decided:

- to appoint an external company to provide internal assurance visits on a termly basis and to carry out a programme of internal checks

The internal reviewer's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks carried out will include:

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations

On a termly basis, the reviewer will report to the Resources Committee, through the Accounting Officer on the operation of the systems of control and on the discharge of the Board of Directors' financial responsibilities.

The Cardinal Vaughan Memorial School Governance Statement (continued)

Review of Effectiveness

As accounting officer the **Headmaster** has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

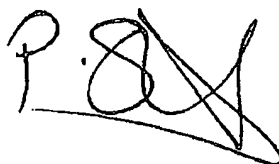
- the work of the external auditor
- the financial management benchmarking and governance self-assessment process
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework

The accounting officer has been advised of the implications of the result of their review 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 Directors on 12 December 2018 and signed on its behalf by:



Michael Craven
Chairman of Board of Directors



Paul Stubbings
Accounting Officer

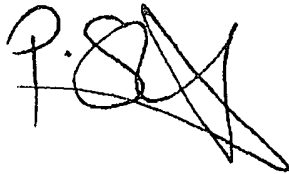
The Cardinal Vaughan Memorial School

Statement of Regularity, Propriety and Compliance

As accounting officer of The Cardinal Vaughan Memorial School I have considered my responsibility to notify the academy trust board of Directors and the Education Funding Agency 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.

I confirm that I and the academy trust board of Directors 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.

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 Directors and ESFA.

A handwritten signature in black ink, appearing to read 'P. Stubbings', with a large, stylized flourish extending from the end.

Paul Stubbings
Accounting Officer
12 December 2018

The Cardinal Vaughan Memorial School

Statement of Directors' Responsibilities

The Directors (who act as governors of The Cardinal Vaughan Memorial School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Directors' Report and the financial statements in accordance with the Annual Accounts Direction published by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under company law the Directors 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 Directors are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2016
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The Directors 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 Directors 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 Directors 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 Directors on 12 December 2018 and signed on its behalf by:



Michael Craven
Chairman of the Board of Directors

The Cardinal Vaughan Memorial School

Independent Auditor's Report on the Financial Statements to the Members of The Cardinal Vaughan Memorial School

Independent Auditor's Report to the Members of The Cardinal Vaughan Memorial School

Opinion

We have audited the financial statements of The Cardinal Vaughan Memorial School (the 'academy trust') for the year ended 31 August 2018 which comprise the Statement of Financial Activities, incorporating an Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 Issued by the Education and Skills Funding Agency.

This report is made solely to the academy trust'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 trust'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 trust and the academy trust's 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 trust's affairs as at 31 August 2018, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Direction 2017 to 2018 Issued by the Education and Skills Funding Agency.

Basis for opinion

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

The Cardinal Vaughan Memorial School

Independent Auditor's Report on the Financial Statements to the Members of The Cardinal Vaughan Memorial School (continued)

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 trust'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 other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the strategic and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

The Cardinal Vaughan Memorial School

Independent Auditor's Report on the Financial Statements to the Members of The Cardinal Vaughan Memorial School (continued)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

- adequate accounting records have not been kept, 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

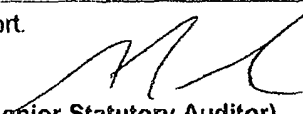
As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such 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 trust'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 directors either intend to liquidate the academy trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>. This description forms part of our auditor's report.


Alastair Duke (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

19 December 2018

1 Westferry Circus
Canary Wharf
London E14 4HD

The Cardinal Vaughan Memorial School

Independent Reporting Accountant's Assurance Report on Regularity to The Cardinal Vaughan Memorial School and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 6 October 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies: Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Cardinal Vaughan Memorial School during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Cardinal Vaughan Memorial School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Cardinal Vaughan Memorial 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 The Cardinal Vaughan Memorial School and the ESFA, for our work, for this report or for the conclusion we have formed.

Respective responsibilities of The Cardinal Vaughan Memorial School accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Cardinal Vaughan Memorial School's funding agreement with the Secretary of State for Education and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by 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 trust's income and expenditure.

The Cardinal Vaughan Memorial School

Independent Reporting Accountant's Assurance Report on Regularity to The Cardinal Vaughan Memorial School and the Education and Skills Funding Agency (continued)

The work undertaken to draw our conclusion includes:

- a review of the conclusions reached on regularity and propriety in the prior years, including the actions taken in respect of points raised in the auditor's management letter;
- a review of minutes of meetings of the Governing Body and key sub committees;
- checking a sample of expenditure transactions to ensure that they do not contravene the funding agreement and have been authorised in accordance with the Academy's financial procedures and/or the Academies Financial Handbook; and
- evaluating and documenting internal controls and testing their application by walkthrough.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant

PKF Littlejohn LLP
Chartered Accountants
1 Westferry Circus
Canary Wharf
London
E14 4HD

Date: 19 March 2018

The Cardinal Vaughan Memorial School

Statement of Financial Activities for the year ended 31 August 2018

(including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted Pension and General Funds £	Restricted Fixed Asset Funds £	2018 £	2017 £
Income and endowments from:						
Donations and capital grants	2	631,770	-	79,989	711,759	860,816
Charitable activities:						
Funding for the academy trust's educational operations	5	613,188	6,483,829	-	7,097,017	7,024,882
Teaching school		-	319,768	-	319,768	175,770
Other trading activities	3	208,042	8,252	-	216,294	228,738
Investments	4	110	208	-	318	260
Total		1,453,110	6,812,057	79,989	8,345,156	8,290,466
Expenditure on:						
Raising funds		61,130	-	-	61,130	66,231
Charitable activities:						
Academy trust educational operations	6,7	1,103,773	6,980,757	186,243	8,270,773	8,144,468
Teaching School		-	319,768	-	319,768	175,770
Total		1,164,903	7,300,525	186,243	8,651,671	8,386,469
Net income / (expenditure)		288,207	(488,468)	(106,254)	(306,515)	(96,003)
Transfers between funds	14	(245,468)	245,468		-	-
Other recognised gains / (losses):						
Actuarial gains/(losses) on defined benefit pension schemes	25	-	628,000	-	628,000	495,000
Net movement in funds		42,739	385,000	(106,254)	321,485	398,997
Total funds brought forward		1,337,820	(1,177,000)	1,641,102	1,801,922	1,801,922
Total funds carried forward		1,380,559	(792,000)	1,534,848	2,123,407	1,801,922

The accounting policies and notes on pages 28 to 49 form part of these financial statements.

The Cardinal Vaughan Memorial School

Balance Sheet as at 31 August 2018

Company Number 01234567

	Notes	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Tangible assets	11		1,534,848		1,641,102
Current assets					
Debtors	12	293,372		485,977	
Cash at bank and in hand	21	1,598,546		1,595,658	
		1,891,918		2,081,635	
Liabilities					
Creditors: Amounts falling due within one year	13	(511,359)		(743,815)	
Net current assets			1,380,559		1,337,820
Total assets less current liabilities			2,915,407		2,978,922
Defined benefit pension scheme liability	25		(792,000)		(1,177,000)
Total net assets			2,123,407		1,801,922
Funds of the academy trust:					
Restricted funds					
Fixed asset fund	15	1,534,848		1,641,102	
Pension reserve	15	(792,000)		(1,177,000)	
Restricted income fund	15				
Total restricted funds			742,848		464,102
Unrestricted income funds	15		1,380,559		1,142,348
Total funds			2,123,407		1,801,922

The financial statements were approved by the Directors and authorised for issue on 12 December 2018 and are signed on their behalf by



Michael Craven
Chairman of the Board of Directors

The accounting policies and notes on pages 28 to 49 form part of these financial statements.

The Cardinal Vaughan Memorial School
Statement of Cash Flows
for the year ended 31 August 2018

	Notes	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by (used in) operating activities	18	(41,727)	(101,416)
Cash flows from investing activities	20	44,615	(84,198)
Cash flows from financing activities	19	-	-
Change in cash and cash equivalents in the reporting period	21	<u>2,888</u>	<u>(185,614)</u>
Cash and cash equivalents at the beginning of the period		1,595,658	1,781,272
Cash and cash equivalents at the end of the period		<u>1,598,546</u>	<u>1,595,658</u>

The accounting policies and notes on pages 28 to 49 form part of these financial statements.

The Cardinal Vaughan Memorial School

Notes to the Financial Statements

for the year ended 31 August 2018

1. Statement of accounting policies

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

Basis of Preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS102), 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 (FRS102)), the Academies Accounts Direction 2017 to 2018 Issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

These financial statements have been prepared for the period 1 September 2017 to 31 August 2018.

Going Concern

The Directors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The Directors 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.

Income

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

- **Grants**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

The Cardinal Vaughan Memorial School

Notes to the Financial Statements

for the year ended 31 August 2018

1. Statement of accounting policies (continued)

- **Sponsorship Income**

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

- **Donations**

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

- **Other Income**

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

- **Donated goods, facilities and services**

Donated facilities and services provided to the academy trust are recognised at their value to the academy trust in the period when it is probable that the economic benefits associated with the donated items will flow to the academy trust, provided they can be measured reliably. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities.

Donated goods are recognised at fair value unless it is impractical to measure this reliably in which case a derived value, being the cost of the item to the donor (for example sponsor services), is used. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities except where the donated good is a fixed asset in which case the gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

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.

The Cardinal Vaughan Memorial School

Notes to the Financial Statements

for the year ended 31 August 2018

1. Statement of accounting policies (continued)

- **Expenditure on Raising Funds**

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

- **Charitable Activities**

These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

Assets costing £1,000 or more are capitalised as tangible fixed assets 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 and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

• Long leasehold buildings	5%
• Fixtures, fittings and equipment	5 - 33%
• Computer hardware	33%
• Motor vehicles	25%

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

The Cardinal Vaughan Memorial School

Notes to the Financial Statements

for the year ended 31 August 2018

1. Statement of accounting policies (continued)

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.

Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

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.

Leased Assets

Rentals under operating leases are charged on a straight line basis over the lease term.

Investments

The academy's shareholding in the wholly owned subsidiary, The Cardinal Vaughan Memorial School Enterprises Limited, is included in the balance sheet at the cost of the share capital owned less any impairment. There is no readily available market value and the cost of valuation exceeds the benefit derived.

Stock

Catering and any other stocks are valued at the lower of cost or net realisable value.

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 part 11, chapter 3 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.

Pensions Benefits

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

The Cardinal Vaughan Memorial School

Notes to the Financial Statements

for the year ended 31 August 2018

1. Statement of accounting policies (continued)

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 trust 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 28, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

Fund Accounting

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

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

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The Cardinal Vaughan Memorial School

Notes to the Financial Statements

for the year ended 31 August 2018

1. Statement of accounting policies (continued)

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 28, 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2 Donations and capital grants

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	2017 £
Capital grants	-	79,989	79,989	195,472
Other donations	631,770	-	631,770	665,344
	<u>631,770</u>	<u>79,989</u>	<u>711,759</u>	<u>860,816</u>

3 Other trading activities

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	2017 £
Hire of facilities	8,400	8,252	16,652	14,604
Donated from CVMS Enterprises Ltd	199,642	-	199,642	214,134
	<u>208,042</u>	<u>8,252</u>	<u>216,294</u>	<u>228,738</u>

4 Investment income

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	2017 £
Short term deposits	110	208	318	260
	<u>110</u>	<u>208</u>	<u>318</u>	<u>260</u>

The Cardinal Vaughan Memorial School

Notes to the Financial Statements for the year ended 31 August 2018

5 Funding for the Academy Trust's educational operations

	Unrestricted Funds £	Restricted Funds £	2018 £	2017 £
DfE / ESFA grants				
. General Annual Grant (GAG)	-	5,853,974	5,853,974	5,949,061
. Pupil Premium	-	135,279	135,279	141,161
. Other DfE/ESFA grants	-	279,101	279,101	141,800
	-	6,268,354	6,268,354	6,232,022
Other Government grants				
. Local authority grants	-	5,000	5,000	6,900
. Special educational needs	-	130,565	130,565	209,989
	-	135,565	135,565	216,889
Other income from the academy trust's educational operations	613,188	399,678	1,012,866	751,741
Total	613,188	6,803,597	7,416,785	7,200,652

6 Expenditure

	Staff Costs £	Non Pay Premises £	Expenditure Other £	2018 £	2017 £
Expenditure on raising funds	61,130	-	-	61,130	66,231
Academy's educational operations:					
. Direct costs	5,419,058	-	862,446	6,281,504	6,208,929
. Allocated support costs	736,125	644,876	608,268	1,989,269	1,935,539
. Teaching School	227,891	-	91,877	319,768	175,770
Total	6,444,204	644,876	1,562,591	8,651,671	8,386,469

Net income/(expenditure) for the period includes:

	2018 £	2017 £
Operating lease rentals	7,871	6,446
Depreciation	141,946	253,304
Fees payable to auditor for:		
- audit	10,000	11,250
- other services	1,000	1,000

The Cardinal Vaughan Memorial School

Notes to the Financial Statements for the year ended 31 August 2018

7 Charitable activities

	Total 2018 £	2017 £
Direct costs – educational operations		
Teaching and educational support staff costs	5,641,949	5,524,369
Technology costs	78,000	51,938
Educational supplies	682,968	541,701
Examination fees	125,874	156,765
Staff development	61,599	81,705
Educational consultancy	2,782	19,989
	<hr/> 6,593,172	<hr/> 6,376,467
Support costs – educational operations		
Support staff costs	673,765	676,341
Depreciation	141,946	253,304
Development expenses	44,297	-
Technology costs	18,012	15,658
Recruitment and support	28,556	55,292
Provision of premises and equipment	134,708	93,066
Cleaning	164,507	159,167
Rent & rates	64,215	49,551
Energy costs	95,203	92,321
Insurance	32,538	16,426
Catering	269,404	252,844
Bank interest and charges	-	-
Other support costs	262,858	210,905
Governance costs	67,360	68,896
	<hr/> 1,997,369	<hr/> 1,943,771
Total direct and support costs	<hr/> 8,590,541	<hr/> 8,320,238

The Cardinal Vaughan Memorial School

Notes to the Financial Statements

for the year ended 31 August 2018

8 Staff

a. Staff costs

Staff costs during the period were:

	2018	2017
	£	£
Wages and salaries	4,920,612	4,906,559
Social security costs (including Apprenticeship Levy)	483,055	464,405
Operating costs of defined benefit pension schemes	722,245	693,509
	<u>6,125,912</u>	<u>6,064,473</u>
Supply staff costs	75,292	91,364
Total	<u>6,201,204</u>	<u>6,155,837</u>

b. Non statutory/non-contractual staff severance payments

There were no non-statutory/non-contractual severance payments made during the year.

c. Staff numbers

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

	2018	2017
	No.	No.
Teachers	83	82
Peripatetic Teachers and Instructors	32	30
Administration and support	42	41
Premises and facilities	5	5
	<u>162</u>	<u>158</u>

d. Higher paid staff

The number of employees whose full-time equivalent gross remuneration for the academic year 2017/2018 including private health cover if applicable but excluding employers' pension contributions exceeded £60,000 was:

	2018	2017
	No.	No.
£60,001 - £70,000	4	4
£70,001 - £80,000	3	2
£80,001 - £90,000	2	1
£110,001 - £120,000	-	1
£120,001 - £130,000	1	-

e. Key management personnel

The key management personnel of the academy trust comprise the Directors 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 for the period 1 September 2017 to 31 August 2018 was £819,332 (£803,826 – 2017).

The Cardinal Vaughan Memorial School

Notes to the Financial Statements

for the year ended 31 August 2018

9 Related Party Transactions – Directors' remuneration and expenses

One or more Directors has been paid remuneration or has received other benefits from an employment with the academy trust. The Headmaster and other staff Directors only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. If this is not the case payments must be disclosed separately. The value of Directors' full-time equivalent remuneration and other benefits was as follows:

P. Stubbings (Headmaster and Director):	
Remuneration	£115,211
Private Medical Insurance	£6,399
Employer's pension	£18,987
A. Bell (Staff Director):	
Remuneration	£42,651
Employer's pension contributions	£7,251
P. Kelleher (Staff Director):	
Remuneration	£50,199
Employer's pension contributions	£8,273

During the period ended 31 August 2018, there were no travel and subsistence expenses paid directly to Directors.

Other related party transactions involving the Directors are set out in note 26.

10 Directors and officers insurance

In accordance with normal commercial practice the academy has purchased insurance to protect Directors 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 annual cost for the period ended 31 August 2018 including all other building and liability insurances was £32,538. The cost of this insurance is included in the total insurance cost.

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Notes to the Financial Statements

for the year ended 31 August 2018

11 Tangible fixed assets

	Leasehold Land and Buildings £	Furniture and Equipment £	Computer Hardware £	Total £
Cost				
At 1 September 2017	1,578,313	278,546	254,974	2,111,833
Additions	18,940	6,350	10,402	35,692
At 31 August 2018	1,597,253	284,896	265,376	2,147,525
Depreciation				
At 1 September 2017	142,732	110,488	217,511	470,731
Charged in year	72,567	56,727	12,652	141,946
At 31 August 2018	215,299	167,215	230,163	612,677
Net book values				
At 31 August 2018	1,381,954	117,680	35,213	1,534,848
At 31 August 2017	1,435,581	168,058	37,463	1,641,102

12 Debtors

	2018 £	2017 £
Trade debtors	127,323	241,450
VAT recoverable	14,882	37,973
Prepayments and accrued income	151,167	206,554
	293,372	485,977

13 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	330,042	295,419
Taxation and social security	126,287	132,123
Accruals and deferred income	55,030	316,272
	511,359	743,814

The Cardinal Vaughan Memorial School

Notes to the Financial Statements for the year ended 31 August 2018

14 Funds	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	-	5,853,974	(6,099,442)	245,468	-
Other Government Grants	-	414,666	(414,666)	-	-
Pupil Premium	-	135,279	(135,279)	-	-
Other Income	-	408,138	(408,138)	-	-
Pension reserve	(1,177,000)	-	(243,000)	628,000	(792,000)
	(1,177,000)	6,812,057	(7,300,525)	873,468	(792,000)
Restricted fixed asset funds					
Transfer on conversion	24,090	-	(24,090)	-	-
General capital expenditure	1,486,697	-	(57,856)	-	1,428,841
DfE/ESFA capital grants	130,315	79,989	(104,297)	-	106,007
	1,641,102	79,989	(186,243)	-	1,534,848
Total restricted funds	464,102	6,892,046	(7,486,768)	873,468	742,848
Total unrestricted funds	1,337,820	1,453,110	(1,164,903)	(245,468)	1,380,559
Total funds	1,801,922	8,345,156	(8,651,671)	628,000	2,123,407

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

- General Annual Grant is funding from the Department for Education to defray the Academy's operational expenses.
- Other Government Grants and Pupil Premium funding includes revenue derived for specific groups of pupils, for example, those with special education needs or an Education Health Care Plan.
- DfE/ESFA capital grants relate to funds for the costs of fixed assets.
- Other donations and unrestricted funds are to be applied by the Directors to meet the aims of the Academy and improvement plan as outlined in the Directors' Report on pages 5 to 13

The Cardinal Vaughan Memorial School
Notes to the Financial Statements
for the year ended 31 August 2018

14 Funds	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted general funds					
General Annual Grant (GAG)	-	5,949,061	(5,949,061)	-	-
Other Government Grants	-	358,699	(358,699)	-	-
Pupil Premium	-	141,161	(141,161)	-	-
Other Income	-	300,986	(300,986)	-	-
Pension reserve	(1,492,000)	-	(180,000)	495,000	(1,177,000)
	<u>(1,492,000)</u>	<u>6,749,907</u>	<u>(6,929,907)</u>	<u>495,000</u>	<u>(1,177,000)</u>
Restricted fixed asset funds					
Transfer on conversion	65,386	-	(41,296)	-	24,090
General capital expenditure	1,549,090	-	(146,851)	84,458	1,486,697
DfE/EFA capital grants	-	195,472	(65,157)	-	130,315
	<u>1,614,476</u>	<u>195,472</u>	<u>(253,304)</u>	<u>-</u>	<u>1,641,102</u>
Total restricted funds	<u>122,476</u>	<u>6,945,379</u>	<u>(7,183,211)</u>	<u>579,458</u>	<u>464,102</u>
Total unrestricted funds	<u>1,280,449</u>	<u>1,345,087</u>	<u>(1,203,258)</u>	<u>(84,458)</u>	<u>1,337,820</u>
Total funds	<u>1,402,925</u>	<u>8,290,466</u>	<u>(8,386,469)</u>	<u>495,000</u>	<u>1,801,922</u>

The Cardinal Vaughan Memorial School

Notes to the Financial Statements for the year ended 31 August 2018

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

14 Funds	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	-	11,803,035	(12,048,503)	245,468	-
Other Government Grants	-	773,365	(773,365)	-	-
Pupil Premium	-	276,440	(276,440)	-	-
Other Income	-	709,124	(709,124)	-	-
Pension reserve	(1,492,000)	-	(423,000)	1,123,000	(792,000)
	<u>(1,492,000)</u>	<u>13,561,964</u>	<u>(14,230,432)</u>	<u>1,368,468</u>	<u>(792,000)</u>
Restricted fixed asset funds					
Transfer on conversion	65,386	-	(65,386)	-	-
General capital expenditure	1,549,090	-	(204,707)	84,458	1,428,841
DfE/EFA capital grants	-	275,461	(169,454)	-	106,007
	<u>1,614,476</u>	<u>275,461</u>	<u>(439,547)</u>	<u>84,458</u>	<u>1,534,848</u>
Total restricted funds	<u>122,476</u>	<u>13,837,425</u>	<u>(14,669,979)</u>	<u>1,452,926</u>	<u>742,848</u>
Total unrestricted funds	<u>1,280,449</u>	<u>2,798,197</u>	<u>(2,368,161)</u>	<u>(329,926)</u>	<u>1,380,559</u>
Total funds	<u>1,402,925</u>	<u>16,635,622</u>	<u>(17,038,140)</u>	<u>1,123,000</u>	<u>2,123,407</u>

The Cardinal Vaughan Memorial School

Notes to the Financial Statements for the year ended 31 August 2018

15 Analysis of net assets between funds

Fund balances at 31 August 2018 are represented by:

	Unrestricted Funds £	Restricted General and Pension Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets		-	1,534,848	1,534,848
Current assets	1,765,631	126,287	-	1,891,918
Current liabilities	(385,072)	(126,287)	-	(511,359)
Pension scheme liability	-	(792,000)	-	(792,000)
Total net assets	1,380,559	(792,000)	1,534,848	2,123,407

Fund balances at 31 August 2017 were represented by:

	Unrestricted Funds £	Restricted General and Pension Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets		-	1,641,102	1,641,102
Current assets	2,081,635	-	-	2,081,635
Current liabilities	(743,815)	-	-	(743,815)
Pension scheme liability	-	(1,177,000)	-	(1,177,000)
Total net assets	1,337,820	(1,177,000)	1,641,102	1,801,922

16 Capital commitments,

	2018 £	2017 £
Contracted for, but not provided in the financial statements	Nil	Nil

17 Commitments under operating leases

Operating leases

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

	2018 £	2017 £
Amounts due within one year	8,347	4,835
Amounts due between one and five years	10,434	-
Amounts due after five years	-	-
	18,781	4,835

The Cardinal Vaughan Memorial School

Notes to the Financial Statements

for the year ended 31 August 2018

18 Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2018 £	2017 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(306,515)	(96,003)
Adjusted for:		
Depreciation charges (note 11)	141,946	253,304
Capital grants from DfE and other capital income	(79,989)	(195,472)
Interest receivable (note 4)	(318)	(260)
Fixed assets transferred	-	-
Defined benefit pension scheme obligation inherited	-	-
Defined benefit pension scheme cost less contributions payable (note 25)	213,000	150,000
Defined benefit pension scheme finance and administration cost (note 25)	30,000	30,000
(Increase)/decrease in debtors	192,605	(21,692)
Increase/(decrease) in creditors	(232,456)	(221,293)
Net cash provided by / (used in) Operating Activities	(41,727)	(101,418)

19 Cash flows from financing activities

	2018 £	2017 £
Repayments of borrowing	-	-
Cash inflows from new borrowing	-	-
Net cash provided by / (used in) financing activities	-	-

20 Cash flows from investing activities

	2018 £	2017 £
Dividends, interest and rents from investments	318	260
Purchase of tangible fixed assets	(35,692)	(279,930)
Capital grants from DfE/ESFA	79,989	195,472
Net cash provided by / (used in) investing activities	44,615	(84,198)

The Cardinal Vaughan Memorial School

Notes to the Financial Statements for the year ended 31 August 2018

21 Analysis of cash and cash equivalents

	At 31 August 2018	At 31 August 2017
	£	£
Cash in hand and at bank	348,546	345,658
Call Account at Diocese of Westminster	1,250,000	1,250,000
Notice deposits (less than 3 months)	-	-
Total cash and cash equivalents	1,598,546	1,595,658

22 Guarantees, letters of comfort and indemnities

The trust provided no guarantees, letters of comfort or indemnities during the period ended 31 August 2018.

23 Contingent liabilities

There were no contingent liabilities for the period ended 31 August 2018 (2017: nil)

24 Members liability

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

The Cardinal Vaughan Memorial School

Notes to the Financial Statements

for the year ended 31 August 2018

25 Pension and similar obligations

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was

The Cardinal Vaughan Memorial School

Notes to the Financial Statements

for the year ended 31 August 2018

25 Pension and similar obligations (continued)

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

During the previous year the employer contribution rate was 14.1%. 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 employers' pension costs paid to TPS in the year amounted to £478,758 (2017 - £563,029.)

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2018 was £187,975 (2017 - £181,862), of which employer's contributions totalled £134,266 (2017 - £130,480) and employees' contributions totalled £53,709 (2017 - £51,382). The agreed contribution rates for future years are 17 per cent (2016 - 17.8 per cent) for employers and range between 5.5 and 12.5 per cent for employees.

The Cardinal Vaughan Memorial School

Notes to the Financial Statements

for the year ended 31 August 2018

25 Pension and similar obligations (continued)

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	At 31 August 2018	At 31 August 2017
Rate of increase in salaries	3.8%	4.2%
Rate of increase for pensions in payment/inflation	2.3%	2.7%
Discount rate for scheme liabilities	2.65%	2.6%
Inflation assumption (CPI)	2.3%	2.7%
Commutation of pensions to lump sums	50%	50%

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

	At 31 August 2018	At 31 August 2017
<i>Retiring today</i>		
Males	24.5	24.4
Females	26.1	26.0
<i>Retiring in 20 years</i>		
Males	26.8	26.7
Females	28.5	28.3

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	2,150,000	1,785,000
Absolute return portfolio	232,000	218,000
Property	101,000	90,000
Cash	194,000	194,000
Total market value of assets	2,677,000	2,287,000

The actual return on scheme assets was £200,000 (2017 - £264,000).

The Cardinal Vaughan Memorial School

Notes to the Financial Statements

for the year ended 31 August 2018

25 Pension and similar obligations (continued)

Amount recognised in the statement of financial activities

	2018 £	2017 £
Current service cost (net of employee contributions)	213,000	150,000
Net interest cost	30,000	32,000
Total operating charge	<u>243,000</u>	<u>182,000</u>

Changes in the present value of defined benefit obligations were as follows:

	2018 £	2017 £
At start of period./Upon conversion	3,464,000	3,056,000
Current service cost	349,000	300,000
Interest cost	91,000	68,000
Employee contributions	55,000	51,000
Actuarial (gain)/loss	(490,000)	(11,000)
At 31 August	<u>3,469,000</u>	<u>3,464,000</u>

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

	2018 £	2017 £
At start of period./Upon conversion	2,287,000	1,564,000
Interest income	62,000	37,000
Return on Assets less Interest	138,000	209,000
Employer contributions	136,000	152,000
Employee contributions	55,000	51,000
Administrative Expenses	(1)	274,000
At 31 August	<u>2,677,000</u>	<u>2,287,000</u>

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Notes to the Financial Statements

for the year ended 31 August 2018

26 Related party transactions

Owing to the nature of the academy trust's and the composition of the Board of Directors 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 trust's financial regulations and normal procurement procedures.

No related party transactions took place in the period of account

27 Events after the end of the reporting period

There were no events after the end of the reporting period.

28 Teaching school trading account

	2018 £	2018 £	2017 £	2017 £
Income				
Direct Income (ESFA Grants)	279,101		141,800	
Direct Income (Other Grants)	13,333		16,667	
Fundraising and other trading activities	27,334		17,303	
Total Income		319,768		175,770
Expenditure				
Direct Costs				
Direct Staff Costs	222,891		134,399	
Staff Development Costs	87,216		31,394	
Other direct costs	228		341	
Other Costs	1,333		1,404	
Total direct costs		311,668		167,538
Other Costs				
Support Staff Costs	5,000		5,000	
Recruitments and support	59		632	
Other support costs	3,041		2,600	
Share of governance costs				
Total other costs		8,100		8,232
Transfers between funds				
		-		-
Surplus/(deficit) from all sources		-		-