

Company registration number 08719689 (England and Wales)

SACRED HEART HILLSBOROUGH ACADEMY TRUST

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2022

SACRED HEART HILLSBOROUGH ACADEMY TRUST

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SACRED HEART HILLSBOROUGH ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Governors

C Kelly (Accounting Officer) (Resigned 10 November 2022) *
P A Holland (Resigned 27 February 2022) *
M Da Silva Mendes Lourenço Emmett *
W W Lutakome *
Ms K Clarke *
L Higgins (Chair of Governors) *
C Gilberthorpe *
C Harvey (Resigned 20 April 2022) *

* members of the finance and premises committee

Members

Bishop R Heskett
Diocese of Hallam Trustee (a company limited by guarantee)
L Higgins

Senior management team

- Principal	C Kelly
- Vice Principal	C Jessop
- Teacher	K Clarke
- School Manager	H Roche

Company registration number

08719689 (England and Wales)

Registered office

Sacred Heart School
Ripley Street
Hillsborough
Sheffield
S6 2NU

Independent auditor

Hart Shaw LLP
Europa Link
Sheffield Business Park
Sheffield
S9 1XU

Bankers

Barclays Bank Plc
2 Middlewood Road
Sheffield
S6 4GY

Solicitors

Browne Jacobson LLP
Mowbray House
Castle Meadow Road
Nottingham
NG2 1BJ

SACRED HEART HILLSBOROUGH ACADEMY TRUST

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

The governors of Sacred Heart Hillsborough Academy Trust present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2021 to 31 August 2022. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 4 to 11 serving a catchment area in Hillsborough. It has a pupil capacity of 210 and had a roll of 209 in the previous school census.

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 governors of Sacred Heart Hillsborough Academy Trust are also the trustees and directors of the charitable company for the purposes of company law. The charitable company is also known as Sacred Heart School, a Catholic Voluntary Academy.

Details of the governors who served throughout the period are included in the Reference and Administrative Details on page 1.

Lee Higgins continues as Chair of Governors. During the year, one foundation governor stepped down.

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 they cease to be a member.

Trustees' indemnities

Trustees benefit from indemnity insurance purchased at the Charitable Company's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of negligence, default of breach of trust or breach of duty of which they may be guilty in relation to the Trust provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or a breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defense to a criminal prosecution brought against the Trustees in their capacity as Directors of the Charitable Company. The limit of this indemnity is £5,000,000.

Method of recruitment and appointment or election of governors

The Diocesan Bishop appoints a minimum of 7 Foundation Governors so as to ensure that at all times the number of Foundation Governors exceeds the total number of other Governors (excluding Foundation Governors) by at least 2. Applications for a vacant Foundation Governor position are forward to the Bishop for appointment.

The arrangements made for the election of a Parent Governor provides for every person who is entitled to vote in the election to have an opportunity to do so by post or, if they prefer, by having their ballot paper returned to the Academy Trust by a registered pupil at the Academy. The parent receiving the highest number of votes shall be appointed.

The arrangements made for the election of a Staff Governor provides for every member of staff who is entitled to vote in the election to have an opportunity to do so. The Staff member receiving the highest number of votes shall be appointed.

Community Governor may be appointed by the Governing Body provided that the person who is appointed as the Community Governor is not an employee of the Academy Trust and lives and works in the community.

SACRED HEART HILLSBOROUGH ACADEMY TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2022

Policies and procedures adopted for the induction and training of governor

The Academy has bought into the training services of Learn Sheffield for Sheffield Governor training who undertake training on the roles and responsibilities of Governors including any legal aspects of their role. The School has an internal induction programme for new Governors.

Organisational Structure

The board of governors have appointed separate sub-committees to focus on particular areas. Strategic decisions are made by the sub-committees as appropriate. Those decisions are relayed to general meetings of the governors for their information and input.

Day to day organisational and management decisions are made and implemented by the senior management team.

The staffing structure of the academy is as follows:

Senior Management Team

Headteacher
Mrs C Kelly

Deputy Head Teacher
Mrs C Jessop
Y2/Maths

Y6/Curriculum/Literacy/Assessment
Ms K Clarke

School Manager
Ms C Lapper

Middle Managers

Inclusion Manager
Mrs J Cantrell

C Mills
IT curriculum

Classroom Managers /Subject Leaders

Mrs A.Swift
FS2

Mrs F Senior
DT/Geography

Mrs C Mills/Mrs Jessop
Y2, ICT / Maths

SACRED HEART HILLSBOROUGH ACADEMY TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2022

Miss Tomlinson / Mrs H Hinchliffe
Y3 NQT / History

Mrs A Barden
Y4/MFL/Science

Mrs M A Todd
Y5/RE/PSHE

Ms K Clarke
Y6/Literacy/Assessment

Mrs J Wilson
PE

Mr S Moran
Learning Mentor

Teaching Assistants

Mrs G Slaney – FS2/Breakfast Club
Mrs J Higgins KS1
Mrs K. Doane KS1
Mrs D Moore KS1
Mrs D Willoughby LKS2
Ms N Constantinou
Mrs D Gore UKS2
Mrs C Templar- HLTA UKS2
Mrs S Higgins 1:1 support
Mrs K Ruane 1: 1 Support & LKS2
S. Senyonga National Tutoring Programme

Administration

Mrs H Roche - School Manager
Miss J Firth – Office Administrator

Supervisory Assistants

Mrs A Brown
Miss A Unwin
Mrs S Mulcrone
Miss J Connolly
Mrs C Thomson
Mrs D Shaw

Premises

Mr P Milsom – Buildings Supervisor
Miss J Connolly – Cleaner
Mrs B Green – Cleaner

SACRED HEART HILLSBOROUGH ACADEMY TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2022

Arrangements for setting pay and remuneration of key management personnel

The Head Teacher's performance management is undertaken by an external advisor/consultant plus up to three members of the Governing Body, one of whom must be the Chair of Governors. This is in line with the school's Appraisal Policy. The process takes place during the autumn term every year and involves several meetings to discuss evidence provided and monitor against the National Standards for Head Teachers. New targets are set to meet both the school's priorities and any CPD needs which may have been identified. During the spring term every year, progress towards the targets is reviewed and any amendments made. Any pay award agreed follows the guidance set out in the school's Pay Policy.

The performance management of all senior leaders is undertaken by the Head Teacher, in line with the school's Appraisal Policy. A review of evidence against targets set is undertaken during the autumn term every year. Interim appraisal reviews take place during the spring term. Reference is also made to the Upper Pay Scale (UPS) criteria and the job description for the member of staff. Any pay award agreed follows the guidance set out in the school's Pay Policy and must be agreed by the Pay Committee.

Trade union facility time

Sacred Heart Hillsborough Academy Trust has not employed more than 49 full time equivalent employees throughout any 7 months within the reporting period.

Connected organisations including related party relationships

Sacred Heart Hillsborough Academy Trust is part of the Diocese of Hallam Schools' Partnership Agreement. A full list of schools can be found on the Diocese of Hallam website.

Objectives and Activities

Objects & Aims

The academy trust's objective is:

- to advance for public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a Catholic academy designated as such ("the Academy") which shall offer a broad and balanced curriculum and shall be conducted in accordance with the principles, practices and tenets of the Catholic Church; and
- to promote for the benefit of individuals living in the area served by the academy and the surrounding area who have need by reason of their age, infirmity or disability, financial hardship or social and economic circumstances or for the public at large the provision of facilities for recreation or other leisure time activities in the interests of social welfare and with the object of improving the condition of life of the said individuals.

Objectives, strategies and activities

Vision

As a Christian community, Sacred Heart School will empower all children to recognise and fulfil their unique potential; celebrating all God's children as individuals, respecting and valuing difference. Through this, we will prepare the children to embrace and contribute positively to our ever-changing world.

SACRED HEART HILLSBOROUGH ACADEMY TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2022

Promise

With God's guidance we promise to;

Create a supportive, nurturing environment in which every child is encouraged to explore their potential, to express their individuality and to develop confidence without fear of failure.

Commit to the continuous professional development of all staff. To ensure our best understanding of each child's needs.

Deliver a curriculum that is engaging, challenging and fosters independence.

Lead by example, demonstrating the values of the Catholic Church and respect for all; preparing children for their journey through life.

Build cooperative relationships with families and the wider community.

Our Strategic Priorities

Organise:

Educational opportunities effectively to create a positive culture for learning.

Plan:

Future goals with a Christian vision which allows everyone to reach their full potential.

Collaborate:

With the school, parish and wider community to share, learn and support.

Nurture:

A Christian community where all share unconditional opportunities for learning and are encouraged to develop wholeness.

Public benefit

The academy provides educational services to all children in the local area. The governors confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the public benefit guidance provide by the Charity Commission.

SACRED HEART HILLSBOROUGH ACADEMY TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2022

Strategic Report

Achievements and Performance

2021-22 Statutory Test Results

These were the first formal tests taken by the children since the Covid pandemic.

	Expected Standard+			Greater Depth+	
	School 2022	National 2022		School 2022	National 2022
End of EYFS	63%				
Year 1 Phonics Screening Check	93%	81%			
Key Stage 1 Reading	78%	75%		23%	25%
Key Stage 1 Writing	55%	69%		0%	15%
Key Stage 1 Mathematics	74%	76%		13%	22%
Key Stage 2 Reading	86%	74%		32%	
Key Stage 2 Writing	64%	69%		0%	
Key Stage 2 Mathematics	79%	71%		36%	
Key Stage 2 GPS	82%	72%		43%	
Key Stage 2 Combined	64%	59%		0%	

Key Financial Performance Indicators

As funding is based on pupil numbers, this is considered to be a key financial performance indicator. Pupil numbers have remained consistent over the last two years.

Salary costs as a percentage of GAG is another key financial performance indicator. The trust aims for salary costs to be 80% or less than total GAG funding. The salary expenditure in the current year is 80% of GAG funding.

Going concern

Sacred Heart Hillsborough Academy Trust is due to join St Clare's Multi Academy Trust on 1st September 2022. On this date, Sacred Heart will continue its operations under another multi academy trust and Sacred Heart Hillsborough Academy Trust, as an entity, will cease operations. The trustees will oversee the closing down of Sacred Heart Hillsborough Academy Trust and will apply to Companies House for the company to be dissolved.

Financial Review

The trust has total net assets of £984,541. The Trust adopted as its principal financial policies the Academies Financial Handbook published by the DfE, Academy Schools: guidance on regulation as Charities and Internal Controls for Charities published by the Charities Commission together with the Academy's operational Financial Management and Administration procedure.

The trust is principally funded by the General Annual Grant from the Department of Education.

Investment in the library area continued, with the purchase of the Librex library software which enables the children to loan books already acquired, this further enhances all areas of their learning.

SACRED HEART HILLSBOROUGH ACADEMY TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2022

Lighting in the Y3 classroom and in the staffroom has been replaced and a new set of iPads purchased for classroom use.

The in-year deficit for this financial year is £115,062 (2021 – 95,356). This is equal to the movement in the unrestricted fund and restricted fund prior to the actuarial loss on the pension scheme this year. The total unrestricted reserves held by the academy at 31 August 2022 were £88,618 (2021 - £126,278).

Reserves Policy

The trust has agreed to set a reserve limit to keep money aside for when it is needed most and build up reserves for capital emergencies.

The level of free reserves (total funds less fixed asset and other restricted funds) held at 31 August 2022 was £88,618. This is in line with the reserves policy.

The restricted pension fund reserve is in deficit to the value of £402,000 as at 31 August 2022 (2021 - £915,000). This deficit has primarily been inherited upon conversion to academy status and the Governors will continue to monitor this situation closely.

Investment Policy

The Trust currently has no financial investments with the exception of short-term cash deposits, however should it decide to pursue these in the future the policy is to delegate the management of investments to a financial expert

Principal risks and uncertainties

The principal risk and uncertainty the trust faces is the continued funding from the Department of Education. To mitigate against this risk the trust ensures that these funds are used for the purpose they were provided for and only in accordance with guidance laid out in the DfE Academies Financial Handbook. The trust ensures proper stewardship of those funds, economy, efficiency and effectiveness in their use, using its discretion reasonably and takes into account any and all relevant guidance on accountability or propriety.

Fundraising

Approach to Fundraising

School holds a number of simple fundraising activities throughout the year; school does not work with any commercial participators / professional fundraisers.

The main fundraising event is the Summer Fayre, which is usually held in late June and there is a raffle held at either Easter or Christmas. Other fundraising activities such as cake stalls/ children wearing own clothes, also usually take place throughout the year. However, due to further Covid -19 restrictions, such fundraising activities were again restricted this year.

Loomband bracelets were sold as part of fundraising for Youth with a Vision, a charity run in Uganda. Parents and carers were able to pay for this using the Squid payment system.

Monitoring of Fundraising

All fundraising is monitored by the Governors who are Trustees of the Academy.

Fundraising complaints

There have been no complaints made regarding fundraising undertaken.

Protection of the public

Including vulnerable people, from unreasonably intrusive or persistent fundraising approaches, and undue pressure to donate:

SACRED HEART HILLSBOROUGH ACADEMY TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2022

Requests for donations for all fundraising activities are made via the school Newsletter, usually over a number of weeks. Children are never asked to knock on house doors or undertake any other form of intrusive fundraising approach.

Plans for the future

Sacred Heart Hillsborough Academy Trust will be joining St Clare Catholic Multi Academy on 1 September 2022.

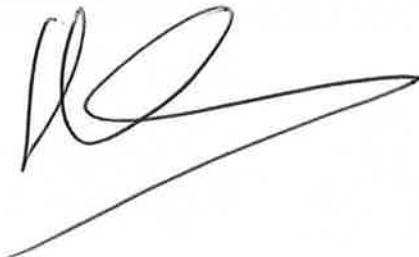
Auditor

Insofar as the governors are aware:

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

Governors' report, incorporating a strategic report, approved by order of the board of governors, as the company directors, on 14 December 2022 and signed on the board's behalf by:

L Higgins
Chair of Governors

A handwritten signature in black ink, consisting of a stylized 'L' followed by a large, sweeping loop and a long horizontal stroke extending to the right.

SACRED HEART HILLSBOROUGH ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2022

Scope of responsibility

As governors, we acknowledge we have overall responsibility for ensuring that Sacred Heart Hillsborough Academy Trust has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The governing body has delegated the day-to-day responsibility to the principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Sacred Heart Hillsborough Academy Trust and the Secretary of State for Education. The accounting officer is also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The governing body has formally met 3 times during the year. Attendance during the year at meetings of the governing body was as follows:

Governors	Meetings attended	Out of possible
C Kelly (Accounting Officer) (Resigned 10 November 2022)	2	3
P A Holland (Resigned 27 February 2022)	1	1
M Da Silva Mendes Lourenço Emmett	3	3
W W Lutakome	3	3
Ms K Clarke	1	3
L Higgins (Chair of Governors)	3	3
C Gilberthorpe	2	2
C Harvey (Resigned 20 April 2022)	1	2

Conflicts of interest

The governors are required to complete Conflict of Interest declarations at the start of the academic year and to inform the school if any conflicts arise during the year.

During 21/22 the only conflicts of interest were around children being in the school or relatives being employed by the school. These did not cause any issues regarding the smooth running of the school. If a conflict had arisen that impacted on a governor, that governor would have been excluded from any conversations and decisions the board would have been asked to conduct.

None of the governors had work interests that impacted on the best interests of the school.

SACRED HEART HILLSBOROUGH ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Governance reviews

A significant amount of time this year was spent discussing the move into the CMAT. The scope of the CMAT kept changing and so required a lot of discussion. These took place in the Full Governors meetings but also in the committee meetings as required.

The Governors openly discussed and challenged the SLT regarding the benefits of joining the CMAT. We also discussed the timing for joining the CMAT as the start date kept changing.

One parent governor resigned during the year leaving a vacancy. The second parent governor is in the process of moving to Foundation governor. This meant the board comprised of four Foundation governors at the end of the 21/22 academic year. Due to the change to the CMAT, a decision was made to put on hold the recruitment of new parent governors.

The Governors maintained the efficient workings prior years and continued to challenge and support the school during a time of considerable uncertainty due to the move to the CMAT.

Due to the small size of the governing body and therefore the need for all members to join all committee meetings, we merge the Education and Catholic Nature meetings into one. Finance remained separate due to the nature of the content. During the academic year we held 3 full meetings, 3 finance committee meetings and 3 Catholic and Education meetings.

Review of value for money

The school has faced challenges financially during the 21/22 academic year due to rising costs which are out of its control.

21/22 is the first full year of in school teaching since the Covid crises. During the year various staff members have been away from school due to Covid. This has led to an increase in supply cover that has impacted on the budget.

Due to the relaxing of Covid regulations, breakfast club and after school clubs have proved more popular. These clubs have contributed to the schools finances in the positive way.

During the year the chair of the finance committee has held regular meetings with the business manager and kept up to date with the changing picture. Monthly updates are provided to the Chair and the Finance chair so they can challenge when required. Spending requests were fully discussed and only approved when it was felt essential (on ground of health and safety, security, safeguarding).

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Sacred Heart Hillsborough Academy Trust for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The governing body has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The governing body is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the governing body.

SACRED HEART HILLSBOROUGH ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the governing body;
- regular reviews by the finance and premises 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; and
- identification and management of risks.

We continued to work with Marriott Gibbs Rees Wallis Limited during the 21/22 to provide the school with internal audit activity that was then shared with the governing body. This has proved very useful and shows that the schools controls are strong.

Review of effectiveness

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

- the work of the external auditor;
- the work of the internal auditor;
- the financial management and governance self-assessment process; and
- 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 of the system of internal control by the finance and premises committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the governing body on 14 December 2022 and signed on its behalf by:



C Kelly
Accounting Officer



L Higgins
Chair of Governors

SACRED HEART HILLSBOROUGH ACADEMY TRUST


STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2022

As accounting officer of Sacred Heart Hillsborough Academy Trust, I have considered my responsibility to notify the academy trust governing body and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2022.

I confirm that I and the academy trust's governing body 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 Academy Trust Handbook 2022.

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 governing body and ESFA.



C Kelly
Accounting Officer

14 December 2022

SACRED HEART HILLSBOROUGH ACADEMY TRUST

STATEMENT OF GOVERNORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2022

The governors (who act as trustees for Sacred Heart Hillsborough Academy Trust and are also the directors of Sacred Heart Hillsborough Academy Trust for the purposes of company law) are responsible for preparing the governors' report and the accounts in accordance with the Academies Accounts Direction 2021 to 2022 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the governors to prepare accounts for each financial year. Under company law, the governors must not approve the accounts 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 accounts, the governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgements 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the governing body on 14 December 2022 and signed on its behalf by:



L Higgins
Chair of Governors

SACRED HEART HILLSBOROUGH ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SACRED HEART HILLSBOROUGH ACADEMY TRUST

FOR THE YEAR ENDED 31 AUGUST 2022

Opinion

We have audited the accounts of Sacred Heart Hillsborough Academy Trust for the year ended 31 August 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the accounts, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2022 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022.

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 accounts' 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 accounts 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.

Emphasis of matter

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 1.2 to the financial statements regarding going concern. As detailed in the accounting policy, Sacred Heart Hillsborough Academy Trust have been rebrokered to another multi academy trust on 1 September 2022.

Accordingly, the trustees have decided that the going concern basis of preparation is no longer appropriate and the financial statements have been prepared on a basis other than going concern as described in note 1 to the financial statements.

Other information

The other information comprises the information included in the annual report other than the accounts and our auditor's report thereon. The governors are responsible for the other information contained within the annual report. Our opinion on the accounts 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the accounts themselves. 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 governors' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the governors' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

SACRED HEART HILLSBOROUGH ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SACRED HEART HILLSBOROUGH ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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 governors' report, including the incorporated strategic report.

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

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

Responsibilities of governors

As explained more fully in the statement of governors' responsibilities, the governors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the governors determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error. In preparing the accounts, the governors 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 governors either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

Extent to which the audit was considered capable of detecting irregularities, including fraud and the audit response

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

At the planning stage we identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general academy sector experience and through discussion with management, as required by auditing standards. The potential effect of any laws and regulation on the financial statements can vary considerably. There are laws and regulations that directly affect the financial statements (e.g. the Companies Act, the Charities SORP 2019, the Academies Accounts Direction 2020 to 2021) as well as many other operational laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

We have assessed the overall susceptibility of the financial statements to material misstatement due to irregularities as moderate risk due to the inherent regulatory environment and financial reporting requirements within the sector. Furthermore, increased public scrutiny due to use of public funds increases the risk around certain financial reporting disclosures. However, as a result, there are stronger financial controls around sensitive financial reporting disclosures imposed by the ESFA therefore this reduces the risk of material misstatements as a result of irregularities being undetected. The procedures performed by the audit team included:

SACRED HEART HILLSBOROUGH ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SACRED HEART HILLSBOROUGH ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

- Communicating identified laws and regulations at planning to all members of the audit team to remain alert to any indications of non-compliance throughout the audit.
- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations including the current Academies Accounts Direction.
- Review of any OFSTED reports within the period.
- Review of the Internal Scrutiny Reports delivered in the year.
- Ensuring that any findings noted as part of our work on regularity (as detailed in our Independent Reporting Accountant's Assurance Report) which indicate the possibility of irregularities and fraud, including any breaches of the Academy Trust Handbook, are also considered as part of our conclusions here.
- Review of the Accounting Officer's Statement of Regularity, Propriety and Compliance and the academy trust's Governance Statement disclosures.

We have assessed the overall susceptibility of the financial statements to material misstatement due to fraud as low risk because of the strong control environment and regulatory framework imposed on academy trusts by the ESFA. Management override is the most common way in which fraud might present itself and is therefore inherently high risk on any audit. Management override, which may cause there to be a material misstatement within the financial statements, may present itself in a number of ways, for example:

- Override of internal controls (e.g. segregation of duties)
- Entering into transactions outside the normal course of operations, especially with related parties
- Fraudulent revenue recognition and income being recorded in the wrong period
- Presenting bias in accounting judgements and estimates, particularly the ones disclosed in note 2 to the financial statements.

In order to reduce the risk of material misstatement to an acceptable level, numerous audit procedures were performed including:

- Enquiries of management as to whether they had any knowledge of any actual or suspected fraud
- Review of all material journal entries made throughout the year as well as those made to prepare the financial statements.
- Review of financial data for evidence of previously unidentified related party transactions that may not have been conducted in accordance with the Academy Trust Handbook.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing the underlying rationale behind transactions in order to assess whether they were outside the normal course of business
- Substantive testing across all material income streams
- Assessing whether management's judgements and estimates indicated potential bias, particularly those disclosed in note 2 to the financial statements

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected material misstatements in the financial statements, even though we have performed our audit in accordance with auditing standards. Furthermore, as with all audits, there is a higher risk of irregularities (especially those relating to fraud) being undetected, as these may involve the override of internal controls, collusion, intentional omissions and misrepresentations etc. We are not responsible for preventing non-compliance or fraud and therefore cannot be expected to detect all instances of such. Our audit was not designed to identify misstatements or other irregularities that would not be considered to be material to the financial statements. The further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

SACRED HEART HILLSBOROUGH ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SACRED HEART HILLSBOROUGH ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Use of our report

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



Martin McDonagh (Senior Statutory Auditor)
for and on behalf of Hart Shaw LLP

14 December 2022

Chartered Accountants
Statutory Auditor

Europa Link
Sheffield Business Park
Sheffield
S9 1XU

SACRED HEART HILLSBOROUGH ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SACRED HEART HILLSBOROUGH ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2022

In accordance with the terms of our engagement letter and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019-2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Sacred Heart Hillsborough Academy Trust during the period 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Sacred Heart Hillsborough Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Sacred Heart Hillsborough Academy Trust 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 Sacred Heart Hillsborough Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Sacred Heart Hillsborough Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Sacred Heart Hillsborough Academy Trust's funding agreement with the Secretary of State for Education dated 28 November 2013 and the Academy Trust Handbook, extant from 1 September 2021, 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 2021 to 2022. 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 2021 to 31 August 2022 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- We have carried out systems testing to ensure adequate controls are in place to prevent the infringement of regularity requirements;
- We have carried out detailed substantive testing on revenue and capital transactions to ensure these have been properly reflected and recorded in the financial statements and are for the purpose of the trust; and
- We have carried out a detailed review of related parties to ensure governors are not benefiting from transactions with the academy trust.

SACRED HEART HILLSBOROUGH ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SACRED HEART HILLSBOROUGH ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Hart Shaw LLP

Reporting Accountant

Europa Link

Sheffield Business Park Sheffield

S9 1XU

Dated: 14 December 2022

SACRED HEART HILLSBOROUGH ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed asset Funds £	Total 2022 £	Total 2021 £
Income and endowments from:						
Donations and capital grants	3	7,200	-	6,340	13,540	11,561
Charitable activities:						
- Funding for educational operations	4	39,701	1,088,202	-	1,127,903	1,081,670
Other trading activities	5	10,630	-	-	10,630	5,400
Total income and endowments		57,531	1,088,202	6,340	1,152,073	1,098,631
Expenditure on:						
Charitable activities:						
- Educational operations	7	13,532	1,218,861	34,742	1,267,135	1,193,987
Total expenditure	6	13,532	1,218,861	34,742	1,267,135	1,193,987
Net income/(expenditure)		43,999	(130,659)	(28,402)	(115,062)	(95,356)
Transfers between funds		(81,659)	81,659	-	-	-
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	18	-	562,000	-	562,000	(9,000)
Net movement in funds		(37,660)	513,000	(28,402)	446,938	(104,356)
Reconciliation of funds						
Total funds brought forward		126,278	(915,000)	1,326,325	537,603	641,959
Total funds carried forward		88,618	(402,000)	1,297,923	984,541	537,603

SACRED HEART HILLSBOROUGH ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2022

Comparative year information			Unrestricted	Restricted	Restricted	Total
Year ended 31 August 2021			Funds	General	Fixed asset	2021
	Notes	£	£	£	£	£
Income and endowments from:						
Donations and capital grants	3	2,051	-	9,510	11,561	
Charitable activities:						
- Funding for educational operations	4	28,980	1,052,690	-	1,081,670	
Other trading activities	5	5,400	-	-	5,400	
Total income and endowments		36,431	1,052,690	9,510	1,098,631	
Expenditure on:						
Charitable activities:						
- Educational operations	7	7,717	1,154,939	31,331	1,193,987	
Total expenditure	6	7,717	1,154,939	31,331	1,193,987	
Net income/(expenditure)		28,714	(102,249)	(21,821)	(95,356)	
Transfers between funds		(77,788)	64,249	13,539	-	
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	18	-	(9,000)	-	(9,000)	
Net movement in funds		(49,074)	(47,000)	(8,282)	(104,356)	
Reconciliation of funds						
Total funds brought forward		175,352	(868,000)	1,334,607	641,959	
Total funds carried forward		126,278	(915,000)	1,326,325	537,603	

SACRED HEART HILLSBOROUGH ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	11		1,296,634		1,326,325
Current assets					
Stocks	12	173		7,536	
Debtors	13	36,133		41,510	
Cash at bank and in hand		144,742		147,736	
		<u>181,048</u>		<u>196,782</u>	
Current liabilities					
Creditors: amounts falling due within one year	14	(91,141)		(70,504)	
Net current assets			89,907		126,278
Net assets excluding pension liability			1,386,541		1,452,603
Defined benefit pension scheme liability	18	(402,000)		(915,000)	
Total net assets			<u>984,541</u>		<u>537,603</u>
Funds of the academy trust:					
Restricted funds	16				
- Fixed asset funds			1,297,923		1,326,325
- Pension reserve			(402,000)		(915,000)
Total restricted funds			<u>895,923</u>		<u>411,325</u>
Unrestricted income funds	16		88,618		126,278
Total funds			<u>984,541</u>		<u>537,603</u>

The accounts on pages 21 to 42 were approved by the governors and authorised for issue on 14 December 2022 and are signed on their behalf by:

L Higgins
Chair of Governors



Company registration number 08719689

SACRED HEART HILLSBOROUGH ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Net cash used in operating activities	19		(4,283)		(26,913)
Cash flows from investing activities					
Capital grants from DfE Group		6,340		6,351	
Purchase of tangible fixed assets		(5,051)		(25,044)	
Net cash provided by/(used in) investing activities			1,289		(18,693)
Net decrease in cash and cash equivalents in the reporting period			(2,994)		(45,606)
Cash and cash equivalents at beginning of the year			147,736		193,342
Cash and cash equivalents at end of the year			144,742		147,736

SACRED HEART HILLSBOROUGH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

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

1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

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

On 1 September 2022, Sacred Heart Hillsborough Academy Trust has been rebrokered to a multi academy trust, St Clare Multi Academy Trust. Sacred Heart Hillsborough Academy Trust continue to operate within St Clare Multi Academy Trust but Sacred Heart Academy Trust has ceased operations. The trustees will oversee the closing down of St Mary's Catholic Primary School and will apply to Companies House for the company to be dissolved.

As such the trustees do not believe the going concern basis to be appropriate and these financial statements have not been prepared on that basis, but have been prepared on an alternative basis to comply with the Academies Accounts Direction 2021 to 2022.

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

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.

SACRED HEART HILLSBOROUGH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

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.

1.5 Tangible fixed assets and depreciation

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. 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 such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy.

The main school land and buildings is held on a rolling licence, with a minimum cancellation period of two years by either party, from the trustees of The Diocese of Hallam. As the risks and rewards of ownership have been transferred to the academy, the assets have been recognised within tangible fixed assets based on their value in use as permitted in the Academies Accounts Direction. This treatment is principally, but not solely, based on the commercial reality that the academy trust is unlikely to be evicted from the property given that it is management's intention not to breach any of the conditions set out within the supplemental agreement. The initial acquisition was recognised at depreciated replacement cost based on the valuation by Mouchel, on behalf of the Education Funding Agency. The Governors consider that the cost of obtaining an additional valuation would outweigh the benefit.

Depreciation is provided on all tangible fixed assets, except land, at rates calculated to write off the cost of each asset based on its expected useful life, as follows:

Leasehold land and buildings	1-2% straight line
Computer equipment	33.33% straight line
Fixtures, fittings & equipment	25% reducing balance

SACRED HEART HILLSBOROUGH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

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

1.6 Liabilities

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

1.7 Leased assets

Rentals payable under operating leases are charged on a straight line basis over the period of the lease.

1.8 Financial instruments

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

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.9 Stock

Stock is valued at the lower of cost and net realisable value.

1.10 Taxation

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

1.11 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 and the assets are held separately from those of the academy trust.

SACRED HEART HILLSBOROUGH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 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 projected unit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

The LGPS is a funded multi-employer 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 net income or expenditure are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.12 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 governors.

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

Restricted general funds comprise all other restricted funds received and include grants from the Education and Skills Funding Agency.

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

SACRED HEART HILLSBOROUGH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

2 Critical accounting estimates and areas of judgement

(Continued)

Critical areas of judgement

The main school building is held on a licence from the trustees of the Diocese of Hallam. As the risks and rewards of ownership have been transferred to the academy, the assets have been recognised within tangible fixed assets. The initial acquisition was recognised at depreciated replacement cost based on the valuation by Mouchel MRICS, on behalf of the Education Funding Agency. The governors consider that the cost of obtaining an additional valuation would outweigh the benefit.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Donated fixed assets	-	-	-	3,159
Capital grants	-	6,340	6,340	6,351
Other grants and donations	7,200	-	7,200	2,051
	<u>7,200</u>	<u>6,340</u>	<u>13,540</u>	<u>11,561</u>

4 Funding for the academy trust's charitable activities

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
DfE/ESFA grants				
General annual grant (GAG)	-	938,353	938,353	880,280
Other DfE/ESFA grants:				
- UIFSM	-	29,710	29,710	34,294
- Pupil premium	-	53,700	53,700	48,242
- Others	-	38,651	38,651	58,897
	<u>-</u>	<u>1,060,414</u>	<u>1,060,414</u>	<u>1,021,713</u>
COVID-19 additional funding				
DfE/ESFA				
Catch-up premium	-	-	-	16,560
Other incoming resources	<u>39,701</u>	<u>27,788</u>	<u>67,489</u>	<u>43,397</u>
Total funding	<u>39,701</u>	<u>1,088,202</u>	<u>1,127,903</u>	<u>1,081,670</u>

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Cover for teachers	<u>10,630</u>	<u>-</u>	<u>10,630</u>	<u>5,400</u>

SACRED HEART HILLSBOROUGH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

6 Expenditure

	Staff costs £	Non Pay Expenditure Premises £	Other £	Total 2022 £	Total 2021 £
Academy's educational operations					
- Direct costs	717,493	-	80,751	798,244	762,730
- Allocated support costs	250,681	102,999	115,211	468,891	431,257
	<u>968,174</u>	<u>102,999</u>	<u>195,962</u>	<u>1,267,135</u>	<u>1,193,987</u>

Net income/(expenditure) for the year includes:

	2022 £	2021 £
Fees payable to auditor for audit services	7,040	6,400
Operating lease rentals	6,615	8,062
Depreciation of tangible fixed assets	34,742	31,331
Net interest on defined benefit pension liability	16,000	16,000

7 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Direct costs				
Educational operations	13,532	784,712	798,244	762,730
Support costs				
Educational operations	-	468,891	468,891	431,257
	<u>13,532</u>	<u>1,253,603</u>	<u>1,267,135</u>	<u>1,193,987</u>

SACRED HEART HILLSBOROUGH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

7 Charitable activities (Continued)

	2022 £	2021 £
Analysis of support costs		
Support staff costs	250,681	229,245
Depreciation	34,742	31,331
Technology costs	6,615	8,062
Premises costs	68,257	52,513
Legal costs	2,842	5,355
Other support costs	92,804	96,433
Governance costs	12,950	8,318
	<u>468,891</u>	<u>431,257</u>

8 Staff

Staff costs

Staff costs during the year were:

	2022 £	2021 £
Wages and salaries	656,650	648,150
Social security costs	59,193	50,523
Pension costs	229,239	212,173
Staff costs - employees	<u>945,082</u>	<u>910,846</u>
Agency staff costs	18,774	5,312
	<u>963,856</u>	<u>916,158</u>
Staff development and other staff costs	4,318	2,214
Total staff expenditure	<u>968,174</u>	<u>918,372</u>

Staff numbers

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

	2022 Number	2021 Number
Teachers	8	9
Administration and support	22	20
Management	3	4
	<u>33</u>	<u>33</u>

SACRED HEART HILLSBOROUGH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

8 Staff

(Continued)

The number of persons employed, expressed as a full time equivalent, was as follows:

	2022 Number	2021 Number
Teachers	7	7
Administration and support	12	11
Management	3	4
	<u>22</u>	<u>22</u>

Higher paid staff

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

	2022 Number	2021 Number
£60,001 - £70,000	<u>1</u>	<u>1</u>

Key management personnel

The key management personnel of the academy trust comprise the governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £264,340 (2021: £258,914).

9 Governors' remuneration and expenses

The principal and other staff governors only receive remuneration in respect of services they provide undertaking the roles of principal and staff, and not in respect of their services as governors. Other governors did not receive any payments, from the academy trust in respect of their role as governors. During the year, no expenses were reimbursed to governors.

The value of governors' remuneration was as follows:

C Kelly (principal and governor): Remuneration (excluding pension) £65,000 - £70,000 (2021: £65,000 - £70,000)
Employer's pension contributions £15,000 - £20,000 (2021: £15,000 - £20,000);

K Clarke (staff governor): Remuneration (excluding pension) £40,000 - £45,000 (2021: £40,000 - £45,000)
Employer's pension contributions £5,000 - £10,000 (2021: £5,000 - £10,000);

Other related party transactions involving the governors are set out within the related parties note.

10 Governors' and officers' insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim.

SACRED HEART HILLSBOROUGH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

11 Tangible fixed assets

	Leasehold land and buildings £	Computer equipment £	Fixtures, fittings & equipment £	Total £
Cost				
At 1 September 2021	1,434,000	70,771	64,948	1,569,719
Additions	-	2,720	2,331	5,051
At 31 August 2022	1,434,000	73,491	67,279	1,574,770
Depreciation				
At 1 September 2021	152,350	49,899	41,145	243,394
Charge for the year	19,658	8,946	6,138	34,742
At 31 August 2022	172,008	58,845	47,283	278,136
Net book value				
At 31 August 2022	1,261,992	14,646	19,996	1,296,634
At 31 August 2021	1,281,650	20,872	23,803	1,326,325

Included within land and buildings is land valued at £190,000 which is not depreciated.

The Roman Catholic Diocese of Hallam is the legal owner of the property in which the academy resides. No rent is charged by the Diocese for the provision of the property. The property has been recognised based on the judgement of the governors, see note 2 for further detail.

12 Stocks

	2022 £	2021 £
Educational supplies	173	7,536

13 Debtors

	2022 £	2021 £
Trade debtors	-	95
VAT recoverable	3,018	3,036
Prepayments and accrued income	33,115	38,379
	36,133	41,510

SACRED HEART HILLSBOROUGH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

14 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	683	4,400
Other taxation and social security	13,584	9,494
Other creditors	5,793	4,943
Accruals and deferred income	71,081	51,667
	<u>91,141</u>	<u>70,504</u>

15 Deferred income

	2022 £	2021 £
Deferred income is included within:		
Creditors due within one year	<u>32,793</u>	<u>23,004</u>
Deferred income at 1 September 2021	23,004	21,711
Released from previous years	(23,004)	(21,711)
Resources deferred in the year	<u>32,793</u>	<u>23,004</u>
Deferred income at 31 August 2022	<u>32,793</u>	<u>23,004</u>

At the balance sheet date the academy was holding funds received in advance for universal infant free school meals, school residential trips and rates relief.

SACRED HEART HILLSBOROUGH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

16 Funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2022 £
Restricted general funds					
General Annual Grant (GAG)	-	938,353	(1,020,012)	81,659	-
UIFSM	-	29,710	(29,710)	-	-
Pupil premium	-	53,700	(53,700)	-	-
Other DfE/ESFA grants	-	38,651	(38,651)	-	-
Other restricted funds	-	27,788	(27,788)	-	-
Pension reserve	(915,000)	-	(49,000)	562,000	(402,000)
	<u>(915,000)</u>	<u>1,088,202</u>	<u>(1,218,861)</u>	<u>643,659</u>	<u>(402,000)</u>
Restricted fixed asset funds					
Inherited on conversion	1,281,650	-	(19,658)	-	1,261,992
DfE group capital grants	22,587	6,340	(8,339)	-	20,588
Capital expenditure from GAG	15,211	-	(4,622)	-	10,589
Private sector capital sponsorship	6,877	-	(2,123)	-	4,754
	<u>1,326,325</u>	<u>6,340</u>	<u>(34,742)</u>	<u>-</u>	<u>1,297,923</u>
Total restricted funds	<u>411,325</u>	<u>1,094,542</u>	<u>(1,253,603)</u>	<u>643,659</u>	<u>895,923</u>
Unrestricted funds					
General funds	<u>126,278</u>	<u>57,531</u>	<u>(13,532)</u>	<u>(81,659)</u>	<u>88,618</u>
Total funds	<u>537,603</u>	<u>1,152,073</u>	<u>(1,267,135)</u>	<u>562,000</u>	<u>984,541</u>

SACRED HEART HILLSBOROUGH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

16 Funds

(Continued)

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

General Annual Grant

The General Annual Grant (GAG) funds have been spent in line with the terms of the Master Funding Agreement. Under this funding agreement, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2022.

Catch-up premium

Catch-up premium is to support children and young people to catch up on missed learning caused by coronavirus.

Other DfE/ESFA grants

This includes Pupil Premium funding, Universal Infant Free School Meals (UIFSM) and the PE and sport grant.

The pupil premium is additional funding given to academies so that they can support their disadvantaged pupils and close the attainment gap between them and their peers.

Universal Infant Free School Meals is funding for the provision of free school meals to infant pupils.

The PE and sport grant is to support the sporting facilities of the academy.

Other restricted funds

This includes SEN income and LAC income, both of which are received from the local authority.

SEN income is received to help support individual children with special education needs.

LAC income is received by the academy to support children who are provided with care by Children's Services.

The restricted pension fund is in deficit to the value of £402,000 as at 31 August 2022. However the majority of this deficit was inherited upon conversion to Academy status. The governors will continue to monitor this situation closely.

DfE/ESFA capital grants

This includes Devolved Formula Capital funding.

Devolved Formula Capital provides academies with funding for maintenance and minor works.

Unrestricted funds

Unrestricted funds includes income from breakfast club, money collected for trips/books etc. and cover for teachers. This also includes any unspent amounts from the surplus of funds prior to conversion.

SACRED HEART HILLSBOROUGH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

16 Funds

(Continued)

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
Restricted general funds					
General Annual Grant (GAG)	-	880,280	(944,529)	64,249	-
UIFSM	-	34,294	(34,294)	-	-
Pupil premium	-	48,242	(48,242)	-	-
Catch-up premium	-	16,560	(16,560)	-	-
Other DfE/ESFA grants	-	58,897	(58,897)	-	-
Other restricted funds	-	14,417	(14,417)	-	-
Pension reserve	(868,000)	-	(38,000)	(9,000)	(915,000)
	<u>(868,000)</u>	<u>1,052,690</u>	<u>(1,154,939)</u>	<u>55,249</u>	<u>(915,000)</u>
Restricted fixed asset funds					
Inherited on conversion	1,301,308	-	(19,658)	-	1,281,650
DfE group capital grants	23,158	6,351	(6,922)	-	22,587
Capital expenditure from GAG	4,373	-	(2,701)	13,539	15,211
Private sector capital sponsorship	5,768	3,159	(2,050)	-	6,877
	<u>1,334,607</u>	<u>9,510</u>	<u>(31,331)</u>	<u>13,539</u>	<u>1,326,325</u>
Total restricted funds	<u>466,607</u>	<u>1,062,200</u>	<u>(1,186,270)</u>	<u>68,788</u>	<u>411,325</u>
Unrestricted funds					
General funds	<u>175,352</u>	<u>36,431</u>	<u>(7,717)</u>	<u>(77,788)</u>	<u>126,278</u>
Total funds	<u>641,959</u>	<u>1,098,631</u>	<u>(1,193,987)</u>	<u>(9,000)</u>	<u>537,603</u>

17 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2022 are represented by:				
Tangible fixed assets	-	-	1,296,634	1,296,634
Current assets	179,759	-	1,289	181,048
Current liabilities	(91,141)	-	-	(91,141)
Pension scheme liability	-	(402,000)	-	(402,000)
Total net assets	<u>88,618</u>	<u>(402,000)</u>	<u>1,297,923</u>	<u>984,541</u>

SACRED HEART HILLSBOROUGH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

17 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2021 are represented by:				
Tangible fixed assets	-	-	1,326,325	1,326,325
Current assets	128,603	68,179	-	196,782
Current liabilities	(2,325)	(68,179)	-	(70,504)
Pension scheme liability	-	(915,000)	-	(915,000)
Total net assets	126,278	(915,000)	1,326,325	537,603

18 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 Hymans Robertson LLP. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2019.

Contributions amounting to £5,792 were payable to the schemes at 31 August 2022 (2021: £4,943) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academy trusts. All teachers have the option to opt out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary. These contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019.

SACRED HEART HILLSBOROUGH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

18 Pension and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to the TPS in the period amounted to £95,880 (2021: £95,880).

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 an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy 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 contributions are as noted below. The agreed contribution rates for future years are 18.1 % for employers and 5.5% to 12.5% for employees.

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

Total contributions made	2022 £	2021 £
Employer's contributions	81,000	77,000
Employees' contributions	15,000	14,000
Total contributions	96,000	91,000
Principal actuarial assumptions	2022 %	2021 %
Rate of increase in salaries	4.2	3.95
Rate of increase for pensions in payment/inflation	3.2	2.80
Discount rate for scheme liabilities	4.25	1.70

SACRED HEART HILLSBOROUGH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

18 Pension and similar obligations

(Continued)

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

	2022 Years	2021 Years
Retiring today		
- Males	22.6	22.5
- Females	25.4	25.3
Retiring in 20 years		
- Males	24.1	24.0
- Females	27.3	27.2

Scheme liabilities would have been affected by changes in assumptions as follows:

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

	2022 Fair value £	2021 Fair value £
Equities	466,900	412,620
Government bonds	133,400	125,580
Cash/liquidity	6,670	5,980
Property	60,030	53,820
Total market value of assets	667,000	598,000

The actual return on scheme assets was £(11,000) (2021: £85,000).

Amount recognised in the statement of financial activities

	2022 £	2021 £
Current service cost	114,000	98,000
Interest income	(11,000)	(8,000)
Interest cost	27,000	24,000
Administration expenses	-	1,000
Total operating charge	130,000	115,000

SACRED HEART HILLSBOROUGH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

18 Pension and similar obligations		(Continued)	
Changes in the present value of defined benefit obligations		2022	2021
		£	£
At 1 September 2021		1,513,000	1,298,000
Current service cost		114,000	98,000
Interest cost		27,000	24,000
Employee contributions		15,000	14,000
Actuarial (gain)/loss		(584,000)	86,000
Benefits paid		(16,000)	(7,000)
At 31 August 2022		1,069,000	1,513,000
Changes in the fair value of the academy trust's share of scheme assets		2022	2021
		£	£
At 1 September 2021		598,000	430,000
Interest income		(5,000)	8,000
Actuarial loss/(gain)		(22,000)	77,000
Employer contributions		81,000	77,000
Employee contributions		15,000	14,000
Benefits paid		-	(7,000)
Effect of non-routine settlements and administration expenses		-	(1,000)
At 31 August 2022		667,000	598,000
19 Reconciliation of net expenditure to net cash flow from operating activities		2022	2021
		£	£
Net expenditure for the reporting period (as per the statement of financial activities)		(115,062)	(95,356)
Adjusted for:			
Capital grants from DfE and other capital income		(6,340)	(9,510)
Defined benefit pension costs less contributions payable	18	33,000	22,000
Defined benefit pension scheme finance cost	18	16,000	16,000
Depreciation of tangible fixed assets		34,742	31,331
Decrease/(increase) in stocks		7,363	(2,675)
Decrease in debtors		5,377	11,345
Increase/(decrease) in creditors		20,637	(48)
Net cash used in operating activities		(4,283)	(26,913)

SACRED HEART HILLSBOROUGH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

20 Analysis of changes in net funds

	1 September 2021 £	Cash flows £	31 August 2022 £
Cash	147,736	(2,994)	144,742

21 Long-term commitments

Operating leases

At 31 August 2022 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2022 £	2021 £
Amounts due within one year	2,274	6,615
Amounts due in two and five years	1,104	4,687
	3,378	11,302

22 Related party transactions

Owing to the nature of the academy trust's operations and the composition of the governing body being drawn from local public and private sector organisations, transactions may take place with organisations in which governors have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account:

The Diocese of Hallam Trustee, a company limited by guarantee, is also a trustee of the Roman Catholic Diocese of Hallam, a registered charity.

During the period the Roman Catholic Diocese of Hallam charged the academy £3,214 (2021 - £3,229) for the professional services of the Diocesan Schools' Department and the Catholic Education Service. This is charged at a standard rate per pupil. The Diocese of Hallam also charged the academy £70 (2021 - £30) for other services provided.

Furthermore the Roman Catholic Diocese of Hallam is the legal owner of the property in which the academy resides. No rent is charged by the Diocese for the provision of the property.

23 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.