

Company Registration No. 08137421 (England and Wales)

**ST FRANCIS XAVIER'S COLLEGE**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**GOVERNORS' REPORT AND AUDITED ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

WEDNESDAY



\*A5LCCWVD\*

A23

07/12/2016

#94

COMPANIES HOUSE

# **ST FRANCIS XAVIER'S COLLEGE**

## **CONTENTS**

---

	<b>Page</b>
Reference and administrative details	1 - 2
Governors' report	3 - 11
Governance statement	12 - 19
Statement on regularity, propriety and compliance	20
Statement of governors' responsibilities	21
Independent auditor's report on the accounts	22 - 23
Independent reporting accountant's report on regularity	24 - 25
Statement of financial activities including income and expenditure account	26 - 27
Balance sheet	28
Statement of cash flows	29
Notes to the accounts including accounting policies	30 - 48

---

# ST FRANCIS XAVIER'S COLLEGE

## REFERENCE AND ADMINISTRATIVE DETAILS

---

### Governors

Mr D Delaney (Appointed by members)  
Mrs P Pacey (Support staff governor)  
Mrs M Gormely (Appointed by members)  
Mr M Helme (Parent governor) (Resigned 1 April 2016)  
Dr A Keeley (Chair of Governors)  
Mr J Lloyd (Teaching staff)  
Mr S McNally (Parent governor)  
Mrs S O'Driscoll (Appointed by members) (Deceased 23 November 2015)  
Mr N O'Hare (Parent governor)  
Mrs Y A O'Hare (Appointed by members) (Resigned 24 June 2016)  
Mrs A Oliver (Parent governor)  
Mr M W Ord (Appointed by members) (Resigned 7 March 2016)  
Bro F Patterson (Appointed by members)  
Mr M Power (Appointed by members)  
Mr D Reynolds (Co-opted by members)  
Mr L D Rippon (Head Teacher)  
Mrs E M Tedford (Vice Chair) (Resigned 24 June 2016)  
Mrs L Riccio-Jones (Parent governor)  
Mr N Summers (Parent governor)  
Mr H N King (Appointed by members)  
Mrs J Deane (Parent governor) (Resigned 7 September 2015)  
Mr D Bowers (Teaching staff)  
Mrs S Coleman (Parent governor) (Appointed 1 November 2015)  
Mr A Crilly (Parent governor) (Appointed 1 September 2016)  
Mr M Edwards (Appointed by members)  
Mr A Emmott (Appointed by members) (Appointed 1 May 2016)  
Mrs C McGuinness (Appointed by members) (Appointed 24 June 2016)  
Mrs J Murphy (Parent governor) (Appointed 1 September 2016)  
Bro Herve (Member)

### Members

Bro F Patterson  
Bro Seite  
Dr A Keeley

### Senior management team

- Deputy Head Teacher KS3
- Deputy Head Teacher KS4
- Business Manager
- Head of school
- Exec Head Teacher

Mrs K Fay  
Bro P Tracey  
Mrs M Black  
Mr G Flowers  
Mr L D Rippon

### Company secretary

Mrs D Banks

### Company registration number

08137421 (England and Wales)

### Registered office

Woolton Hill Road  
Liverpool  
L25 6EG

# ST FRANCIS XAVIER'S COLLEGE

## REFERENCE AND ADMINISTRATIVE DETAILS

---

### Independent auditor

UHY Hacker Young Manchester LLP  
St James Building  
79 Oxford Street  
Manchester  
M1 6HT

### Bankers

Lloyds Bank plc  
Liverpool Law Courts  
Merchants Court  
2-12 Lord Street  
Liverpool  
L2 1TS

### Solicitors

Stone King Solicitors  
13 Queen Square  
Bath  
BA1 2HJ

# **ST FRANCIS XAVIER'S COLLEGE**

## **GOVERNORS' REPORT**

### ***FOR THE YEAR ENDED 31 AUGUST 2016***

---

The governors present their annual report together with the accounts and independent auditor's report of the charitable company for the period 1 September 2015 to 31 August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates as an academy for pupils aged 11 to 18 serving a catchment area in South Liverpool. It has a pupil capacity of 980 for aged 11 to 16 and 250 for aged 16-19 and has a role of 964 11-16 and a role of 216 16-19 in the school census on 6 October 2016.

#### **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 trustees of St Francis Xavier's College are also the directors of the charitable company for the purposes of company law. The governors act as the trustees for the charitable activities.

The charitable company is known as St Francis Xavier's College. The company has not been known by any other name.

Details of the Trustees and Governors who served during the year are included in the Reference and Administration Details on Page 1.

##### Members' liability

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

##### Governors' indemnities

In accordance with normal commercial practice, the school has purchased Risk Protection Insurance from the Education Funding Agency (introduced to academies in September 2014) to protect trustees, governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The indemnity is unlimited.

# **ST FRANCIS XAVIER'S COLLEGE**

## **GOVERNORS' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2016**

---

#### Method of recruitment and appointment or election of governors

On the 1st August 2012 the Trustees appointed all those Governors that served the predecessor school to be Governors of the newly formed Academy. These Governors were appointed on a term of office that would end when their original term at the predecessor school would have ended, thus ensuring a staggered re-election or replacement process.

The Academy shall have the following Governors as set out in its Articles of Association and funding agreement:

- 10 Governors who are appointed by the Members
- 7 Parent Governors who are elected by Parents of registered students at the college
- 2 Teaching Staff Governors appointed by peer election
- 1 Support Staff Governor appointed by peer election
- 1 Co-opted Governor
- The Headteacher who is treated for all purposes as being an ex officio Governor

There are 3 member governors who are entitled to nominate or appoint one or more Directors, they are detailed below:

Bro Seite  
Bro Francis Patterson  
Dr A Keeley

Governors are appointed for a four year period, except that this time limit does not apply to the Headteacher. Subject to remaining eligible to be a particular type of Governor, any governor can be re-appointed or re-elected.

#### Policies and procedures adopted for the induction and training of governors

When appointing new governors, the Members will give consideration to the skills and experience mix of existing Governors in order to ensure that the Board has the necessary skills to contribute fully to the school's development.

There is a comprehensive Governor Induction Programme managed by the Company Secretary, tailored to the individual and includes briefings by senior staff, tour of the school to meet staff and students and papers necessary to the fulfilment of the role.

#### Principal activities

The principal activity is the advance of education for the public benefit by establishing, maintaining, carrying on, managing and developing a secondary school offering a broad and balanced curriculum for students of different abilities between the ages of 11 – 18.

# **ST FRANCIS XAVIER'S COLLEGE**

## **GOVERNORS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2016***

---

### Organisational structure

The Full Governing Body and the individual committees meet three times per year. They establish an overall framework for the governance of the school and determine membership, terms of reference and procedures of committees and other groups. They receive reports including policies from its committees for ratification and monitor the activities of the committees through the minutes of their meetings. The Governing Body may from time to time establish working groups to perform specific tasks over a limited timescale.

There are 4 committees, meeting termly, all of whom are responsible for school policy, practice and performance and monitor aspects of their work by discussion/review/challenge:

- Finance Committee – financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from the Responsible Officer and drafting the annual budget.
- Education Committee – curriculum planning, target setting, assessment and examinations.
- Buildings Committee – management of land, environment and school buildings.
- Staffing Committee – performance management, staffing levels, appointments, salaries, CPD, work-life balance and personnel policies.

The following decisions are reserved for the Governors:

- To consider any proposals for changes to the status or constitution of the school and its committee structure.
- To appoint or remove the Chairman and/or Vice Chairman.
- To appoint the Headteacher and Company Secretary.
- To approve the Development Plan and budget.

The Governors are responsible for setting general policy, adopting a development plan and budget, approving the statutory accounts, monitoring the school by the use of budgets and other data and making major decisions about the direction of the school, capital expenditure and staff appointments.

The Trustees and Governors have devolved responsibility for day to day management of the Academy to the Headteacher, Deputy Headteachers and the Business Manager.

The school has a leadership structure which consists of the Governors, Senior Leadership Group and Leadership Group. The aim of the leadership structure is to encourage responsibility and encourage involvement in decision making at all levels.

The Senior Leadership Group (SLG) consists of the Executive Headteacher, Head of School, two Deputy Headteachers and the Business Manager. The Leadership Group (LG) consists of the SLG and four Assistant Headteachers. The SLG and LG control the school at an executive level, implementing the policies laid down by the Governors and reporting back to them. The Headteacher, Business Manager and Finance Committee are responsible for the authorisation of spending within agreed budgets. Departmental spending control is devolved to budget holders. The Head of School is responsible for the appointment of staff, though appointment panels for teaching posts may often include a Governor.

The Executive Headteacher is the Accounting Officer.

# ST FRANCIS XAVIER'S COLLEGE

## GOVERNORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

---

#### Arrangements for setting pay and remuneration of key management personnel

The Governing Body is responsible for:

- Formal approval of the policy following relevant consultation.
- Establishing a Pay Committee and a Pay Appeals Committee with delegated responsibility and authority to implement the pay policy on its behalf.
- Appointing 2/3 Governors (known as the Appointed Governors) to review the Head Teacher's performance on an annual basis.
- Setting and agreeing the school's budget including the staffing budget.
- Ensuring that all teacher's salaries (including the Head Teacher) are reviewed inline with statutory provision.
- Considering an annual report, including statistical information, on decisions taken in accordance with the terms of the policy.

The Governing Body has delegated its pay powers to the Pay Committee. Any person employed to work at the school, other than the Head Teacher, must withdraw from a meeting at which the pay or appraisal of any other employee of the school is under consideration. The Head Teacher must withdraw from that part of the meeting where the subject of consideration is his or her own pay. A relevant person must withdraw where there is a conflict of interest or any doubt about his/her ability to act impartially. No member of the Governing Body who is employed to work in the school shall be eligible for membership of this committee. The Pay Committee will be attended by the Head Teacher in an advisory capacity. Where the Pay Committee has invited either a representative of the LA or the external adviser to attend and offer advice on the determination of the Head Teacher's pay, that person will withdraw at the same time as the Head Teacher while the committee reaches its decision. Any member of the committee required to withdraw will do so.

The responsibilities of the Pay Committee will be determined from time to time by the Governing Body. The current responsibilities are:

- To establish and review annually the school's pay policy and staffing structure and submit it to the Governing Body for approval.
- To achieve the aims of the whole school pay policy in a fair and equal manner.
- To determine salary on appointment of a teacher.
- To apply the criteria set by the whole school pay policy and take decisions regarding the pay of all teachers including the Head Teacher, following consideration of the recommendations of appraisal reports and relevant advice.
- To ensure that the Head Teacher is informed of the outcome of any pay decision and the right of appeal.
- To observe all statutory and contractual obligations.
- To minute clearly the reasons for all decisions and report the fact of these decisions to the next meeting of the full Governing Body.
- To recommend to the Governing Body the annual budget needed for pay, bearing in mind the need to ensure the availability of monies to support any exercise of pay discretion.
- To keep abreast of relevant developments and to advise the Governing Body when the school's pay policy needs to be revised.
- To work with the Head Teacher in ensuring that the Governing Body complies with the Appraisal Regulations 2012 (Teachers).
- The report of the Pay Committee will be placed in the confidential section of the Governing Body's agenda and will be either received or referred back. Reference back may occur only if the Pay Committee has exceeded its powers under the policy.

The Head Teacher is responsible for:

- Ensuring that pay recommendations for the Deputy and Assistant Head Teacher(s) and classroom teachers are made and submitted to the Pay Committee in accordance with the terms of the policy.
- Advising the Pay Committee on its decisions.
- Ensuring that staff are informed of the outcome of decisions of the Pay Committee and of the right to appeal.

The Appeals Committee of the Governing Body is responsible for:

- Taking decisions on appeals against the decisions of the Pay Committee in accordance with the terms of the appeals procedure of the policy.



# ST FRANCIS XAVIER'S COLLEGE

## GOVERNORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

---

#### Related parties and other connected charities and organisations

The Academy has strong collaborative links with its feeder primary schools, and other secondary schools in the area.

The Academy has an active Parent Teacher Association - SFX PTA which supports the work of the school.

The Trustees of the Brothers of Christian Instruction owns the freehold of the college land and buildings and leases this to the Academy. The Academy leases its playing fields from the Trustees for Roman Catholic Purposes Registered.

There are no sponsors.

#### **Objectives and activities**

##### Objects and aims

The purpose of the Academy Trust is to provide education for 11-18 within a catholic education environment.

The Academy is a caring, successful and improving school which currently has as its mission statement "Life in all its fullness". The Academy serves students with high quality learning to give the best possible life chances. We aim to get the best for, and from, each student. We aim to enable each student to realise his or her full academic, creative and physical potential, and to develop positive social and moral values. Our Academy is a community in which students, staff and parents should be part of this happy and caring environment.

##### Objectives, strategies and activities

The priorities of the Academy Trust for 2016 – 2017 are:-

- To continue improved trend in proportion of pupils making 3 Level's of Progress (LOP) in Maths.
- Reduce the proportion of pupils obtaining a C in English or Maths only and not both.
- Improve progress of pupils 3 LOP in Science.
- 6th Form Recruitment.
- Implementation of post Ofsted Action Plan.

The school development plan gives further details on how this will be achieved.

##### Public benefit

The governors confirm that they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission in determining the activities undertaken by the Charitable Company.

## **Strategic report**

### **Achievements and performance**

The Academy caters for boys aged 11 - 16. GCSE performance this year was above that of the national picture for boys, 66.1% of all grades were C or above compared to a national figure for boys of 62.4%. In 2016 59% of pupils obtained A\* - C grades in both English and Maths. In terms of English and Maths, 67.6% of pupils obtained a grade C or above in English (national figure 60.2%) and 65.7% gained a grade C or above in Maths (national figure 64.7%).

Students obtained very good post 16 results with 95% of students progressing into higher education. The average grade being obtained was C at 'A' Level and Distinction for Vocational courses.

NEET (not in employment, education or training) figures are outstanding. They stand at 0.0% for the Y11, 0.0% for the Y12 and 0.0% for the Y13 group of 2015-16.

# **ST FRANCIS XAVIER'S COLLEGE**

## **GOVERNORS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2016***

---

### Key performance indicators

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) requires special attention. It is the Academy's management policy that in general terms the income received in any one year is spent for the benefit of those children in the school that year.

During the financial year 2015/2016 the Academy has continued to make improvements to the school buildings. New building work has also been completed by Liverpool City Council as part of the Liverpool Schools Investment Programme. This has involved a Science Block, Sports Hall, Music Suite and Admin Block. Unrestricted reserves were used to ensure that pupils could benefit from the new buildings by installing new teaching equipment. The college also had to replace the obsolete fire alarm in the old part of the building at a cost of £50k. An application was made to the EFA for assistance with the replacement however this was rejected despite an appeal.

The monthly management accounts are generally in line with projected budget spend and this is another main indicator.

As funding is based on student numbers this is also a key performance indicator. Student numbers for Spring Census 2016 were 951 in years 7-11 and 155 in 6th Form and 964 and 216 in the Autumn Census respectively. The 6th Form numbers can vary from one year to the next and this is a matter reviewed regularly by the Academy Governors and Leadership Team, bearing in mind the downward trend of 6th Form funding.

### Going concern

After making appropriate enquiries, the governing body has a reasonable expectation that the Academy 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.

# **ST FRANCIS XAVIER'S COLLEGE**

## **GOVERNORS' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2016**

---

#### **Financial review**

Most of the Academy's income is obtained from the EFA via the Pre 16 GAG funding and Post 16 GAG funding, in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the period ended 31 August 2016 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

During the period ended 31 August 2016, expenditure was covered by recurrent grant funding from the DfE, together with other incoming resources.

All existing assets of the school were transferred to the Academy upon conversion. Specific land and buildings owned directly by the Academy Trust were professionally valued at that date. Other assets have been included in the financial statements at a fair value taking into account purchase price and remaining useful lives.

The balance of the former school's budget share was transferred across on conversion and is shown as Unrestricted Funds.

The Academy has taken on the deficit in the Local Government Pension Scheme (LGPS) in respect of its Support Staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in the financial statements. A LGPS Discretionary Statement was approved by the Governors during the period.

Key financial policies adopted or reviewed during the year include the Financial Handbook which lays out the framework for financial management, including financial responsibilities of the Governors, Head Teacher, Business Manager, other managers, budget holders and other staff, as well as delegated authority for spending.

Other policies reviewed and updated annually included Financial Risk and Controls Checklist, Best Value Policy and the Governors Decision Making Document. The Governors also review the Financial Scheme of Delegation separately from the Financial Manual. Insurance needs are also reviewed annually.

Governors have appointed UHY Hacker Young Manchester LLP to undertake the role of internal auditor. This role undertakes a programme of internal checks on financial controls. During the period, the Governors received two reports from the internal auditor which contained no matters of significance.

#### **Reserves policy**

The Governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Governors take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

The Academy is carrying a net surplus on funds excluding the pension scheme liability of £18,974,291, and at the end of the period has free reserves of £135,321.

The Governors have determined that the appropriate levels of free cash reserves should be approximately £250,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies.

#### **Investment policy and powers**

All funds surplus to immediate requirements are invested to optimal effect. Where cash flow allows, sums may be invested on deposit for extended periods.

Governors are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. Day to day management of the surplus funds is delegated to the Business Manager under approvals by the Governing Body.

# ST FRANCIS XAVIER'S COLLEGE

## GOVERNORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2016**

---

### Principal risks and uncertainties

The Academy has agreed a Risk Management Policy incorporating a Risk Register. There is also a strategic plan. These have been discussed by Governors and include the financial risks to the Academy. The register and plan are constantly reviewed in light of any new information and are formally reviewed annually.

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Governors have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains they have ensured they have adequate insurance cover.

As the Academy is over-subscribed at year 7, risks to revenue funding from a falling roll are small. However, 6th Form numbers can vary slightly and this is a matter reviewed regularly by the Academy Governors and Leadership Team, bearing in mind the reduction in post 16 funding levels, the freeze on the Government's overall education budget, changes in funding arrangements for special educational needs and increasing employment and premises costs mean that budgets will be increasingly tight in coming years. Increasing recruitment to the 6th Form is a current priority.

The Governors examine the financial health formally every term, reviewing performance against budgets and overall expenditure by means of regular update reports at all Full Governors and Finance Committee meetings ensuring that sufficient funds are held to cover all known and anticipated commitments.

The Governing Body recognises that the defined benefit scheme deficit (Local Government Pension Scheme), which is set out in the notes to the financial statements, represents a significant potential liability. However, as the Governors consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

The principal risks and uncertainties facing the Academy are as follows:

**Financial** – the Academy has considerable reliance on continued Government funding through the EFA and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

**Failures in governance and/or management** – the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns etc. The Governors continue to review and ensure that appropriate measures are in place to mitigate these risks.

**Reputational** – the continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Governors ensure that student success and achievement are closely monitored and reviewed.

**Safeguarding and child protection** – the Governors continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protections policies and procedures, health and safety and discipline.

**Staffing** – the success of the Academy is reliant on the quality of its staff and so the Governors monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

**Fraud and mismanagement of funds** – The Academy has appointed an internal auditor to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff received training to keep them up to date with financial practice requirements and develop their skills in this area.

# ST FRANCIS XAVIER'S COLLEGE

## GOVERNORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2016**

---

### **Plans for future periods**

Our primary focus in 2016/2017 is to ensure our students make significant progress and achieve high degrees of success in their examinations.

At our Leadership Conference which is usually held in February each year, staff work to produce a 3 year plan to improve teaching and learning using the financial resources available to the college. We have an Academy that is continually striving to improve results and have implemented a detailed Post Ofsted Action Plan which is monitored closely by Governors.

The Leadership Team are working hard to embrace the various changes to the curriculum which are coming on line for 2016/17 in order that the best interests of students are served.

We have invested a large sum of money in the Main Building over the last 5 years. The building is over 60 years old and required major refurbishment work. This has now been carried out in the form of a new roof, new windows, new fire doors, new lighting, new flooring, a new heating system following a successful Capital Maintenance Bid from the EFA and a new fire alarm system.

The Academy has also erected a brand new covered Multi Use Games Area (MUGA) with down lighting included to allow students to continue sport in bad weather.

### **Funds held as custodian trustee on behalf of others**

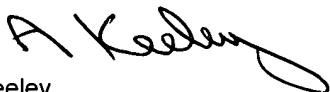
The Academy and its Governors do not act as the custodian trustees of any other charity.

### **Auditor**

In so far 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.

The governor's report, incorporating a strategic report, was approved by order of the members of the Governing Body on Thursday 24 November 2016 and signed on its behalf by:



Dr A' Keeley

**Chair of Governors**

# **ST FRANCIS XAVIER'S COLLEGE**

## **GOVERNANCE STATEMENT**

***FOR THE YEAR ENDED 31 AUGUST 2016***

---

### **Scope of responsibility**

As governors, we acknowledge we have overall responsibility for ensuring that the Academy 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 Headteacher, as Accounting Officer, for ensuring the 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 St Francis Xavier's College and the Secretary of State for Education. They are also responsible for reporting to the governing body any material weakness or breakdowns in internal control.

# ST FRANCIS XAVIER'S COLLEGE

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

#### Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities.

The governors carry out regular reviews and evaluations of governance to assess the effectiveness of the board of governors. The last self evaluation was carried out in November 2012, and a review of the delivery of the vision statement was conducted in March 2013. The next self review is planned for January 2016.

The board of governors has formally met 3 times during the year. Attendance during the year at meetings of the board of governors was as follows:

Governors	Meetings attended	Out of possible
Mr D Delaney (Appointed by members)	3	3
Mrs P Pacey (Support staff governor)	3	3
Mrs M Gormely (Appointed by members)	3	3
Mr M Helme (Parent governor) (Resigned 1 April 2016)	0	2
Dr A Keeley (Chair of Governors)	3	3
Mr J Lloyd (Teaching staff)	2	3
Mr S McNally (Parent governor)	3	3
Mrs S O'Driscoll (Appointed by members) (Deceased 23 November 2015)	0	1
Mr N O'Hare (Parent governor)	2	3
Mrs Y A O'Hare (Appointed by members) (Resigned 24 June 2016)	3	3
Mrs A Oliver (Parent governor)	0	3
Mr M W Ord (Appointed by members) (Resigned 7 March 2016)	0	2
Bro F Patterson (Appointed by members)	3	3
Mr M Power (Appointed by members)	1	3
Mr D Reynolds (Co-opted by members)	3	3
Mr L D Rippon (Head Teacher)	3	3
Mrs E M Tedford (Vice Chair) (Resigned 24 June 2016)	2	3
Mrs L Riccio-Jones (Parent governor)	3	3
Mr N Summers (Parent governor)	3	3
Mr H N King (Appointed by members)	3	3
Mrs J Deane (Parent governor) (Resigned 7 September 2015)		
Mr D Bowers (Teaching staff)	3	3
Mrs S Coleman (Parent governor) (Appointed 1 November 2015)	3	3
Mr A Crilly (Parent governor) (Appointed 1 September 2016)		
Mr M Edwards (Appointed by members)	1	1
Mr A Emmott (Appointed by members) (Appointed 1 May 2016)	1	1
Mrs C McGuinness (Appointed by members) (Appointed 24 June 2016)		
Mrs J Murphy (Parent governor) (Appointed 1 September 2016)		
Bro Herve (Member)	0	3

During the academic year one of the Member Governors resigned and was replaced by another Christian Brother from the French order that are the trustees of the college. There were also 5 resignations from existing governors one of these being the Vice Chair of Governors. The college has a Post Ofsted Action Plan which it is at present administering and this was considered when new governors were being recruited by looking for governors with the skills to help in various areas such as Education & Finance.

# ST FRANCIS XAVIER'S COLLEGE

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2016**

---

The Finance Committee is a sub-committee of the main governing body. Its purpose is to monitor the financial administration of the school and to ensure efficient and effective use of funds in accordance with current regulations by discussion, review and challenge at its meetings. The Finance committee also deals with any audit matters.

During the Financial year 2015/16 the Finance Committee discussed and made important decisions in regards to the budget. As budgets in schools are reducing it is important to keep a careful watch on them and the Finance Committee discuss such problems regularly at the meetings. The new budget for 2016/17 was discussed at length in June 2016 as this was an extremely difficult budget to balance. The committee have asked for regular updates on this budget.

Attendance at the meetings in the year was as follows:-

Governors	Meetings attended	Out of possible
Mrs M Gormely (Appointed by members)	3	3
Mr M Helme (Parent governor) (Resigned 1 April 2016)	0	2
Dr A Keeley (Chair of Governors)	3	3
Mr J Lloyd (Teaching staff)	1	2
Mr S McNally (Parent governor)	3	3
Mr N O'Hare (Parent governor)	3	3
Mr M Power (Appointed by members)	0	2
Mr L D Rippon (Head Teacher)	3	3
Mrs E M Tedford (Vice Chair) (Resigned 24 June 2016)	2	3
Mrs L Riccio-Jones (Parent governor)	2	3
Mr H N King (Appointed by members)	2	2
Mr D Bowers (Teaching staff)	2	2



# **ST FRANCIS XAVIER'S COLLEGE**

## **GOVERNANCE STATEMENT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2016**

---

### **Review of value for money**

As Accounting Officer of St Francis Xavier's College, the head teacher 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 taxpayers resources received.

The Accounting Officer has ensured that the academy trust's use of its resources has provided good value for money during the academic year.

The Academy Trust is committed to:-

### **Improving educational results**

The Academy tracks attendance and behaviour of all students, statistics are in line with National averages. The college continues to work hard to ensure that pupil absence is monitored regularly and kept as low as possible. Persistent Absence has increased for some students and is a point in the Post Ofsted Action Plan. The college has increased the hours of the Education Welfare Officer (EWO) to aid in reducing this.

### **Targeted Improvement**

The success of the Academy is reliant on the quality of its staff and so the Governors monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

The staffing structure of the college is monitored and reviewed regularly by the Senior Leadership Team and the Governing Body to ensure staff are deployed efficiently and effectively thus ensuring the curriculum needs of pupils are met.

# **ST FRANCIS XAVIER'S COLLEGE**

## **GOVERNANCE STATEMENT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2016**

---

### **Focus on Individual Pupils**

Pupil premium funds are utilised to narrow the educational attainment gap along with other key interventions across Years 7-11 which are funded to raise achievement. Pupil premium achievement outcomes are managed by the Director of Development and are reported to Full Governors annually. The college has introduced additional teaching support such as mentoring and 1:1 support to help raise attainment of pupils who are struggling to achieve their full potential.

### **Collaboration**

The Academy has maintained its relationships with the Local Authority and on a number of occasions worked with the School Improvement Partner to review Teaching and Learning to enable additional strategies to be used. This has enabled the Academy to share best practice and allowed standards to be driven effectively and at a low cost.

The Academy is part of a Sixth Form Collaborative with three other schools which provides opportunities for sharing delivery and good practice of Level 3 Courses. This enables our 16-19 cohort to have a broader and more diverse curriculum.

### **New Initiatives**

The Academy has in the last two years worked with the Local Authority to provide a Capital new build which is providing a new fully equipped Science block, a new Sports Hall and refurbished Music Suites. Front Entrance, Reception area and Admin facilities. These new additions have made the site more secure and in doing so have provided better safeguarding for both pupils and staff. The new facilities will allow for better learning and teaching for all pupils.

### **Quantifying improvements**

Detailed analysis will be available concerning our 2016 results and also the lessons that can be learned from them when our Raise online report is published later in the first term of the Academic Year. This analysis includes the progress that our students have made compared to their starting points (value added).

### **Financial governance and oversight**

The Academy benefits from the provision of a suitably qualified Finance Committee which reviews key financial policies, systems and procedures, including the use of tenders. Auditors present reports on compliance to the Finance and Audit Committee.

The Finance Committee receive termly budget monitoring reports with full explanations of budget variances. The Accounting Officer has day to day access to all staff involved in purchasing and budget monitoring. The Finance Committee have the knowledge to challenge how effective financial management controls are by deploying a firm of Chartered Accountants to report on how the Academy's financial procedures have been implemented. An Internal Auditor has been appointed to assure the Governing Body that the systems in place are managed effectively.

The Full Governing Body approves the budget each year and is mindful of the need to balance expenditure against income to ensure a secure financial foundation for the Academy Trust. The Governing Body also receives and approves the Annual Accounts and the External Auditors Management Report.

The Academy benchmarks financial performance against other academy trusts to demonstrate that the Trust provides good value for money.

Tender exercises are undertaken to ensure that high value contracts are assessed against the marketplace on a regular basis to ensure that long term contracts remain competitive.

# **ST FRANCIS XAVIER'S COLLEGE**

## **GOVERNANCE STATEMENT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2016**

---

### **Better purchasing**

The Accounting Officer is assured that all services and contracts are consistently appraised and negotiated to maintain value for money and quality of delivery. The Academy will continue to compare its costs against other similar Academies. The Academies Financial Handbook along with the Governors Financial Procedures Manual gives clear guidance of how the purchasing and tendering processes are to be carried out. There is evidence kept of this procedure for Audit purposes.

### **Economies of Scale**

The Academy has made a decision to buy back services from the Local Authority at a cost which is lower than going to an external provider in purchasing each individual aspect of the requirements. For example; Subject specific collaborative forums, which provide up to date Ofsted guidance, training and support for subject leaders. If external provision was made this would have put additional pressure on resources.

### **Better Income generation**

The Academy generates income through various grants available. Some of these grants from the EFA and others sourced from other locations such as the Football Foundation.

### **Reviewing controls and managing risks.**

The budget is monitored on a monthly basis and discussions take place between the Business Manager and myself, any significant variances would be discussed at length and the appropriate action taken to address these, so reducing any risk on the budget out turn.

The Academy Trust ensures whenever possible that all surplus cash balances are invested in interest bearing accounts to maximise interest earning potential with recorded Governor Approval of the transaction.

### **Lessons learned**

We now come to the end of our third financial year as an Academy and the accounts have been approved by the Full Governing body. The Auditors have reported a few minor recommendations for improvement, most of which have been addressed or are currently being discussed with the Auditors / Accountants so that they can be addressed.

### **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 Academy for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

### **Capacity to handle risk**

The Governing Body has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The governing body 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 period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governing body.

# ST FRANCIS XAVIER'S COLLEGE

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2016**

---

### **The risk and control framework**

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

- Comprehensive budgeting and monitoring systems with an annual three year strategic budget plan and periodic financial reports are reviewed and agreed by the governing body;
- Regular reviews by the Finance Committee of reports presented by the Business Manager 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 governing body has considered the need for a specific internal audit function and has decided to appoint UHY Hacker Young to carry out the internal audit function. The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems this is done on a termly basis.

The following checks have been carried out in the past financial year:-

- Testing of the payroll system in detail.
- Testing of the purchase ledger system in detail, including segregation of duties
- Testing of control accounts and bank reconciliations
- Testing of Fixed Asset systems
- Testing of Prepayments and accruals

The internal auditor reports to the governing body on a termly basis on the operation of the system of control and on the discharge of the governing body's financial responsibilities. The work of the internal auditor has been in accordance with the requirements of the financial regulations and there were no items of significance reported.

# ST FRANCIS XAVIER'S COLLEGE

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2016**

---

### **Review of effectiveness**

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

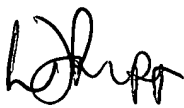
- The work of the Internal Auditor;
- The work of the external auditor;
- The financial management and governance self-assessment process;
- The work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by the order of the members of the governing body on Thursday 24th November 2016 and signed on its behalf by:



Dr A Keeley  
**Chair of Governors**



Mr L D Rippon  
**Exec Head Teacher**

# **ST FRANCIS XAVIER'S COLLEGE**

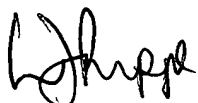
## **STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2016**

---

As accounting officer of St Francis Xavier's College I have considered my responsibility to notify the academy trust board of governors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA 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 2015.

I confirm that I and the academy trust's board of governors 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 2015.

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 governors and EFA.



Mr L D Rippon  
**Accounting Officer**

24 November 2016

# ST FRANCIS XAVIER'S COLLEGE

## STATEMENT OF GOVERNORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2016

---

The governors (who act as trustees for St Francis Xavier's College and are also the directors of St Francis Xavier's College for the purposes of company law) are responsible for preparing the Governors' Report and the accounts in accordance with the Annual Accounts Direction issued by the Education 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 2015 and the Academies Accounts Direction 2015 to 2016;
- 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 EFA/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 board of governors on 24 November 2016 and signed on its behalf by:



Dr A Keeley  
Chair of Governors

# **ST FRANCIS XAVIER'S COLLEGE**

## **INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF ST FRANCIS XAVIER'S COLLEGE**

---

We have audited the accounts of St Francis Xavier's College for the year ended 31 August 2016 set out on pages 26 to 48. 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 FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

### **Respective responsibilities of governors and auditors**

As explained more fully in the Governors' Responsibilities Statement set out on page 21, the governors, who are also the directors of St Francis Xavier's College for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the accounts**

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the governors; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Governors' Report including the incorporated strategic report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on accounts**

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 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 2015 and the Academies Accounts Direction 2015 to 2016.

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

In our opinion 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.



# **ST FRANCIS XAVIER'S COLLEGE**

## **INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF ST FRANCIS XAVIER'S COLLEGE (CONTINUED)**

---

### **Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.



**Mark Robertson (Senior Statutory Auditor)**  
for and on behalf of UHY Hacker Young Manchester LLP

**Chartered Accountants**  
**Statutory Auditor**  
St James Building  
79 Oxford Street  
Manchester  
M1 6HT

Dated: 24 November 2016

# **ST FRANCIS XAVIER'S COLLEGE**

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ST FRANCIS XAVIER'S COLLEGE AND THE EDUCATION FUNDING AGENCY**

---

In accordance with the terms of our engagement letter and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St Francis Xavier's College during the period 1 September 2015 to 31 August 2016 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 St Francis Xavier's College and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the St Francis Xavier's College and the EFA 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 St Francis Xavier's College and the EFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of St Francis Xavier's College's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of St Francis Xavier's College's funding agreement with the Secretary of State for Education dated 20 February 2012 and the Academies Financial Handbook, extant from 1 September 2015, 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 2015 to 2016. 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 2015 to 31 August 2016 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 2015 to 2016 issued by EFA. 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.

We conducted our work in accordance with Technical Release TECH 08/12 AAF issued by the Institute of Chartered Accountants In England and Wales. In accordance with that Technical Release we have carried out the procedures we consider necessary to be able to report on whether anything has come to our attention which suggests that in all material respects expenditure disbursed and income received have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them. Other than those procedures undertaken for the purposes of our audit of the financial statements of St Francis Xavier's College for the year ended 31 August 2016 which provide evidence on regularity, our work was limited to only those additional procedures necessary to provide limited assurance.

# ST FRANCIS XAVIER'S COLLEGE

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ST FRANCIS XAVIER'S COLLEGE AND THE EDUCATION FUNDING AGENCY (CONTINUED)

---

### Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Mark Robertson  
**Reporting Accountant**  
UHY Hacker Young Manchester LLP

Dated: 24 November 2016

# ST FRANCIS XAVIER'S COLLEGE

## STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	Unrestricted Funds £	Restricted funds: General Fixed asset £		Total 2016 £	Total 2015 £
<b>Income and endowments from:</b>						
Donations and capital grants	2	-	7,284	2,325,053	2,332,337	4,718,089
Charitable activities:						
- Funding for educational operations	3	-	6,387,410	-	6,387,410	6,695,400
Other trading activities	4	46,767	191,863	-	238,630	319,043
Investments	5	707	-	-	707	803
<b>Total income and endowments</b>		47,474	6,586,557	2,325,053	8,959,084	11,733,335
<b>Expenditure on:</b>						
Charitable activities:						
- Educational operations	7	-	6,883,733	508,897	7,392,630	7,814,639
<b>Total expenditure</b>	6	-	6,883,733	508,897	7,392,630	7,814,639
<b>Net income/(expenditure)</b>		47,474	(297,176)	1,816,156	1,566,454	3,918,696
Transfers between funds		(370,523)	250,176	120,347	-	-
<b>Other recognised gains and losses</b>						
Actuarial gains/(losses) on defined benefit pension schemes	20	-	(1,098,000)	-	(1,098,000)	(93,000)
<b>Net movement in funds</b>		(323,049)	(1,145,000)	1,936,503	468,454	3,825,696
<b>Reconciliation of funds</b>						
Total funds brought forward		458,370	(1,797,000)	16,902,467	15,563,837	11,738,141
Total funds carried forward		135,321	(2,942,000)	18,838,970	16,032,291	15,563,837

# ST FRANCIS XAVIER'S COLLEGE

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Comparative year information Year ended 31 August 2015	Notes	Unrestricted	Restricted funds:		Total
		Funds £	General £	Fixed asset £	2015 £
<b>Income and endowments from:</b>					
Donations and capital grants	2	-	2,384	4,715,705	4,718,089
Charitable activities:					
- Funding for educational operations	3	-	6,695,400	-	6,695,400
Other trading activities	4	23,660	295,383	-	319,043
Investments	5	803	-	-	803
<b>Total income and endowments</b>		<u>24,463</u>	<u>6,993,167</u>	<u>4,715,705</u>	<u>11,733,335</u>
<b>Expenditure on:</b>					
Charitable activities:					
- Educational operations	7	-	7,174,068	640,571	7,814,639
<b>Total expenditure</b>	6	<u>-</u>	<u>7,174,068</u>	<u>640,571</u>	<u>7,814,639</u>
<b>Net income/(expenditure)</b>		24,463	(180,901)	4,075,134	3,918,696
Transfers between funds		(21,585)	90,320	(68,735)	-
<b>Other recognised gains and losses</b>					
Actuarial gains/(losses) on defined benefit pension schemes	20	-	(93,000)	-	(93,000)
<b>Net movement in funds</b>		2,878	(183,581)	4,006,399	3,825,696
<b>Reconciliation of funds</b>					
Total funds brought forward		455,492	(1,613,419)	12,896,068	11,738,141
Total funds carried forward		<u>458,370</u>	<u>(1,797,000)</u>	<u>16,902,467</u>	<u>15,563,837</u>

# ST FRANCIS XAVIER'S COLLEGE

## BALANCE SHEET

AS AT 31 AUGUST 2016

	Notes	2016 £	2015 £
<b>Fixed assets</b>			
Tangible assets	11	19,187,893	17,328,835
Investments	12	275,000	275,000
		<u>19,462,893</u>	<u>17,603,835</u>
<b>Current assets</b>			
Debtors	13	207,869	244,074
Cash at bank and in hand		164,438	476,683
		<u>372,307</u>	<u>720,757</u>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	14	(295,909)	(332,805)
		<u>76,398</u>	<u>387,952</u>
<b>Net current assets</b>			
		76,398	387,952
<b>Total assets less current liabilities</b>		<u>19,539,291</u>	<u>17,991,787</u>
Creditors: amounts falling due after more than one year	15	(565,000)	(630,950)
		<u>18,974,291</u>	<u>17,360,837</u>
<b>Net assets excluding pension liability</b>			
		18,974,291	17,360,837
Defined benefit pension liability	20	(2,942,000)	(1,797,000)
		<u>16,032,291</u>	<u>15,563,837</u>
<b>Net assets</b>			
		16,032,291	15,563,837
<b>Funds of the academy trust:</b>			
<b>Restricted funds</b>	17		
- Fixed asset funds		18,838,970	16,902,467
- Pension reserve		(2,942,000)	(1,797,000)
		<u>15,896,970</u>	<u>15,105,467</u>
<b>Total restricted funds</b>			
		15,896,970	15,105,467
<b>Unrestricted income funds</b>	17	135,321	458,370
		<u>16,032,291</u>	<u>15,563,837</u>
<b>Total funds</b>			
		16,032,291	15,563,837

The accounts set out on pages 26 to 48 were approved by the board of governors and authorised for issue on 24 November 2016 and are signed on its behalf by:



Dr A Keeley  
Chair of Governors

Company Number 08137421

# ST FRANCIS XAVIER'S COLLEGE

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	2016 £	£	2015 £	£
<b>Cash flows from operating activities</b>					
Net cash used in operating activities	21		(160,173)		(210,965)
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		707		803	
Capital grants from DfE and EFA		25,167		332,230	
Payments to acquire tangible fixed assets		(162,946)		(243,876)	
			(137,072)		89,157
<b>Cash flows from financing activities</b>					
Repayment of other loan		(15,000)		-	
			(15,000)		-
<b>Change in cash and cash equivalents in the reporting period</b>			(312,245)		(121,808)
Cash and cash equivalents at 1 September 2015			476,683		598,491
<b>Cash and cash equivalents at 31 August 2016</b>			164,438		476,683

# ST FRANCIS XAVIER'S COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

---

### 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 financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

St Francis Xavier's College meets the definition of a public benefit entity under FRS 102.

These accounts for the year ended 31 August 2016 are the first accounts of St Francis Xavier's College prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 September 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

#### 1.2 Going concern

The governors assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts 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 accounts.

#### 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 receivable

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

##### Sponsorship income

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.



# ST FRANCIS XAVIER'S COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

---

### 1 Accounting policies

(Continued)

#### 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

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. 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.

### 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.

# ST FRANCIS XAVIER'S COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

---

#### 1 Accounting policies

(Continued)

##### 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. 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/reducing balance basis over its expected useful life, as follows:

Land and buildings	45 - 50 years straight line
Plant and machinery	25% reducing balance
Building adaptations	10 years straight line
Fixtures, fittings & equipment	25% reducing balance/3 years straight line

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

The majority of the land and buildings occupied by the Academy since conversion on 1 August 2013 are subject to a Supplemental Agreement between the beneficial owners (The Trustees of the Brother of Christian Instruction) and the Secretary of State. Under this agreement the land and buildings are made available at no cost for the use of the Academy for the shorter of, the duration of the funding agreement or, two years notice from the beneficial owners. In the opinion of the Governors, in substance, the Academy has the full future benefit of the land and buildings occupied and as such an asset representing this right of use has been included in the balance sheet at its value on conversion and is being depreciated over its useful economic life of 45 years. The land and buildings are capitalised on a depreciated replacement cost basis, with a land element of £528,000. Land is not depreciated.

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 Leasing and hire purchase commitments

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

# ST FRANCIS XAVIER'S COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

---

### 1 Accounting policies

(Continued)

#### 1.8 Taxation

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

#### 1.9 Pensions 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.

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 20, 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 are 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.

#### 1.10 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 Education Funding Agency 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 Funding Agency.

# ST FRANCIS XAVIER'S COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

---

### 1 Accounting policies

(Continued)

#### 1.11 Agency Arrangements

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

The academy also acts as an agent in distributing money received from the canteen. Payments received from the students and subsequent disbursements to a third party, Chartwells, are excluded from the statement of financial activities as the trust does not have control over the application of the funds.

The funds received and paid and any balances held are disclosed in note 18.

#### 1.12 Fixed asset investments

Investment properties are included in the balance sheet at their open market value and are not depreciated. This treatment is contrary to the Companies Act 2006 which states that fixed assets should be depreciated but is, in the opinion of the Governors, necessary in order to give a true and fair view of the financial position of the Academy.

#### 1.13 Other loans

Other loans are recorded at amortised cost. The Academy considers this to be appropriate as the loan is a public benefit entity concessionary loan which is interest free.

#### 1.14 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 20, 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 2016. 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.

# ST FRANCIS XAVIER'S COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Donated fixed assets	-	2,205,009	2,205,009	4,564,534
Capital grants	-	120,044	120,044	151,171
Other donations	-	7,284	7,284	2,384
	-	2,332,337	2,332,337	4,718,089

### 3 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
<b>DfE / EFA grants</b>				
General annual grant (GAG)	-	6,356,425	6,356,425	6,565,563
Other DfE / EFA grants	-	-	-	13,900
	-	6,356,425	6,356,425	6,579,463
<b>Other government grants</b>				
Local authority grants	-	30,985	30,985	115,937
<b>Total funding</b>	-	6,387,410	6,387,410	6,695,400

### 4 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Hire of facilities	30,240	-	30,240	15,307
Catering income	16,527	-	16,527	8,353
Income from other schools	-	34,819	34,819	48,173
Trip income	-	128,205	128,205	235,222
Other income	-	28,839	28,839	11,988
	46,767	191,863	238,630	319,043

### 5 Investment income

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Short term deposits	707	-	707	803

# ST FRANCIS XAVIER'S COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 6 Expenditure

	Staff costs £	Premises & equipment £	Other costs £	Total 2016 £	Total 2015 £
<b>Academy's educational operations</b>					
- Direct costs	4,077,992	234,365	635,484	4,947,841	5,404,340
- Allocated support costs	1,018,796	467,666	958,327	2,444,789	2,410,299
	<u>5,096,788</u>	<u>702,031</u>	<u>1,593,811</u>	<u>7,392,630</u>	<u>7,814,639</u>
<b>Total expenditure</b>	<u>5,096,788</u>	<u>702,031</u>	<u>1,593,811</u>	<u>7,392,630</u>	<u>7,814,639</u>

#### Net income/(expenditure) for the year includes:

	2016 £	2015 £
Fees payable to auditor for:		
- Audit	7,500	7,500
- Other services	19,586	22,123
Operating lease rentals	170,468	132,501
Depreciation of tangible fixed assets	495,625	338,616
Loss on disposal of fixed assets	13,272	301,955

Included within expenditure are the following transactions:

	2016 £
Gifts made by the trust - total	578
Fixed asset losses - total	13,272
- Items over £5,000: Building adaptations disposed as part of the LCC redevelopment programme	<u>13,272</u>

### 7 Charitable activities

	2016 £	2015 £
<b>All from restricted funds:</b>		
Direct costs - educational operations	4,947,841	5,404,340
Support costs - educational operations	2,444,789	2,410,299
	<u>7,392,630</u>	<u>7,814,639</u>

	2016 £	2015 £
<b>Analysis of support costs</b>		
Support staff costs	942,101	970,842
Depreciation and amortisation	262,759	342,511
Technology costs	225,820	169,625
Premises costs	501,645	434,849

# ST FRANCIS XAVIER'S COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

<b>7 Charitable activities</b>		<b>(Continued)</b>
Other support costs	365,518	343,294
Governance costs	146,946	149,178
	<u>2,444,789</u>	<u>2,410,299</u>

<b>8 Staff costs</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Wages and salaries	4,003,998	4,308,472
Social security costs	333,932	325,562
Operating costs of defined benefit pension schemes	677,610	600,904
Staff costs	5,015,540	5,234,938
Supply staff costs	84,610	58,752
Staff restructuring costs	-	138,093
Staff development and other staff costs	17,638	16,561
Total staff expenditure	<u>5,117,788</u>	<u>5,448,344</u>

### Staff numbers

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

	<b>2016</b>	<b>2015</b>
	<b>Number</b>	<b>Number</b>
Teachers	67	73
Administration and support	53	68
Management	9	8
	<u>129</u>	<u>149</u>

### Higher paid staff

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

	<b>2016</b>	<b>2015</b>
	<b>Number</b>	<b>Number</b>
In the band £60,001 - £70,000	3	6
In the band £70,001 - £80,000	1	-
In the band £100,001 - £200,000	1	1
	<u>5</u>	<u>7</u>

# ST FRANCIS XAVIER'S COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

---

#### 8 Staff costs

(Continued)

##### 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) received by key management personnel for their services to the academy trust was £448,496 (2015: £435,352).

#### 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, other than expenses, from the academy trust in respect of their role as governors. During the year, travel and subsistence payments totalling £nil (2015 - £nil) were reimbursed to the governors.

The value of governors' remuneration and other benefits was as follows:

##### Mr L D Rippon (Head Teacher):

Remuneration £110,000 - £115,000 (2015: £110,000 - £115,000)

Employer's pension contributions £15,000 - £20,000 (2015: £10,000 - £15,000)

##### Mr J Lloyd (Staff trustee):

Remuneration £50,000 - £55,000 (2015: £40,000 - £45,000)

Employer's pension contributions £5,000 - £10,000 (2015: £5,000 - £10,000)

##### Mr K Glover (Staff trustee):

Remuneration £40,000 - £45,000 (2015: £35,000 - £40,000)

Employer's pension contributions £5,000 - £10,000 (2015: £5,000 - £10,000)

##### Mrs P Goodall (Staff trustee):

Remuneration £15,000 - £20,000 (2015: £15,000 - £20,000)

Employer's pension contributions £0 - £5,000 (2015: £0 - £5,000)

##### Mr D Reynolds (Staff trustee):

Remuneration £20,000 - £25,000 (2015: £15,000 - £20,000)

##### Mr D Bowers (Staff trustee):

Remuneration £45,000 - £50,000 (2015: £35,000 - £40,000)

Employer's pension contributions £5,000 - £10,000 (2015: £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 trust has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2016 was £nil (2015: £3,194). This expense is now covered by the Risk Protection Arrangement (RPA) paid to the EFA.



# ST FRANCIS XAVIER'S COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 11 Tangible fixed assets

	Land and buildings	Plant and machinery	Building adaptations	Fixtures, fittings & equipment	Assets under construction	Total
	£	£	£	£	£	£
<b>Cost</b>						
At 1 September 2015	12,300,000	55,312	690,395	59,028	5,164,534	18,269,269
Additions	-	5,621	92,381	64,944	2,205,009	2,367,955
Transfer	7,369,543	-	-	-	(7,369,543)	-
Disposals	-	-	(16,588)	(1,525)	-	(18,113)
At 31 August 2016	19,669,543	60,933	766,188	122,447	-	20,619,111
<b>Depreciation</b>						
At 1 September 2015	806,600	25,726	73,063	35,045	-	940,434
On disposals	-	-	(3,316)	(1,525)	-	(4,841)
Charge for the year	389,750	7,502	76,461	21,912	-	495,625
At 31 August 2016	1,196,350	33,228	146,208	55,432	-	1,431,218
<b>Net book value</b>						
At 31 August 2016	18,473,193	27,705	619,980	67,015	-	19,187,893
At 31 August 2015	11,493,400	29,586	617,332	23,983	5,164,534	17,328,835

Transactions relating to land and buildings during the year include:

- the transfer of the freehold on the new science block and upgrade of existing buildings which were donated to the academy trust at a value of £7,369,543

The storage extension and pitch renovation were disposed of during the year at a loss of £8,077 and £5,195 respectively as part of the LCC redevelopment programme. This is shown above in Land and Buildings.

The land and buildings inherited on conversion were valued by FHP Property Consultants in December 2013 on a depreciated replacement cost basis at £12,300,000, which includes a land element of £528,000 which is not depreciated.

The new science block and upgrade of the existing sports hall and surrounding areas are valued on an actual cost basis of £7,369,543 provided by Liverpool City Council,

### 12 Fixed asset investments

	Freehold investment property £
<b>Market value</b>	
At 1 September 2015 and at 31 August 2016	275,000

# ST FRANCIS XAVIER'S COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

#### 12 Fixed asset investments (Continued)

Historical cost:	
At 31 August 2016	275,000
At 31 August 2015	275,000

The latest property valuation was performed by FHP Property Consultants, a firm of Independent Chartered Surveyors on 18 October 2013, on an open market value basis. This valuation was taken as the properties fair value at year end. The valuation is in accordance with the RICS appraisal and valuation manual.

13 Debtors	2016 £	2015 £
Trade debtors	12,862	-
Other debtors	42,525	74,366
Prepayments and accrued income	152,482	169,708
	<u>207,869</u>	<u>244,074</u>

14 Creditors: amounts falling due within one year	2016 £	2015 £
Government loans	-	5,850
Other loans	20,000	10,000
Trade creditors	32,074	30,480
Other creditors	38,923	87,000
Accruals and deferred income	204,912	199,475
	<u>295,909</u>	<u>332,805</u>

15 Creditors: amounts falling due after more than one year	2016 £	2015 £
Government loans	-	40,950
Other loans	565,000	590,000
	<u>565,000</u>	<u>630,950</u>

# ST FRANCIS XAVIER'S COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

15 Creditors: amounts falling due after more than one year	(Continued)	
	2016	2015
<b>Analysis of loans</b>		
Wholly repayable within five years	585,000	646,800
Less: included in current liabilities	(20,000)	(15,850)
	<u>565,000</u>	<u>630,950</u>
Amounts included above	565,000	630,950
	<u>585,000</u>	<u>646,800</u>
Instalments not due within five years	585,000	646,800
	<u>585,000</u>	<u>646,800</u>
<b>Loan maturity</b>		
Debt due in one year or less	20,000	15,850
Due in more than one year but not more than two years	20,000	15,850
Due in more than two years but not more than five years	60,000	37,550
Due in more than five years	485,000	577,550
	<u>585,000</u>	<u>646,800</u>

Other loans includes an interest free 30 year loan to St Francis Xavier's College from the LCC to finance the school's contribution to the cost of the new science block. This loan is EFA approved.

16 Deferred income	2016	2015
	£	£
Deferred income is included within:		
Creditors due within one year	55,131	61,565
	<u>55,131</u>	<u>61,565</u>
Deferred income at 1 September 2015	61,565	57,020
Released from previous years	(61,565)	(57,020)
Amounts deferred in the year	55,131	61,565
	<u>55,131</u>	<u>61,565</u>
<b>Deferred income at 31 August 2016</b>	<u>55,131</u>	<u>61,565</u>

Deferred income includes funds received in advance in relation to trips and rates which relate to 16/17.

# ST FRANCIS XAVIER'S COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 17 Funds

	Balance at 1 September 2015	Incoming resources	Resources expended	Gains, losses & transfers	Balance at 31 August 2016
	£	£	£	£	£
<b>Restricted general funds</b>					
General Annual Grant	-	6,356,425	(6,836,733)	480,308	-
Other government grants	-	30,985	-	(30,985)	-
Other restricted funds	-	199,147	-	(199,147)	-
Funds excluding pensions	-	6,586,557	(6,836,733)	250,176	-
Pension reserve	(1,797,000)	-	(47,000)	(1,098,000)	(2,942,000)
	(1,797,000)	6,586,557	(6,883,733)	(847,824)	(2,942,000)
<b>Restricted fixed asset funds</b>					
DfE / EFA capital grants	16,902,467	2,325,053	(508,897)	120,347	18,838,970
<b>Total restricted funds</b>	15,105,467	8,911,610	(7,392,630)	(727,477)	15,896,970
<b>Unrestricted funds</b>					
General funds	458,370	47,474	-	(370,523)	135,321
<b>Total funds</b>	15,563,837	8,959,084	(7,392,630)	(1,098,000)	16,032,291

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

- (i) General Annual Grant (GAG) must be used for the normal running costs of the academy.
- (ii) The other government grants fund is used to track grants provided by local and central government departments.
- (iii) The other restricted funds tracks grants, donations and other income arising from sources other than grants provided by central and local government departments.
- (iv) The pensions reserve is a restricted fund to account for the liability arising under the Local Government Pension Scheme.
- (v) The restricted fixed asset funds are carried forward to meet the specific costs of fixed asset projects and to cover the depreciation charges that will be required on these projects going forward as well as the current fixed assets held.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

# ST FRANCIS XAVIER'S COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

#### 18 Agency Arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for the EFA. In the accounting period ending 31 August 2016 the trust received £14,523 (2015: £15,167) and disbursed £3,760 (2015: £5,898) from the fund, with the balance carried forward totalling £10,763.

The academy trust collects canteen revenue for Chartwells, a third party, as an agent. In the accounting period ending 31 August 2016 the trust received £25,382 (2015: £33,245) and disbursed £25,382 (2015: £33,245) from the fund.

#### 19 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2016 £
<b>Fund balances at 31 August 2016 are represented by:</b>				
Tangible fixed assets	-	-	19,187,893	19,187,893
Fixed asset investments	-	-	275,000	275,000
Current assets	372,307	-	-	372,307
Creditors falling due within one year	(236,986)	-	(58,923)	(295,909)
Creditors falling due after one year	-	-	(565,000)	(565,000)
Defined benefit pension liability	-	(2,942,000)	-	(2,942,000)
	<u>135,321</u>	<u>(2,942,000)</u>	<u>18,838,970</u>	<u>16,032,291</u>

#### 20 Pensions 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 Liverpool City Council. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. 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

##### 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.

# ST FRANCIS XAVIER'S COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

#### 20 Pensions and similar obligations

(Continued)

##### 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 carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 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 will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £510,609 (2015: £454,965).

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 agreed contribution rates for future years are 15.4 per cent for employers and 5.5 - 12.5 per cent 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	2016 £	2015 £
Employer's contributions	183,000	191,000
Employees' contributions	44,000	49,000
Total contributions	227,000	240,000

# ST FRANCIS XAVIER'S COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 20 Pensions and similar obligations

(Continued)

Principal actuarial assumptions	2016 %	2015 %
Rate of increases in salaries	3.30	3.80
Rate of increase for pensions in payment	1.90	2.30
Discount rate	2.10	4.00
Inflation assumption (CPI)	1.80	2.30

#### Sensitivity analysis

	+0.1% p.a. discount rate	+0.1% p.a. inflation	+0.1% p.a. pay growth	1 year increase in life expectancy
	£	£	£	£
Liabilities	4,395,000	4,602,000	4,541,000	4,576,000
Assets	(1,555,000)	(1,555,000)	(1,555,000)	(1,555,000)
Deficit/(surplus)	2,840,000	3,047,000	2,986,000	3,021,000
Projected Service Cost for next year	213,000	222,000	218,000	222,000
Projected Interest Cost for next year	61,000	62,000	61,000	62,000

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

	2016 Years	2015 Years
Retiring today		
- Males	22.5	22.4
- Females	25.4	25.3
Retiring in 20 years		
- Males	24.9	24.8
- Females	28.2	28.1

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

	2016 Fair value £	2015 Fair value £
Equities	815,000	672,000
Government bonds	72,000	154,000
Other bonds	183,000	58,000
Cash/liquidity	58,000	32,000
Property	128,000	96,000
Other assets	299,000	105,000
Total market value of assets	1,555,000	1,117,000
Actual return on scheme assets - gain/(loss)	235,000	(25,000)

# ST FRANCIS XAVIER'S COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2016**

<b>20 Pensions and similar obligations</b>		<b>(Continued)</b>
<b>Amounts recognised in the statement of financial activities</b>		
	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Current service cost (net of employee contributions)	162,000	175,000
Net interest cost	68,000	54,000
	<u>          </u>	<u>          </u>
<b>Changes in the present value of defined benefit obligations</b>		<b>2016</b>
		<b>£</b>
Obligations at 1 September 2015		2,914,000
Current service cost		162,000
Interest cost		117,000
Employee contributions		44,000
Actuarial loss		1,284,000
Benefits paid		(24,000)
		<u>          </u>
At 31 August 2016		4,497,000
		<u>          </u>
<b>Changes in the fair value of the academy trust's share of scheme assets</b>		<b>2016</b>
		<b>£</b>
Assets at 1 September 2015		1,117,000
Interest income		46,000
Return on plan assets (excluding amounts included in net interest):		
Actuarial gain		189,000
Employer contributions		183,000
Employee contributions		44,000
Benefits paid		(24,000)
		<u>          </u>
At 31 August 2016		1,555,000
		<u>          </u>



# ST FRANCIS XAVIER'S COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

#### 21 Reconciliation of net income to net cash flows from operating activities

	2016 £	2015 £
Net income for the reporting period	1,566,454	3,918,696
Adjusted for:		
Capital grants from DfE/EFA and other capital income	(2,325,053)	(4,715,705)
Investment income	(707)	(803)
Defined benefit pension costs less contributions payable	(21,000)	(16,000)
Defined benefit pension net finance cost/(income)	68,000	54,000
Depreciation of tangible fixed assets	495,625	338,616
Losses/(profits) on disposals of fixed assets	13,272	301,955
(Increase)/decrease in debtors	36,205	(33,832)
Increase/(decrease) in creditors	7,031	(57,892)
<b>Net cash used in operating activities</b>	<b>(160,173)</b>	<b>(210,965)</b>

#### 22 Commitments under operating leases

At 31 August 2016 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2016 £	2015 £
Amounts due within one year	87,381	89,257
Amounts due in two and five years	92,549	84,921
Amounts due after five years	22,364	36,942
	<b>202,294</b>	<b>211,120</b>

Land and buildings leases expiring after more than five years will expire on 1 April 2022.

#### 23 Related party transactions

Owing to the nature of the academy trust's operations and the composition of the board of governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the academy trust has 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, with an elevated scrutiny given the existence of the connected parties.

The following related party transactions took place in the period of account:

The proprietor of E.B.C Construction is the spouse of the school's business manager. During the year the academy purchased services to the value of £68,355 (2015 - £37,656) from E.B.C Construction.

Included in debtors is an amount of £9,782 (2015: £nil) owed by SFX PTA.

# **ST FRANCIS XAVIER'S COLLEGE**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2016***

---

### **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 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.