

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 2020



ST FRANCIS XAVIER'S COLLEGE

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ST FRANCIS XAVIER'S COLLEGE

REFERENCE AND ADMINISTRATIVE DETAILS

Governors

D Delaney (Appointed by members)
A Keeley (Chair of Governors)
N O'Hare (Appointed by members)
Bro F Patterson (Appointed by members)
L Riccio-Jones (Parent governor)
S Coleman (Parent governor)
A Crilly (Parent governor)
M Edwards (Appointed by members)
A C Fitzsimmons (Teaching staff)
G Butcher (Support staff governor)
P Formela (Appointed by members)
A Austin (Parent governor)
Bro Y Houssay
P Halliwell (Head Teacher) (Appointed 1 September 2019)

Members

Bro F Patterson
Bro Y Houssay
Dr A Keeley

Senior management team

- Head Teacher	Mr P Halliwell (appointed 1 September 2019)
- Deputy Head Teacher	Bro P Tracey
- Deputy Head Teacher	Mr P Evans (appointed 1 December 2020)
- Assistant Head Teacher	Mr P Evans (until 30 November 2020)
- Deputy Head Teacher	Mrs C Flaherty (secondment)
- Business Manager	Miss C Furnival (appointed 31 March 2020)
- Assistant Head Teacher	Miss K Arends

Company secretary

Mrs D Banks

Company registration number

08137421 (England and Wales)

Registered office

Woolton Hill Road
Liverpool
L25 6EG

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

ST FRANCIS XAVIER'S COLLEGE

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

The governors present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2019 to 31 August 2020. 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 956 for aged 11 to 16 and 165 for aged 16-19 and had a roll of 973 11-16 and a roll of 141 16-19 in the school census in January 2020.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The governors of 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

The Trustees are indemnified in respect of their legal liability for financial losses arising as a result of a negligent act, accidental error or omission in the course of their official duties. The limit of this indemnity is £10,000,000.

Method of recruitment and appointment or election of governors

The Governing Board was reconstituted for July 2019 and all the Board members that continued renewed their terms of office. They all have a four year term that will be completed in July 2023.

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

- 7 Governors who are appointed by the Members
- 4 Parent Governors who are elected by the Parents of registered students at the college
- 1 Teaching Staff Governor appointed by peer election
- 1 Support Staff Governor appointed by peer election

There are 3 Members who are entitled to nominate or appoint one or more Governors, they are detailed below:

Bro Yannick Houssay
Bro Francis Patterson
Dr A Keeley

Governors are appointed for a four year period, except that this time limit does not apply to the Head Teacher. The Head Teacher is an ex officio member of the Board of Governors. Subject to remaining eligible to be a particular type of Governor, any Governor can be re-appointed or re-elected.

ST FRANCIS XAVIER'S COLLEGE

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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 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 a meeting with the Head Teacher, briefings by senior school staff, a tour of the school to meet staff and students and all necessary documentation for the fulfilment of the role.

The school has purchased Service Level Agreements with School Improvement Liverpool and the Archdiocese of Liverpool Secondary Schools' Trust. These both provide training for the Governing Board, as stand-alone sessions and also training sessions attached to Governing Board meetings.

A School Improvement Partner works with the school to offer guidance and support throughout the year as necessary and also to offer guidance for the Head Teacher's Appraisal.

Organisational structure

The Governing Board will 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 Board may from time to time establish working groups to perform specific tasks over a limited timescale.

There are 2 committees, meeting termly, all of whom are responsible for school policy, practice and performance and monitor aspects of the school work by discussion/review/challenge:

- Finance & Buildings Committee – financial management, compliance with reporting and regulatory requirements, receiving reports from the Responsible Officer and drafting the annual budget. This will also meet as requested.
- Education & Monitoring Committee – curriculum planning, target setting, behaviour & safety and assessment & examinations.

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 Chair and/or Vice Chair.
- To appoint the Head Teacher 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 delegate responsibility for day to day leadership and management of the Academy to the Head Teacher and Senior Leadership Team.

The Head Teacher appointed with effect from 1st September 2019 is the Accounting Officer for the academic year 2019 - 2020.

ST FRANCIS XAVIER'S COLLEGE

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Arrangements for setting pay and remuneration of key management personnel

The School Teachers' Pay and Conditions Document (STPCD) applies to all key management personnel except the Business Manager. The Business Manager will be employed on the published National Joint Council (NJC) Local Government pay scale.

The Governing Board has adopted the Appraisal Policies from Liverpool Local Authority all staff including the Senior Leadership Team members have clear performance objectives, including for pupil progress. If all objectives are met, eligible staff will be awarded an incremental increase in line with the Pay Policy and the STPCD. This will be authorised by the Head Teacher on an annual basis before 31 October.

For the Head Teacher's Appraisal an appropriate committee will be constituted, who with the advice of the School Improvement Partner will make decisions regarding the authorisation of any pay progression for the Head Teacher. This will occur annually before 31 December.

The Governing Board is responsible for:

- Formal approval of the pay policy.
- Review of the pay award decisions to ensure that the Appraisal Policy and Pay Policy are implemented.
- Establishing a Pay Appeals Committee with delegated responsibility and authority to implement the relevant parts of the Pay Policy on its behalf.
- Appoint 3 members of the Governing Board to undertake the Head Teacher's appraisal and pay review on an annual basis.
- Reviewing and agreeing the school's budget including the staffing budget.
- Ensuring that all teacher's salaries (including that of the Head Teacher) are reviewed in line with statutory provision.

Any person employed to work at the school, other than the Head Teacher, must withdraw from any meeting at which the pay or appraisal of any other employee of the school is under discussion. The Head Teacher must withdraw from that part of the meeting where the subject of consideration is his or her own pay. A Governor must withdraw, where there is a conflict of interest or any doubt about his/her ability to act impartially.

No member of the Governing Board who is employed to work in the school shall be eligible for membership of this committee to review the Head Teacher's performance.

Where the committee has invited either a representative of the LA or an external adviser to attend and offer advice on the Head Teachers appraisal and 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 Head Teacher is responsible for:

- Ensuring that staff performance is reviewed on an annual basis and always before 31 October, as per the relevant Appraisal Policies and Pay Policy.
- Where relevant, ensuring that pay recommendations for the Deputy Head Teachers and Assistant Head Teachers are made and submitted in accordance with the terms of the Pay Policy.
- Informing the Governing Board of appraisal and pay review decisions.
- Ensuring that staff are informed of the outcome of performance and pay decisions and of the right to appeal.
- Ensuring that all staff receive an annual statement of salary.
- Ensuring, when necessary, that staff are informed in writing when pay progression has not been successful, providing the reasons for failure to progress.

The Appeals Committee of the Governing Board is responsible for:

Making decisions on appeals regarding the Head Teachers decisions of failure to be pay progressed in accordance with the terms of the appeals procedures of the Pay Policy.

ST FRANCIS XAVIER'S COLLEGE

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Related parties and other connected charities and organisations

Related Parties

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 and other premises from the Trustees. There are no sponsors.

Connected Parties

The Academy has an active Parent Teacher Association; SFX PTA, which supports the work of the school and provide funds.

Community Organisations

The Academy has strong collaborative links with its feeder primary schools, and other secondary schools within Liverpool and the Archdiocese of Liverpool.

The Head Teacher is a member of the Liverpool Association of Secondary Head Teachers (LASH). The school engages support and guidance from School Improvement Liverpool, who provide a School Improvement Partner to provide support to the Governing Board.

Charities

The school is active in supporting a range of local charities through fund raising activities in school.

Trade Union facility time

The Academy does not have any employees that are Trade Union representatives. The Academy does not pay into any LA scheme to pay Trade Union representatives employed elsewhere and providing trade union or public duty services.

Objectives and activities

Objects and aims

The Academy is a caring, successful and improving school which currently has as its mission statement;

"Life In All Its Fullness"

John 10:10.

The Academy provides students with a high quality Catholic education within a learning environment that gives them the best opportunity of the best possible life chances.

All that we do is rooted in Gospel Values and we strive to ensure that our young people have an aspiration to serve their community throughout their lives.

We aim to get the best for, and from, each student. We aim to enable each student to realise his or her full academic, spiritual, emotional, creative and physical potential, and to develop positive social and moral values.

We will endeavour to sustain the long term sustainability and continuity of Catholic education in our community.

Our Academy is a Catholic Christian community where love, respect and compassion should be evident at all times.

ST FRANCIS XAVIER'S COLLEGE

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Objectives, strategies and activities

The priorities of the Academy Trust are:-

- 6th Form recruitment and retention of post-16 students.
- To review the courses and qualifications available to post-16 learners to ensure that they have access to the best qualifications, to meet their needs and ensure appropriate progression
- Monitor closely the implementation of the new assessment system, ensuring that all assessments are standardised and provide accurate estimates of ability, progress and attainment.
- Continue to maintain a sharp focus on monitoring the impact of pupil premium deployment to ensure that the most disadvantaged are making progress that is at least equal to the others in the school.
- Improve the quality of teaching across the school, so that all practice is at least Good.
- Ensure that students with SEND are supported appropriately to enable them to make progress that is equal to the others in the school.
- To establish a learning environment that is based on Christian love, respect, compassion and kindness.
- To improve the outcomes for all learners and ensure that attainment and progress data is improved.
- To ensure that all learners have accessed to a stimulating curriculum, which meets their needs for 21st Century life.

Since the last Governors' Report the Trust has;

- Appointed a School Business Manager who has been in post since 23rd March 2020, following the departure of the previous School Business Manager in July 2019.
- Reviewed the curriculum offer available to post-16 learners, to ensure that the school is offering the qualifications and courses that are most suitable.
- Engaged in an early recruitment drive for the 6th Form.
- Reviewed the entry requirements for academic A Level qualifications and introduced vocational qualifications.
- Introduced a new assessment cycle in the school.
- Introduced a system of quality assurance of the internal assessments. This includes a review of the written assessment tasks to ensure that they match the relevant Programme of Study.
- Introduced standardisation of assessments to ensure that teachers are making accurate judgements regarding attainment levels.
- Re-deployed a member of the Pastoral Leadership to have a leadership and management role specifically to work with the disadvantaged students. This work is monitored by an Assistant Head Teacher.
- A new Deputy Head Teacher has been brought in on secondment with a focus on Teaching and Learning.
- Reduced the teaching load of the SENDCo and Assistant SENDCo to enable them to monitor and track the progress of SEND students. Intervention can be appropriate and early to prevent significant underachievement.
- The SENDCo and Pastoral Support Manager attend one Senior Leadership Team meeting per week to discuss individual students. This has been postponed during Covid-19 restrictions to limit contact.
- Introduced new systems in the school to focus on the culture, overseen by an Assistant Head Teacher.
- The academic year started with all staff celebrating Holy Mass.
- Three senior leaders are co-opted onto the Senior Leadership Team. These are responsible for the progress of students in Key Stage 3, Key Stage 4 and Key Stage 5.
- All Curriculum Leaders are developing the curriculum within their areas of responsibility to ensure that the students have access to learning that is engaging, differentiated to suit ability and have opportunities for enhancement.

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. The key public benefit delivered by the Academy Trust is the sustainability and development of high quality Catholic education.

ST FRANCIS XAVIER'S COLLEGE

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report

Achievements and performance

The information below details the key performance indicators benchmarked against national criteria.

Key Performance Indicators - Pupils

At the time of writing, the Inspection Data Summary Report and the School Performance Tables are not published as these have been cancelled for 2020 due to the Covid-19 pandemic.

The performance of students at GCSE and A Level in 2020 has improved in all areas from the results in 2018 and 2019. This improvement is seen by all cohorts of students in all subject areas. However, in 2020 the results achieved by the learners across the UK where a mixture of Centre Assessed Grades and Awarded Grades from the examination board.

The school leadership are aware of the areas within the school that require improvement and development. The Senior Leadership Team meet on a regular basis with the Curriculum Leaders and the Senior Leadership Team report to the Governors in the Education Committee meeting and the Governing Board meetings.

Key performance indicators

The main financial performance indicator is the level of reserves held in the Balance Sheet to 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.

Management accounts are prepared monthly, some of the KPIs measured are:

- Staff costs to ESFA income
- Staff costs to total income
- Staff costs to expenditure
- Staff costs per pupil
- Average teacher cost
- Expenditure per pupil
- Expenditure to income

Going concern

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

ST FRANCIS XAVIER'S COLLEGE

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Financial review

Most of the Academy's income is obtained from Department for Education in the form of a General Annual Grant (GAG), the use of which is restricted to the objects of the Academy Trust. The GAG received during the year ended 31 August 2020 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the year ended 31 August 2020 total expenditure of £6,817,906 (excluding the fixed asset fund) was covered by grant funding from the DFE together with other incoming resources. The excess of income over expenditure for the year (excluding restricted fixed asset funds) was £84,477.

At 31 August 2020 the net book value of fixed assets was £17,501,902. Movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Academy Trust.

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 £17,073,597, and at the end of the period has a reserves surplus of £117,658 on restricted funds.

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 deal with unexpected emergencies. We are working hard with a structured strategic plan to clear the deficit in the 2020/21 academic year and bring the free cash reserves into a good surplus by the end of 2020/21.

Investment policy

The Governors review on an annual basis the need to invest any substantial reserves.

The Governors are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk.

Principal risks and uncertainties

The Academy Trust has undertaken further work during the year to develop and embed the system of internal control, including financial, operational and risk management, which is designed to protect the Academy Trust's assets and reputation.

A risk register is maintained and is reviewed annually by the Governors and more frequently where necessary. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the Trust and the actions being taken to reduce and mitigate the risks. Risks are to be prioritised using a consistent scoring system.

The risk register in place identified and reviewed the following risk areas:

- Safeguarding
- Reputational
- Physical
- Infrastructure
- Governance
- Staffing
- Students
- Financial
- Business continuity

ST FRANCIS XAVIER'S COLLEGE

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Fundraising

The Trust conducts fundraising activities which support income generation including lettings and school led events. This was significantly curtailed due to the Covid-19 pandemic from 23 March 2020 and remains affected throughout the 2020-2021 academic year.

All fundraising activity is administered via appropriate staff employed by the Academy Trust and support Trust objectives.

Occasionally the Academy Trust engages approved commercial participators within our fundraising activities such as school photography sessions and agency supply where the Trust receives a commission in line with the volume of sales activity.

Plans for future periods

The Academy Trust will continue to strive to improve the levels of performance of its students at all levels.

The Trust aims to:

- To fully implement the School Development Plan.
- To bring rapid improvements in all the areas identified.
- Complete and revisit the School Self-Assessment to measure progress in the areas of improvement.

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 3 December 2020 and signed on its behalf by:



A Keeley
Chair of Governors

ST FRANCIS XAVIER'S COLLEGE

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2020

Scope of responsibility

As the Governing Board, 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.

As trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The governing body has delegated the day-to-day responsibility to the Head teacher, 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.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. 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
D Delaney (Appointed by members)	2	3
A Keeley (Chair of Governors)	3	3
N O'Hare (Appointed by members)	3	3
Bro F Patterson (Appointed by members)	3	3
L Riccio-Jones (Parent governor)	0	3
S Coleman (Parent governor)	3	3
A Crilly (Parent governor)	3	3
M Edwards (Appointed by members)	3	3
A C Fitzsimmons (Teaching staff)	3	3
G Butcher (Support staff governor)	3	3
P Formela (Appointed by members)	3	3
A Austin (Parent governor)	3	3
Bro Y Houssay	0	3
P Halliwell (Head Teacher) (Appointed 1 September 2019)	3	3

ST FRANCIS XAVIER'S COLLEGE

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

The Finance Committee is a sub-committee of the Governing Board and is constituted from members of the Governing Board.

The role of the Finance Committee is to advise the Governing Board on the comprehensiveness and effectiveness of the assurance framework. In particular, the Finance Committee advises and supports the Governing Board in fulfilling its roles and responsibilities, including its responsibility for providing the assurances required in the Accounting Officer's Statement of Regularity, Propriety and Compliance in the annual financial statements.

The Finance Committee has the authority to investigate any activity within its terms of reference, and has the right of access to obtain all the information and explanations it considers necessary, from whatever source, to fulfil its remit.

One of the key responsibilities of the Finance Committee is to review and monitor the budget and approve all key policies.

Attendance at the Finance Committee meetings was as follows:

Governors	Meetings attended	Out of possible
D Delaney (Appointed by members)	3	4
A Keeley (Chair of Governors)	4	4
Bro F Patterson (Appointed by members)	4	4
L Riccio-Jones (Parent governor)	3	4
A Crilly (Parent governor)	3	4
P Formela (Appointed by members)	4	4
P Halliwell (Head Teacher) (Appointed 1 September 2019)	4	4

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 taxpayer resources received.

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

The Academy benefits from the provision of an appropriately 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 monthly management accounts. They have day to day access to all staff involved in purchasing and budget monitoring. The Finance Committee have the knowledge to challenge how effective the financial controls are by deploying a firm of Chartered Accountants to report on how the Academy's financial procedures have been implemented.

ST FRANCIS XAVIER'S COLLEGE

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

The Full Governing Board 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 Board 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.

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 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 St Francis Xavier's College for the period 1st September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Governing Board 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 Board 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 1st September 2019 to 31st August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Board.

The risk and control framework

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the governing body;
- Regular reviews by the Finance Committee of reports presented which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (asset purchase or capital investment) guidelines;
- Delegation of authority and segregation of duties;
- Identification and management of risks.

ST FRANCIS XAVIER'S COLLEGE

GOVERNANCE STATEMENT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

The Governing Board have appointed 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 at least an annual basis.

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

- Testing of budgetary control and management accounting
- Testing of procurement
- Testing of related party transactions
- Testing of gift and hospitality
- Testing of register of interests

On an annual basis, the internal auditor reports to the Governing Board 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.

Review of effectiveness

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

- The work of the Internal Auditor
- The work of the External Auditor
- The financial management and governance self-assessment process or the school resource management self-assessment tool
- 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 3 December 2020 and signed on its behalf by:



A Keeley
Chair of Governors



P Evans
Interim Accounting Officer

ST FRANCIS XAVIER'S COLLEGE

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2020

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 and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

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 2019.

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 ESFA.



P Evans
Interim Accounting Officer

03 December 2020

ST FRANCIS XAVIER'S COLLEGE

STATEMENT OF GOVERNORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2020

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 Academies Accounts Direction 2019 to 2020 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of governors on 03 December 2020 and signed on its behalf by:



A Keeley
Chair of Governors

ST FRANCIS XAVIER'S COLLEGE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST FRANCIS XAVIER'S COLLEGE

FOR THE YEAR ENDED 31 AUGUST 2020

Opinion

We have audited the accounts of St Francis Xavier's College for the year ended 31 August 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The governors are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

ST FRANCIS XAVIER'S COLLEGE

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

FOR THE YEAR ENDED 31 AUGUST 2020

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the governors' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the governors' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of governors

As explained more fully in the statement of governors' responsibilities, the governors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the governors determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the accounts

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

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

ST FRANCIS XAVIER'S COLLEGE

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

FOR THE YEAR ENDED 31 AUGUST 2020

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act. 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 auditors' 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's members as a body, for our audit work, for this report, or for the opinions we have formed.



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

.....18/01/21.....

Chartered Accountants
Statutory Auditor

St James Building
79 Oxford Street
Manchester
M1 6HT

ST FRANCIS XAVIER'S COLLEGE

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

FOR THE YEAR ENDED 31 AUGUST 2020

In accordance with the terms of our engagement letter and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, 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 2019 to 31 August 2020 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 ESFA 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 ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the St Francis Xavier's College and the ESFA, 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 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 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 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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 2020 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 AND SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant

UHY Hacker Young Manchester LLP

Dated: ...18/01/21.....

ST FRANCIS XAVIER'S COLLEGE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted funds £	Restricted funds: General	Fixed asset £	Total 2020 £	Total 2019 £
Income and endowments from:						
Donations and capital grants	3	-	19,630	9,987	29,617	106,388
Charitable activities:						
- Funding for educational operations	4	-	6,432,372	-	6,432,372	6,266,970
Other trading activities	5	240,554	209,680	-	450,234	471,101
Investments	6	147	-	-	147	172
Total		<u>240,701</u>	<u>6,661,682</u>	<u>9,987</u>	<u>6,912,370</u>	<u>6,844,631</u>
Expenditure on:						
Charitable activities:						
- Educational operations	8	129,322	6,688,584	502,207	7,320,113	7,551,416
Total	7	<u>129,322</u>	<u>6,688,584</u>	<u>502,207</u>	<u>7,320,113</u>	<u>7,551,416</u>
Net income/(expenditure)		111,379	(26,902)	(492,220)	(407,743)	(706,785)
Transfers between funds	18	(111,379)	81,574	29,805	-	-
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit pension schemes	21	-	325,000	-	325,000	(1,094,000)
Net movement in funds		-	379,672	(462,415)	(82,743)	(1,800,785)
Reconciliation of funds						
Total funds brought forward		-	(3,601,014)	17,418,354	13,817,340	15,618,125
Total funds carried forward		<u>-</u>	<u>(3,221,342)</u>	<u>16,955,939</u>	<u>13,734,597</u>	<u>13,817,340</u>

ST FRANCIS XAVIER'S COLLEGE

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

FOR THE YEAR ENDED 31 AUGUST 2020

Comparative year information Year ended 31 August 2019	Notes	Unrestricted	Restricted funds:		Total
		funds £	General £	Fixed asset £	2019 £
Income and endowments from:					
Donations and capital grants	3	-	22,222	84,166	106,388
Charitable activities:					
- Funding for educational operations	4	-	6,266,970	-	6,266,970
Other trading activities	5	309,739	161,362	-	471,101
Investments	6	172	-	-	172
Total		<u>309,911</u>	<u>6,450,554</u>	<u>84,166</u>	<u>6,844,631</u>
Expenditure on:					
Charitable activities:					
- Educational operations	8	222,068	6,823,525	505,823	7,551,416
Total	7	<u>222,068</u>	<u>6,823,525</u>	<u>505,823</u>	<u>7,551,416</u>
Net income/(expenditure)		87,843	(372,971)	(421,657)	(706,785)
Transfers between funds	18	(87,843)	61,129	26,714	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	21	-	(1,094,000)	-	(1,094,000)
Net movement in funds		-	(1,405,842)	(394,943)	(1,800,785)
Reconciliation of funds					
Total funds brought forward		-	(2,195,172)	17,813,297	15,618,125
Total funds carried forward		-	(3,601,014)	17,418,354	13,817,340

ST FRANCIS XAVIER'S COLLEGE

BALANCE SHEET

AS AT 31 AUGUST 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	12	17,226,902		17,709,403	
Investments	13	275,000		275,000	
		<u>17,501,902</u>		<u>17,984,403</u>	
Current assets					
Debtors	14	206,438		204,153	
Cash at bank and in hand		183,319		43,881	
		<u>389,757</u>		<u>248,034</u>	
Current liabilities					
Creditors: amounts falling due within one year	15	(333,062)		(422,097)	
Net current (liabilities) / assets			56,695		(174,063)
Total assets less current liabilities			<u>17,558,597</u>		<u>17,810,340</u>
Creditors: amounts falling due after more than one year	16	(485,000)		(505,000)	
Net assets excluding pension liability			<u>17,073,597</u>		<u>17,305,340</u>
Defined benefit pension liability	21	(3,339,000)		(3,488,000)	
Net assets			<u>13,734,597</u>		<u>13,817,340</u>
Funds of the academy trust:					
Restricted funds	18				
- Fixed asset funds		16,955,939		17,418,354	
- Restricted income funds		117,658		(113,014)	
- Pension reserve		(3,339,000)		(3,488,000)	
Total restricted funds		<u>13,734,597</u>		<u>13,817,340</u>	
Unrestricted income funds	18		-		-
Total funds			<u>13,734,597</u>		<u>13,817,340</u>

The accounts on pages 22 to 44 were approved by the governors and authorised for issue on 03 December 2020 and are signed on their behalf by:



A Keeley
Chair of Governors

Company Number 08137421

ST FRANCIS XAVIER'S COLLEGE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Net cash provided by operating activities	22		276,319		50,885
Cash flows from investing activities					
Dividends, interest and rents from investments		147		172	
Capital grants from DfE Group		9,987		84,166	
Purchase of tangible fixed assets		(19,705)		(49,404)	
Net cash (used in)/provided by investing activities			(9,571)		34,934
Cash flows from financing activities					
Repayment of other loan		(20,000)		(20,000)	
Net cash used in financing activities			(20,000)		(20,000)
Net increase in cash and cash equivalents in the reporting period			246,748		65,819
Cash and cash equivalents at beginning of the year			(63,429)		(129,248)
Cash and cash equivalents at end of the year			183,319		(63,429)
Relating to:					
Bank and cash balances			183,319		43,881
Bank overdrafts			-		(107,310)

ST FRANCIS XAVIER'S COLLEGE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

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 2019 to 2020 issued by ESFA, 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.

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

Sponsorship income

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

Donations

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

ST FRANCIS XAVIER'S COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

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 fixed assets

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.

1.5 Tangible fixed assets and depreciation

Assets costing £500 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

ST FRANCIS XAVIER'S COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

The majority of the land and buildings occupied by the Academy since conversion on 1 August 2012 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 Leased Assets

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

1.8 Investment properties

Investment properties are included in the balance sheet at their open market value and are not depreciated, in accordance with FRS102.

1.9 Financial instruments

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

Financial assets

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

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

Financial liabilities

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

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

ST FRANCIS XAVIER'S COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

1.10 Taxation

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

1.11 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to 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.

1.12 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education and Skills 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 and Skills Funding Agency.

ST FRANCIS XAVIER'S COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

1.13 Agency Arrangements

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

The funds received and paid and any balances held are disclosed in note 19.

1.14 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.

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, 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 2020. 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.

Useful economic lives of tangible assets

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Capital grants	-	9,987	9,987	84,166
Other donations	-	19,630	19,630	22,222
	-	29,617	29,617	106,388

ST FRANCIS XAVIER'S COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
DfE / ESFA grants				
General annual grant (GAG)	-	6,122,636	6,122,636	6,187,113
Other DfE group grants	-	301,292	301,292	53,195
	-	6,423,928	6,423,928	6,240,308
Other government grants				
Local authority grants	-	8,444	8,444	26,662
Total funding	-	6,432,372	6,432,372	6,266,970

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Hire of facilities	45,587	-	45,587	62,003
Catering income	194,967	-	194,967	247,736
Income from other schools	-	24,551	24,551	40,370
Trip income	-	137,600	137,600	87,494
Other income	-	47,529	47,529	33,498
	240,554	209,680	450,234	471,101

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Other investment income	147	-	147	172

7 Expenditure

	Staff costs £	Non-pay expenditure Premises £	Other £	Total 2020 £	Total 2019 £
Academy's educational operations					
- Direct costs	4,158,072	232,080	582,225	4,972,377	4,821,022
- Allocated support costs	1,242,757	595,948	509,031	2,347,736	2,730,394
	5,400,829	828,028	1,091,256	7,320,113	7,551,416

ST FRANCIS XAVIER'S COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

7 Expenditure (Continued)

Net income/(expenditure) for the year includes:	2020	2019
	£	£
Fees payable to auditor for:		
- Audit	9,400	8,500
- Other services	12,621	11,049
Operating lease rentals	14,419	15,567
Depreciation of tangible fixed assets	502,207	505,823
Net interest on defined benefit pension liability	59,000	57,000

8 Charitable activities

	Unrestricted funds	Restricted funds	Total	Total
	£	£	2020	2019
			£	£
Direct costs - educational operations	-	4,972,377	4,972,377	4,821,022
Support costs - educational operations	129,322	2,218,414	2,347,736	2,730,394
	129,322	7,190,791	7,320,113	7,551,416

	2020	2019
	£	£
Analysis of support costs		
Support staff costs excluding governance	1,159,512	1,309,506
Depreciation and amortisation	270,127	258,616
Technology costs	176,921	163,551
Premises costs	297,832	345,229
Other support costs	286,073	411,293
Governance costs including staff costs	157,271	242,199
	2,347,736	2,730,394

ST FRANCIS XAVIER'S COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

9 Staff

Staff costs

Staff costs during the year were:

	2020 £	2019 £
Wages and salaries	3,804,099	3,983,930
Social security costs	374,961	385,574
Pension costs	988,659	902,830
Staff costs - employees	5,167,719	5,272,334
Agency staff costs	196,129	32,350
Staff restructuring costs	36,981	-
	5,400,829	5,304,684
Staff development and other staff costs	28,854	2,809
Total staff expenditure	5,429,683	5,307,493

Staff restructuring costs comprise:

Severance payments	36,981	-
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Staff numbers

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

	2020 Number	2019 Number
Teachers	61	65
Administration and support	64	74
Management	7	9
	132	148

Higher paid staff

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

	2020 Number	2019 Number
In the band £60,001 - £70,000	4	4
In the band £70,001 - £80,000	1	4
In the band £80,001 - £90,000	-	1
In the band £100,000 - £110,000	1	-

ST FRANCIS XAVIER'S COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

9 Staff

(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 £636,049 (2019: £456,818).

10 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 (2019 - £nil) were reimbursed to the governors.

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

Mr P Halliwell (Head Teacher) (appointed 1 September 2019):

Remuneration £100,000 - £110,000 (2019: £0 - £5,000)

Employer's pension contributions £20,000 - £30,000 (2019: £0 - £5,000)

Ms A Fitzsimmons (Staff trustee):

Remuneration £50,000 - £55,000 (2019: £45,000 - £50,000)

Employer's pension contribution £10,000 - £15,000 (2019: £5,000 - £10,000)

Ms G Butcher (Support staff trustee)

Remuneration £15,000 - £20,000 (2019: £15,000 - £20,000)

Employer's pension contribution £0 - £5,000 (2019: £0 - £5,000)

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

11 Insurance for governors and officers

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 £10,000,000 on any one claim. This expense is now covered by the Risk Protection Arrangement (RPA) paid to the ESFA.

ST FRANCIS XAVIER'S COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

12 Tangible fixed assets

	Land and buildings	Plant and machinery	Building adaptations	Fixtures, fittings & equipment	Total
	£	£	£	£	£
Cost					
At 1 September 2019	19,669,543	68,883	797,143	136,549	20,672,118
Additions	-	720	-	18,985	19,705
At 31 August 2020	19,669,543	69,603	797,143	155,534	20,691,823
Depreciation					
At 1 September 2019	2,423,323	49,907	378,592	110,893	2,962,715
Charge for the year	408,991	4,909	79,147	9,159	502,206
At 31 August 2020	2,832,314	54,816	457,739	120,052	3,464,921
Net book value					
At 31 August 2020	16,837,229	14,787	339,404	35,482	17,226,902
At 31 August 2019	17,246,220	18,976	418,551	25,656	17,709,403

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.

In 2015/16 the new science block and upgrade of the existing sports hall and surrounding areas was completed and transferred to land and buildings. This was valued on an actual cost basis of £7,369,543 provided by Liverpool City Council.

13 Fixed asset investments

	Freehold investment property £
Market value	
At 1 September 2019 and at 31 August 2020	275,000
Historical cost:	
At 31 August 2020	275,000
At 31 August 2019	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 property's fair value at year end. The valuation is in accordance with the RICS appraisal and valuation manual.

ST FRANCIS XAVIER'S COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

14 Debtors	2020 £	2019 £
Trade debtors	5,051	1,489
Other debtors	28,526	66,168
Prepayments and accrued income	172,861	136,496
	<u>206,438</u>	<u>204,153</u>
15 Creditors: amounts falling due within one year	2020 £	2019 £
Other loans	20,000	20,000
Bank overdrafts	-	107,310
Trade creditors	103,775	139,290
Other creditors	40,963	41,049
Accruals and deferred income	168,324	114,448
	<u>333,062</u>	<u>422,097</u>
16 Creditors: amounts falling due after more than one year	2020 £	2019 £
Other loans	<u>485,000</u>	<u>505,000</u>
Analysis of loans		
Total loans	505,000	525,000
Less: included in current liabilities	(20,000)	(20,000)
	<u>485,000</u>	<u>505,000</u>
Amounts included above	<u>485,000</u>	<u>505,000</u>
Instalments not due within five years	<u>405,000</u>	<u>425,000</u>
Loan maturity		
Debt due in one year or less	20,000	20,000
Due in more than one year but not more than two years	20,000	20,000
Due in more than two years but not more than five years	60,000	60,000
Due in more than five years	405,000	425,000
	<u>505,000</u>	<u>525,000</u>

ST FRANCIS XAVIER'S COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

(Continued)

16	Creditors: amounts falling due after more than one year	2020	2019
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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 ESFA approved.

17 Deferred income

	2020	2019
	£	£
Deferred income is included within:		
Creditors due within one year	33,036	41,835
Deferred income at 1 September 2019	41,835	46,454
Released from previous years	(41,835)	(46,454)
Resources deferred in the year	33,036	41,835
Deferred income at 31 August 2020	33,036	41,835

Deferred income includes funds received in advance in relation to DFC and rates which relate to 2020/21.

18 Funds

	Balance at 1 September 2019	Income	Expenditure	Gains, losses and transfers	Balance at 31 August 2020
	£	£	£	£	£
Restricted general funds					
General Annual Grant (GAG)	(113,014)	6,122,636	(5,973,538)	81,574	117,658
Other DfE / ESFA grants	-	301,292	(301,292)	-	-
Other government grants	-	8,444	(8,444)	-	-
Other restricted funds	-	229,310	(229,310)	-	-
Pension reserve	(3,488,000)	-	(176,000)	325,000	(3,339,000)
	<u>(3,601,014)</u>	<u>6,661,682</u>	<u>(6,688,584)</u>	<u>406,574</u>	<u>(3,221,342)</u>
Restricted fixed asset funds					
DfE group capital grants	17,418,354	9,987	(502,207)	29,805	16,955,939
	<u>17,418,354</u>	<u>9,987</u>	<u>(502,207)</u>	<u>29,805</u>	<u>16,955,939</u>
Total restricted funds	<u>13,817,340</u>	<u>6,671,669</u>	<u>(7,190,791)</u>	<u>436,379</u>	<u>13,734,597</u>
Unrestricted funds					
General funds	-	240,701	(129,322)	(111,379)	-
	<u>-</u>	<u>240,701</u>	<u>(129,322)</u>	<u>(111,379)</u>	<u>-</u>
Total funds	<u>13,817,340</u>	<u>6,912,370</u>	<u>(7,320,113)</u>	<u>325,000</u>	<u>13,734,597</u>

ST FRANCIS XAVIER'S COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

18 Funds

(Continued)

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 fund 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 2020.

The academy trust is carrying a net surplus of £117,658 on restricted general funds (excluding pension reserve) plus unrestricted funds because of a reduction in funding and staff cost rises. The academy trust is taking the following action to return these funds to surplus: restructuring the leadership team, curriculum review, several support staff posts reduced and increasing PAN.

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	(68,172)	6,187,113	(6,293,084)	61,129	(113,014)
Other DfE / ESFA grants	-	53,195	(53,195)	-	-
Other government grants	-	26,662	(26,662)	-	-
Other restricted funds	-	183,584	(183,584)	-	-
Pension reserve	(2,127,000)	-	(267,000)	(1,094,000)	(3,488,000)
	<u>(2,195,172)</u>	<u>6,450,554</u>	<u>(6,823,525)</u>	<u>(1,032,871)</u>	<u>(3,601,014)</u>
Restricted fixed asset funds					
DfE group capital grants	<u>17,813,297</u>	<u>84,166</u>	<u>(505,823)</u>	<u>26,714</u>	<u>17,418,354</u>
Total restricted funds	<u>15,618,125</u>	<u>6,534,720</u>	<u>(7,329,348)</u>	<u>(1,006,157)</u>	<u>13,817,340</u>
Unrestricted funds					
General funds	<u>-</u>	<u>309,911</u>	<u>(222,068)</u>	<u>(87,843)</u>	<u>-</u>
Total funds	<u>15,618,125</u>	<u>6,844,631</u>	<u>(7,551,416)</u>	<u>(1,094,000)</u>	<u>13,817,340</u>

ST FRANCIS XAVIER'S COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

19 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	17,226,902	17,226,902
Fixed asset investments	-	-	275,000	275,000
Current assets	-	389,757	-	389,757
Creditors falling due within one year	-	(272,099)	(60,963)	(333,062)
Creditors falling due after one year	-	-	(485,000)	(485,000)
Defined benefit pension liability	-	(3,339,000)	-	(3,339,000)
Total net assets	-	(3,221,342)	16,955,939	13,734,597

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	17,709,403	17,709,403
Fixed asset investments	-	-	275,000	275,000
Current assets	-	248,034	-	248,034
Creditors falling due within one year	-	(361,048)	(61,049)	(422,097)
Creditors falling due after one year	-	-	(505,000)	(505,000)
Defined benefit pension liability	-	(3,488,000)	-	(3,488,000)
Total net assets	-	(3,601,014)	17,418,354	13,817,340

20 Agency Arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2020 the trust received £12,409 (2019: £15,341) and disbursed £12,409 (2019: £15,341) from the fund, with the balance carried forward totalling £nil.

21 Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by 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 2016, and that of the LGPS related to the period ended 31 March 2016.

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

ST FRANCIS XAVIER'S COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

21 Pension and similar obligations

(Continued)

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge).
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,600 million giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. assumed real rate of return is 2.4% in excess of prices and 2% in excess earnings. The real rate of growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the period amounted to £665,613 (2019: £487,238).

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% for employers and 5.5 - 12.5% for employees.

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

ST FRANCIS XAVIER'S COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

21 Pension and similar obligations

(Continued)

Total contributions made	2020 £	2019 £
Employer's contributions	237,000	237,000
Employees' contributions	55,000	56,000
Total contributions	292,000	293,000

Principal actuarial assumptions	2020 %	2019 %
Rate of increase in salaries	3.9	3.6
Rate of increase for pensions in payment/inflation	2.5	2.2
Discount rate for scheme liabilities	1.8	1.8
Inflation assumption (CPI)	2.4	2.1

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

	2020 Years	2019 Years
Retiring today		
- Males	20.9	22.0
- Females	24.0	25.0
Retiring in 20 years		
- Males	22.5	25.0
- Females	25.9	27.9

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	5,748,000	5,964,000	5,875,000	6,027,000
Assets	(2,516,000)	(2,516,000)	(2,516,000)	(2,516,000)
Deficit/(surplus)	3,232,000	3,448,000	3,359,000	3,511,000
Projected Service Cost for next year	338,000	353,000	345,000	357,000
Projected Interest Cost for next year	59,000	60,000	58,000	61,000

ST FRANCIS XAVIER'S COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

21 Pension and similar obligations

(Continued)

The academy trust's share of the assets in the scheme	2020 Fair value £	2019 Fair value £
Equities	1,226,000	1,374,000
Government bonds	63,000	274,000
Other bonds	347,000	148,000
Cash/liquidity	136,000	86,000
Property	226,000	242,000
Other assets	518,000	564,000
Total market value of assets	<u>2,516,000</u>	<u>2,688,000</u>

The actual loss on scheme assets was £335,000 (2019: £113,000 gain).

Amount recognised in the Statement of Financial Activities	2020 £	2019 £
Current service cost	354,000	267,000
Past service cost	-	180,000
Interest income	(50,000)	(69,000)
Interest cost	109,000	126,000
Total operating charge	<u>413,000</u>	<u>504,000</u>

Changes in the present value of defined benefit obligations	2020 £
At 1 September 2019	6,176,000
Current service cost	354,000
Interest cost	109,000
Employee contributions	55,000
Actuarial (gain)/loss	(710,000)
Benefits paid	(129,000)
At 31 August 2020	<u>5,855,000</u>

ST FRANCIS XAVIER'S COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

21 Pension and similar obligations

(Continued)

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

	2020 £
At 1 September 2019	2,688,000
Interest income	46,000
Actuarial (loss)/gain	(381,000)
Employer contributions	237,000
Employee contributions	55,000
Benefits paid	(129,000)
At 31 August 2020	<u>2,516,000</u>

22 Reconciliation of net expenditure to net cash flow from operating activities

	2020 £	2019 £
Net expenditure for the reporting period (as per the statement of financial activities)	(407,743)	(706,785)
Adjusted for:		
Capital grants from DfE and other capital income	(9,987)	(84,166)
Investment income receivable	(147)	(172)
Defined benefit pension costs less contributions payable	117,000	210,000
Defined benefit pension scheme finance cost	59,000	57,000
Depreciation of tangible fixed assets	502,206	505,823
(Increase)/decrease in debtors	(2,285)	837
Increase in creditors	18,275	68,348
Net cash provided by operating activities	<u>276,319</u>	<u>50,885</u>

23 Analysis of changes in net debt

	1 September 2019 £	Cash flows £	31 August 2020 £
Cash	43,881	139,438	183,319
Bank overdrafts	(107,310)	107,310	-
	<u>(63,429)</u>	<u>246,748</u>	<u>183,319</u>
Loans falling due within one year	(20,000)	-	(20,000)
Loans falling due after more than one year	(505,000)	20,000	(485,000)
	<u>(588,429)</u>	<u>266,748</u>	<u>(321,681)</u>

ST FRANCIS XAVIER'S COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

24 Commitments under operating leases

At 31 August 2020 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2020 £	2019 £
Amounts due within one year	51,822	84,315
Amounts due in two and five years	43,576	78,145
	<u>95,398</u>	<u>162,460</u>

25 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:

During the year the academy received rental income of £3,250 (2019 - £3,120) from S Black, the daughter of the former business manager, M Black and £7,150 (2019: £7,800) from A Wright, the daughter of deputy head, K Lindop.

26 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.