

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 2015

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ST FRANCIS XAVIER'S COLLEGE

CONTENTS

	Page
Reference and administrative details	1 - 2
Governors' report	3 - 10
Governance statement	11 - 17
Statement on regularity, propriety and compliance	18
Statement of governors' responsibilities	19
Independent auditor's report on the accounts	20 - 21
Independent reporting accountant's report on regularity	22 - 23
Statement of financial activities	24
Balance sheet	25
Cash flow statement	26
Notes to the accounts	27 - 49

ST FRANCIS XAVIER'S COLLEGE

REFERENCE AND ADMINISTRATIVE DETAILS

Governors

Mr D Delaney (Appointed by members)
Miss P Goodall (Support staff governor)
Mrs M Gormely (Appointed by members)
Mr M Helme (Parent governor)
Dr A Keeley (Chair of Governors)
Mr J Lloyd (Teaching staff)
Mr S McNally (Parent governor)
Mrs S O'Driscoll (Appointed by members)
Mr N O'Hare (Parent governor)
Mrs Y A O'Hare (Appointed by members)
Mrs A Oliver (Parent governor)
Mr M W Ord (Appointed by members)
Bro F Patterson (Appointed by members)
Mr M Power (Appointed by members)
Mr D Reynolds (Co-opted by members)
Mr L D Rippon (Head Teacher)
Mrs E M Tedford (Vice Chair)
Mrs L Riccio-Jones (Parent governor)
Mr N Summers (Parent governor)
Mr H N King (Appointed by members)
Mr K Glover (Resigned 1 July 2015)
Mrs J Deane (Resigned 7 September 2015)
Mr D Bowers (Teaching staff) (Appointed 1 July 2015)

Members

Bro F Patterson
Bro Herve
Dr A Keeley

Senior management team

- Deputy Head Teacher KS3	Mrs F Kay
- Deputy Head Teacher KS4	Bro P Tracey
- Deputy Head Teacher KS5	Mr G Flowers
- Business Manager	Mrs M Black
- Head Teacher	Mr L D Rippon

Company secretary

Mrs D Banks

Company registration number

08137421 (England and Wales)

Principal address & registered office

Woolton Hill Road
Liverpool
L25 6EG

Independent auditor

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

ST FRANCIS XAVIER'S COLLEGE

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

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

Solicitors

Stone King Solicitors
13 Queen Square
Bath
BA1 2HJ

ST FRANCIS XAVIER'S COLLEGE

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2015

The governors present their annual report together with the accounts and independent auditor's reports of the charitable company for the period 1 September 2014 to 31 August 2015. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates as an academy for pupils aged 11 to 18 serving a catchment area in South Liverpool. It has a pupil capacity of 980 for aged 11 to 16 and 250 for aged 16-19 and has a role of 955 11-16 and a role of 199 16-19 in the school census on 1st October 2015

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of St Francis Xavier's College are also the directors of the charitable company for the purposes of company law. Three governors act as the trustees for the charitable activities.

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

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

Members' liability

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

Governors' indemnities

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

ST FRANCIS XAVIER'S COLLEGE

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Method of recruitment and appointment or election of governors

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

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

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

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

Bro Herve
Bro Francis Patterson
Dr A Keeley

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

Policies and procedures adopted for the induction and training of governors

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

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

Principal activities

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

ST FRANCIS XAVIER'S COLLEGE

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Organisational structure

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

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

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

The following decisions are reserved for the Governors:

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

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

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

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

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

The Headteacher is the Accounting Officer.

ST FRANCIS XAVIER'S COLLEGE

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Related parties and other connected charities and organisations

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

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

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

There are no sponsors.

Risk management

The Governors have assessed the major risks to which the school is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas and its finances.

The Governors have implemented a system to assess risks that the Academy faces, especially in the operational areas (e.g. in relation to teaching, health and safety and trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors) and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The Academy has undertaken a full review of the main areas of risks which it faces. This includes all health and safety and child protection policies and procedures. In addition a review of all financial risks is undertaken on a regular basis.

The Academy has a formal risk management process to assess business risks and to implement risk management strategies. This process involves identifying the types of risk the Academy faces, scoring and prioritising the risks in terms of their potential operational and financial impact, assessing the likelihood of occurrence and identifying means of mitigating the risks. A Risk Register is maintained and reviewed on a regular basis.

Objectives and activities

Objects and aims

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

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

Objectives, strategies and activities

The priorities of the Academy Trust for 2015 – 2016 are:-

- To continue improved trend in proportion of pupils making 3 Level of Progress (LOP) in Maths.
- Increase proportion of pupils making 3 LOP in English, especially Set 3.
- Reduce the proportion of pupils obtaining a C in English or Maths only and not both.
- 6th Form Recruitment.
- Reduce persistent absenteeism – new threshold.

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

ST FRANCIS XAVIER'S COLLEGE

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Public benefit

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

Strategic report

Achievements and performance

GCSE performance this year was above that of the national picture for boys. The Academy caters for boys aged 11-16. In 2015 54.2% of pupils obtained 5 A* - C grades including English and Maths and 64.0% gained 5 A*-C grades overall. In terms of English and Maths, 67.0% of pupils obtained a grade C or above in English (national boys figure 57.0%) and 66.0% gained a grade C or above in Maths (national boys figure 64.0%).

Students obtained very good 'A' level results with 95% of students progressing into higher education. The average points score per entry was 209 with the average grade being obtained at C.

NEET (not in employment, education or training) figures are outstanding. They stand at 0.5% for the Y11, 1.0% for the Y12 and 0.0% for the Y13 group of 2014-15.

Key performance indicators

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

During the financial year 2014/2015 the Academy has continued to make improvements to the school buildings. Following a successful funding bid to the Education Funding Agency (EFA) the works carried out this year have been the renewal of the windows in the Warner Building. New building work has also been completed by Liverpool City Council as part of the Liverpool Schools Investment Programme. This has involved a Science Block, Sports Hall, Music Suite and Admin Block. The temporary mobile accommodation has been removed following the completion of the work.

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

As funding is based on student numbers this is also a key performance indicator. Student numbers for Spring Census 2015 were 966 in years 7-11 and 220 in 6th Form and 969 and 224 in the Autumn Census respectively. The number in years 7 – 11 will drop slightly over the next 2 years due to the change in our intake numbers from 215 to 196 per year group. The 6th Form numbers can vary from one year to the next and this is a matter reviewed regularly by the Academy Governors and Leadership Team, bearing in mind the downward trend of 6th Form funding.

Going concern

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

ST FRANCIS XAVIER'S COLLEGE

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Financial review

Most of the Academy's income is obtained from the EFA via the Pre 16 GAG funding and Post 16 GAG funding, in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the period ended 31st August 2015 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

During the period ended 31st August 2015, expenditure was covered by recurrent grant funding from the DfE, together with other incoming resources.

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

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

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

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

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

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

Reserves policy

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

The Academy is carrying a net surplus on funds excluding the pension scheme liability of £17,360,837, and at the end of the period has free reserves of £458,370.

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

Investment policy and powers

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

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

ST FRANCIS XAVIER'S COLLEGE

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Principal risks and uncertainties

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

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

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

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

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

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

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

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

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

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

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

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

ST FRANCIS XAVIER'S COLLEGE

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Plans for future periods

Our primary focus in 2015/2016 is to ensure our students make significant progress and achieve high degrees of success in their examinations.

At our Leadership Conference which is usually held in February each year, staff work to produce a 3 year plan to improve teaching and learning using the financial resources available to the college. We have an Academy that is continually striving to improve results and have implemented support groups including the Aspire Group, RAP Group (Raising Achievement) and 1:1 Tuition to aid students with specific needs. Pupil Premium is targeted at students who come from deprived backgrounds to help make progress for such pupils.

The Leadership Team are working hard to embrace the various changes to the curriculum which are coming on line for 2015/16 in order that the best interests of students are served.

We have invested a large sum of money in the Main Building since conversion. The building is over 60 years old and required major refurbishment work. This has now been carried out in the form of a new roof, new windows, new fire doors, new lighting, new flooring and this year a new heating system following a successful Capital Maintenance Bid from the EFA. This has resulted in the Energy Certificate for the Main Building decreasing from an F to a D (117 down to 86).

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

Funds held as custodian trustee on behalf of others

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

Auditor

In so far as the governors are aware:

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

The trustees' report, incorporating a strategic report, was approved by order of the board of governors, as the company directors, on 26 November 2015 and signed on its behalf by:

Dr A Keeley
Chair of Governors



ST FRANCIS XAVIER'S COLLEGE

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2015

Scope of responsibility

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

The governing body has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring the financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between St Francis Xavier's College and the Secretary of State for Education. They are also responsible for reporting to the governing body any material weakness or breakdowns in internal control.

Governance

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

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

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

Governors	Meetings attended	Out of possible
Mr D Delaney (Appointed by members)	3	3
Miss P Goodall (Support staff governor)	3	3
Mrs M Gormely (Appointed by members)	2	3
Mr M Helme (Parent governor)	3	3
Dr A Keeley (Chair of Governors)	3	3
Mr J Lloyd (Teaching staff)	3	3
Mr S McNally (Parent governor)	3	3
Mrs S O'Driscoll (Appointed by members)	1	3
Mr N O'Hare (Parent governor)	3	3
Mrs Y A O'Hare (Appointed by members)	3	3
Mrs A Oliver (Parent governor)	1	3
Mr M W Ord (Appointed by members)	3	3
Bro F Patterson (Appointed by members)	2	3
Mr M Power (Appointed by members)	1	3
Mr D Reynolds (Co-opted by members)	1	3
Mr L D Rippon (Head Teacher)	3	3
Mrs E M Tedford (Vice Chair)	3	3
Mrs L Riccio-Jones (Parent governor)	3	3
Mr N Summers (Parent governor)	3	3
Mr H N King (Appointed by members)	3	3
Mr K Glover (Resigned 1 July 2015)	3	3
Mrs J Deane (Resigned 7 September 2015)	2	3
Mr D Bowers (Teaching staff) (Appointed 1 July 2015)	0	0

ST FRANCIS XAVIER'S COLLEGE

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

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

During the Financial year 2014/15 the Finance Committee discussed and made important decisions on staffing reductions in order to balance the new budget for 2015/16. This was due to reductions in GAG Funding. A decision was taken to offer voluntary severance payments to 13 staff (3 Teachers and 10 Support staff). These payments were in accordance with EFA guidelines and were funded from the College's unrestricted surplus funds.

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

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

ST FRANCIS XAVIER'S COLLEGE

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Review of value for money

I accept that as Accounting Officer of St Francis Xavier's College I am responsible and accountable for ensuring that the Academy Trust delivers good value in the use of public resources. I am aware of the guide to academy value for money statements published by the Education Funding Agency and understand that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayers resources received.

I set out below how I have ensured that the academy trust's use of its resources has provided good value for money during the academic year.

The Academy Trust is committed to:-

Improving educational results

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

GCSE performance this year was above that of the national picture for boys. The Academy caters for boys aged 11-16. In 2015 54.2% of pupils obtained 5 A* - C grades including English and Maths and 64% gained 5 A*-C grades overall. In terms of English and Maths, 67% of pupils obtained a grade C or above in English (national boys figure 57%) and 66% gained a grade C or above in Maths (national boys figure 64%).

Students obtained very good 'A' level results with 95% of students progressing into higher education. The average points score per entry was 209.

NEET (not in employment, education or training) figures are outstanding. They stand at 0.5% for the Y11, 1.0% for the Y12 and 0.0% for the Y13 group of 2014-15.

The Academy tracks attendance and behaviour of all students, statistics are in line with National averages. The college continues to work hard to ensure that pupil absence is monitored regularly and kept as low as possible.

Targeted Improvement

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

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

ST FRANCIS XAVIER'S COLLEGE

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Focus on Individual Pupils

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

Collaboration

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

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

New Initiatives

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

Quantifying improvements

Detailed analysis will be available concerning our 2015 results and also the lessons that can be learned from them when our Raise online report is published later in the first term of the Academic Year. This analysis includes the progress that our students have made compared to their starting points (value added).

Financial governance and oversight

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

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

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

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

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

ST FRANCIS XAVIER'S COLLEGE

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Better purchasing

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

Economies of Scale

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

Better Income generation

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

Reviewing controls and managing risks.

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

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

Lessons learned

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

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Academy for the period 1st September 2014 to 31st August 2015 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Governing Body has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The governing body is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period ending 31st August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governing body.

ST FRANCIS XAVIER'S COLLEGE

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

The risk and control framework

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

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

The governing body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors 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 a termly basis.

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

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

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

ST FRANCIS XAVIER'S COLLEGE

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Review of effectiveness

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

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

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

Approved by order of the board of governors on 26 November 2015 and signed on its behalf by:



Mr L D Rippon
Head Teacher

ST FRANCIS XAVIER'S COLLEGE

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2015

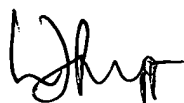
As accounting officer of St Francis Xavier's College I have considered my responsibility to notify the academy trust board of governors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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.

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the board of governors and EFA. If any instances are identified after the date of this statement, these will be notified to the board of governors and EFA.

- During the year the Academy paid for services provided by connected parties, as disclosed in Note 26 of these financial statements. The Academy has followed its own internal procedures for the procurement of these services, however, it did not obtain a supporting statement of assurance from the connected parties confirming that their charges do not exceed the cost of the goods or services. Since the year end the Academy has obtained the required statements from the connected parties concerned covering the year to 31 August 2015 and has updated its practices in relation to transactions with connected parties.
- The Academy entered into an agreement with Liverpool City Council on 3 February 2015, whereby it agreed to contribute £20,000 per annum payable over the next 30 years in interest free quarterly installments, towards certain building works. This has been treated as a long term loan in these financial statements. The Academy did need to seek the EFA's approval prior to entering this arrangement, although a request for approval has been made since the year end, which is currently pending.

Approved on 26 November 2015 and signed by:



Mr L D Rippon
Accounting Officer

ST FRANCIS XAVIER'S COLLEGE

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The governors (who act as trustees for St Francis Xavier's College and are also the directors of St Francis Xavier's College for the purposes of company law) are responsible for preparing the Governors' Report and the accounts in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2005;
- 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.

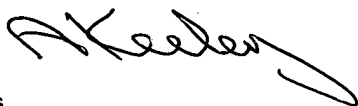
The governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the accounts comply with 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 the EFA/DfE have been applied for the purposes intended.

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

Approved by order of the board of governors on 26 November 2015 and signed on its behalf by:

Dr A Keeley
Chair of Governors



ST FRANCIS XAVIER'S COLLEGE

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ST FRANCIS XAVIER'S COLLEGE

We have audited the accounts of St Francis Xavier's College for the year ended 31 August 2015 set out on pages 24 to 49. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the EFA.

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

Respective responsibilities of governors and auditors

As explained more fully in the Governors' Responsibilities Statement set out on page 19, the governors, who are also the directors of St Francis Xavier's College for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

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

Opinion on accounts

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Governors' Report for the financial year for which the accounts are prepared is consistent with the accounts.

ST FRANCIS XAVIER'S COLLEGE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ST FRANCIS XAVIER'S COLLEGE

Matters on which we are required to report by exception

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

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



Mark Robertson (Senior Statutory Auditor)
UHY Hacker Young Manchester LLP

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

Dated:26/11/15.....

ST FRANCIS XAVIER'S COLLEGE

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

In accordance with the terms of our engagement letter and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015, 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 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of St Francis Xavier's College's funding agreement with the Secretary of State for Education dated 20 February 2012 and the Academies Financial Handbook, extant from 1 September 2014, 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 2014 to 2015. 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 2014 to 31 August 2015 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 2014 to 2015 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

We conducted our work in accordance with Technical Release TECH 08/12 AAF issued by the Institute of Chartered Accountants In England and Wales. In accordance with that Technical Release we have carried out the procedures we consider necessary to be able to report on whether anything has come to our attention which suggests that in all material respects expenditure disbursed and income received have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them. Other than those procedures undertaken for the purposes of our audit of the financial statements of St Francis Xavier's College for the year ended 31 August 2015 which provide evidence on regularity, our work was limited to only those additional procedures necessary to provide limited assurance.

ST FRANCIS XAVIER'S COLLEGE

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

Conclusion

In the course of our work, except for the matters listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

During the year the Academy paid for services provided by connected parties, as disclosed in Note 26 of these financial statements. The Academy has followed its own internal procedures for the procurement of these services, however, it did not obtain a supporting statement of assurance from the connected parties confirming that their charges do not exceed the cost of the goods or services. We understand that since the year end the Academy has obtained the required statements from the connected parties concerned covering the year to 31 August 2015 and has agreed to update its practices in relation to transactions with connected parties.

The Academy entered into an agreement with Liverpool City Council on 3 February 2015, whereby it agreed to contribute £20,000 per annum payable over the next 30 years in interest free quarterly installments, towards certain building works. This has been treated as a long term loan in these financial statements. The Academy did need to seek the EFA's approval prior to entering this arrangement, although we understand a request for approval has been made since the year end, which is currently pending.



Mark Robertson
Reporting Accountant
UHY Hacker Young Manchester LLP

Dated: 26/11/15

ST FRANCIS XAVIER'S COLLEGE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2015

		Unrestricted	Restricted	Fixed Asset	Total	As restated
	Notes	funds	funds	fund	2015	Total
		£	£	£	£	2014
						£
Incoming resources						
<i>Resources from generated funds</i>						
- Voluntary income	3	-	2,384	-	2,384	14,560
- Activities for generating funds	4	23,660	295,383	-	319,043	246,373
- Investment income	5	803	-	-	803	9,239
<i>Resources from charitable activities</i>						
- Funding for educational operations	6	-	6,695,400	4,715,705	11,411,105	7,178,762
Total incoming resources		24,463	6,993,167	4,715,705	11,733,335	7,448,934
Resources expended						
<i>Costs of generating funds</i>						
<i>Charitable activities</i>						
- Educational operations	8	-	7,024,890	640,571	7,665,461	7,188,910
Governance costs	9	-	149,178	-	149,178	166,491
Total resources expended	7	-	7,174,068	640,571	7,814,639	7,355,401
Net incoming/(outgoing) resources before transfers		24,463	(180,901)	4,075,134	3,918,696	93,533
Gross transfers between funds		(21,585)	90,320	(68,735)	-	-
Net income/(expenditure) for the year		2,878	(90,581)	4,006,399	3,918,696	93,533
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension scheme	21	-	(93,000)	-	(93,000)	(23,000)
Net movement in funds		2,878	(183,581)	4,006,399	3,825,696	70,533
Fund balances at 1 September 2014 (as previously stated)		455,492	(1,613,419)	1,141,068	(16,859)	(348,992)
Prior period adjustment	2	-	-	11,755,000	11,755,000	12,016,600
Fund balances at 1 September 2014 (as restated)		455,492	(1,613,419)	12,896,068	11,738,141	11,667,608
Fund balances at 31 August 2015		458,370	(1,797,000)	16,902,467	15,563,837	11,738,141

All of the academy's activities derive from continuing operations during the two financial periods above.

ST FRANCIS XAVIER'S COLLEGE

BALANCE SHEET

AS AT 31 AUGUST 2015

	Notes	2015		As restated 2014	
		£	£	£	£
Fixed assets					
Tangible assets	12	17,328,835		12,506,430	
Investments	13	275,000		275,000	
		<u>17,603,835</u>		<u>12,781,430</u>	
Current assets					
Debtors	14	244,074		491,301	
Cash at bank and in hand		476,683		598,491	
		<u>720,757</u>		<u>1,089,792</u>	
Creditors: amounts falling due within one year	15	(332,805)		(423,206)	
Net current assets		<u>387,952</u>		<u>666,586</u>	
Total assets less current liabilities		<u>17,991,787</u>		<u>13,448,016</u>	
Creditors: amounts falling due after more than one year	16	(630,950)		(43,875)	
Net assets excluding pension liability		<u>17,360,837</u>		<u>13,404,141</u>	
Defined benefit pension liability	21	(1,797,000)		(1,666,000)	
Net assets		<u>15,563,837</u>		<u>11,738,141</u>	
Funds of the academy trust:					
Restricted income funds	18				
- Fixed asset funds		16,902,467		12,896,068	
- General funds		-		52,581	
- Pension reserve		(1,797,000)		(1,666,000)	
Total restricted funds		<u>15,105,467</u>		<u>11,282,649</u>	
Unrestricted funds	18	<u>458,370</u>		<u>455,492</u>	
Total funds		<u>15,563,837</u>		<u>11,738,141</u>	

The accounts were approved by order of the board of governors and authorised for issue on 26 November 2015.

Dr A Keeley
Chair of Governors



Company Number 08137421

ST FRANCIS XAVIER'S COLLEGE

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2015

	Notes	2015 £	2014 £
Net cash inflow/(outflow) from operating activities	22	(210,965)	112,906
Returns on investments and servicing of finance			
Investment income	803	9,239	
Net cash inflow from returns on investments and servicing of finance		803	9,239
		(210,162)	122,145
Capital expenditure and financial investments			
Capital grants received	332,230	158,790	
Payments to acquire tangible fixed assets	(243,876)	(125,497)	
Receipts from sales of tangible fixed assets	-	4,150	
Net cash flow from capital activities		88,354	37,443
Net cash inflow/(outflow) before financing		(121,808)	159,588
Financing			
EFA 'Salix' loan	-	46,800	
Net cash inflow from funding		-	46,800
Increase/(decrease) in cash	23	(121,808)	206,388

ST FRANCIS XAVIER'S COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

1.2 Going concern

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

1.3 Incoming resources

All incoming resources are recognised when the academy trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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 entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

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

Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable, where there is certainty of receipt and the value of the donation is measurable.

Donations

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

Other income

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

Donated services and gifts in kind

The value of donated services and gifts in kind provided to the academy trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the statement of financial activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's policies.

ST FRANCIS XAVIER'S COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

(Continued)

1.4 Resources expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of generating funds

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities

These are costs incurred on the academy trust's educational operations.

Governance costs

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management and governors' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

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

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

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

ST FRANCIS XAVIER'S COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

(Continued)

1.6 Leasing and hire purchase commitments

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

1.7 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.

1.8 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 quinquennial valuations using a prospective benefit method. As stated in Note 21, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions are recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

1.9 Fund accounting

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

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

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

ST FRANCIS XAVIER'S COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

(Continued)

1.10 Agency Arrangements

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

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

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

1.11 Fixed asset investments

Investment properties are included in the balance sheet at their open market value in accordance with Statement of Standard Accounting Practice No. 19 and are not depreciated. This treatment is contrary to the Companies Act 2006 which states that fixed assets should be depreciated but is, in the opinion of the Governors, necessary in order to give a true and fair view of the financial position of the Academy.

2 Prior period adjustment

The majority of the land and buildings occupied by the Academy 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 period ended 31 August 2013 and the year ended 31 August 2014 the Academy recognised the right to use the land and buildings by assigning a notional market rent of £492,000 per annum, which was recorded as an expense in the statement of financial activities as a support cost, with a corresponding notional rent donation under voluntary income.

Due to a change in guidance from the EFA the Trustees have changed their accounting policy to recognise the right to use the property as they believe this gives a more true and fair presentation.

Accordingly the right to use the land and buildings has been treated as an asset inherited on conversion on 1 August 2013. The land and buildings were valued at £12,300,000 by FHP Property Consultants in December 2013 on a depreciated replacement cost basis.

The comparative figures in the balance sheet and statement of financial activities have been restated to reflect this change in policy.

The impact of the prior period adjustment on the comparatives has been to increase opening reserves by £12,016,600 (net book value of the land and buildings at 31 August 2013), increase tangible fixed assets and the restricted fixed asset fund carried forward by £11,755,000 (net book value at 31 August 2014), to remove the notional rent charge and corresponding donation of £492,000, and to charge depreciation in the statement of financial activities of £261,600.

ST FRANCIS XAVIER'S COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

3 Voluntary income

	Unrestricted funds £	Restricted funds £	Total 2015 £	As restated Total 2014 £
Other donations	-	2,384	2,384	14,560

4 Activities for generating funds

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Hire of facilities	15,307	-	15,307	16,911
Catering income	8,353	-	8,353	11,500
Income from other schools	-	48,173	48,173	43,654
Trip income	-	235,222	235,222	148,720
Other income	-	11,988	11,988	25,588
	<u>23,660</u>	<u>295,383</u>	<u>319,043</u>	<u>246,373</u>

5 Investment income

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Short term deposits	803	-	803	9,239

ST FRANCIS XAVIER'S COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

6 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
DfE / EFA grants				
General annual grant (GAG)	-	6,565,563	6,565,563	6,798,812
Capital grants	-	151,171	151,171	293,048
Other DfE / EFA grants	-	13,900	13,900	-
	-	6,730,634	6,730,634	7,091,860
Other government grants				
Local authority grants	-	115,937	115,937	86,652
Other grants	-	4,564,534	4,564,534	250
	-	4,680,471	4,680,471	86,902
Total funding	-	11,411,105	11,411,105	7,178,762

7 Resources expended

	Staff costs £	Premises & equipment £	Other costs £	Total 2015 £	As restated Total 2014 £
Academy's educational operations					
- Direct costs	4,403,657	286,881	713,802	5,404,340	5,148,119
- Allocated support costs	970,842	515,083	775,196	2,261,121	2,040,791
	5,374,499	801,964	1,488,998	7,665,461	7,188,910
Other expenditure					
Governance costs	73,845	-	75,333	149,178	166,491
Total expenditure	5,448,344	801,964	1,564,331	7,814,639	7,355,401
Incoming/outgoing resources for the year include:				2015 £	2014 £
Operating lease rentals				132,501	128,662
Loss/(profit) on disposal of fixed assets				301,955	(1,988)

ST FRANCIS XAVIER'S COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

7 Resources expended (Continued)

Included within resources expended are the following transactions. Individual transactions exceeding £5,000 are identified separately:

	2015
	£
Gifts made by the trust - total	370
Fixed asset losses - total	301,955
- Items over £5,000: Building adaptations as part of the LCC redevelopment programme	52,311
Land and buildings - MUGA as part of the LCC redevelopment programme	249,644
	<u>249,644</u>

ST FRANCIS XAVIER'S COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

8 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2015 £	As restated Total 2014 £
Direct costs				
Teaching and educational support staff costs	-	4,387,096	4,387,096	4,300,101
Depreciation	-	286,881	286,881	135,574
Technology costs	-	5,540	5,540	13,019
Educational supplies and services	-	152,340	152,340	191,775
Examination fees	-	100,947	100,947	122,898
Staff development	-	16,561	16,561	15,499
Educational consultancy	-	103,932	103,932	109,581
Other direct costs	-	351,043	351,043	259,672
	-	5,404,340	5,404,340	5,148,119
Allocated support costs				
Support staff costs	-	970,842	970,842	947,583
Depreciation	-	353,690	353,690	183,207
Technology costs	-	169,625	169,625	157,263
Recruitment and support	-	7,093	7,093	19,956
Maintenance of premises and equipment	-	161,393	161,393	133,613
Cleaning	-	8,161	8,161	5,808
Energy costs	-	117,775	117,775	107,525
Rent and rates	-	147,520	147,520	147,740
Insurance	-	57,074	57,074	54,514
Security and transport	-	2,207	2,207	7,295
Catering	-	117,042	117,042	117,768
Interest and finance costs	-	54,000	54,000	64,000
Other support costs	-	94,699	94,699	94,519
	-	2,261,121	2,261,121	2,040,791
Total costs	-	7,665,461	7,665,461	7,188,910

ST FRANCIS XAVIER'S COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

9 Governance costs

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Legal and professional fees	-	45,710	45,710	73,927
Auditor's remuneration				
- Audit of financial statements	-	9,320	9,320	14,403
- Other services	-	20,303	20,303	7,250
Support staff costs	-	73,845	73,845	70,911
	-	149,178	149,178	166,491

10 Staff costs

The average number of persons (including senior management team) employed by the academy trust during the year expressed as full time equivalents was as follows:

	2015 Number	2014 Number
Teachers	73	74
Administration and support	82	92
Management	8	8
	163	174

Costs included within the accounts:

	2015 £	2014 £
Wages and salaries	4,308,472	4,308,261
Social security costs	325,562	320,555
Other pension costs	600,904	589,601
	5,234,938	5,218,417
Supply teacher costs	58,752	101,278
Compensation payments	138,093	-
Staff development and other staff costs	16,561	15,499
Total staff costs	5,448,344	5,335,194

The number of employees whose annual remuneration was £60,000 or more was:

	2015 Number	2014 Number
In the band £60,001 - £70,000	6	5
In the band £100,001 - £200,000	1	1

ST FRANCIS XAVIER'S COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

10 Staff costs

(Continued)

Of the employees above, the number participating in pension schemes and the employers' contributions paid on their behalf were as follows:

		2015	2014
Teachers' Pension Scheme	Numbers	5	5
	£	58,708	51,235
Local Government Pension Scheme	Numbers	1	1
	£	10,105	8,781

Included in compensation payments are non-statutory/non-contractual severance payments totalling £68,829 (2014: £nil). Individually, the payments were: £5,244, £2,004, £8,941, £5,903, £8,709, £2,609, £3,026, £6,571, £2,358, £3,885, £13,423, £1,875 and £4,281.

ST FRANCIS XAVIER'S COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

11 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 (2014 - £nil) were reimbursed to the governors.

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

Mr L D Rippon (Head Teacher):

Remuneration £110,000 - £115,000 (2014: £105,000 - £110,000)

Employer's pension contributions £10,000 - £15,000 (2014: £10,000 - £15,000)

Mr J Lloyd (Staff trustee):

Remuneration £40,000 - £45,000 (2014: £35,000 - £40,000)

Employer's pension contributions £5,000 - £10,000 (2014: £5,000 - £10,000)

Mr K Glover (Staff trustee):

Remuneration £35,000 - £40,000 (2014: £35,000 - £40,000)

Employer's pension contributions £5,000 - £10,000 (2014: £5,000 - £10,000)

Mrs P Goodall (Staff trustee):

Remuneration £15,000 - £20,000 (2014: £15,000 - £20,000)

Employer's pension contributions £0,000 - £5,000 (2014: £0,000 - £5,000)

Mr D Reynolds (Staff trustee):

Remuneration £15,000 - £20,000 (2014: £15,000 - £20,000)

Mr D Bowers (Staff trustee):

Remuneration £35,000 - £40,000 (2014: £nil - not a governor)

Employer's pension contributions £5,000 - £10,000

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

Governors' and officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2015 was £3,194 (2014: £1,555).

ST FRANCIS XAVIER'S COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

12 Tangible fixed assets

	Land and buildings	Plant and machinery	Building adaptations	Fixtures, fittings & equipment	Assets under construction	Total
	£	£	£	£	£	£
Cost						
At 1 September 2014*	12,562,781	48,062	468,525	54,713	-	13,134,081
Additions	-	7,250	286,877	4,315	5,164,534	5,462,976
Disposals	(262,781)	-	(65,007)	-	-	(327,788)
At 31 August 2015	12,300,000	55,312	690,395	59,028	5,164,534	18,269,269
Depreciation						
At 1 September 2014*	552,881	17,878	31,805	25,087	-	627,651
On disposals	(13,137)	-	(12,696)	-	-	(25,833)
Charge for the year	266,856	7,848	53,954	9,958	-	338,616
At 31 August 2015	806,600	25,726	73,063	35,045	-	940,434
Net book value						
At 31 August 2015	11,493,400	29,586	617,332	23,983	5,164,534	17,328,835
At 31 August 2014*	12,009,900	30,184	436,720	29,626	-	12,506,430

*as restated

The MUGA (Multi-use games area) was disposed of during the year at a loss of £249,644 as part of the LCC redevelopment programme. This is shown above in Land and Buildings.

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

13 Investment property

	Freehold investment property £
Valuation	
At 1 September 2014 and at 31 August 2015	275,000

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

ST FRANCIS XAVIER'S COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

13	Investment property	(Continued)	
14	Debtors	2015	2014
		£	£
	Other debtors	74,366	51,551
	Prepayments and accrued income	169,708	439,750
		<u>244,074</u>	<u>491,301</u>
15	Creditors: amounts falling due within one year	2015	2014
		£	£
	Government loans	5,850	2,925
	Other loans	10,000	-
	Trade creditors	30,480	58,122
	Other creditors	87,000	105,500
	Accruals	137,910	199,639
	Deferred income	61,565	57,020
		<u>332,805</u>	<u>423,206</u>
16	Creditors: amounts falling due after more than one year	2015	2014
		£	£
	Government loans	40,950	43,875
	Other loans	590,000	-
		<u>630,950</u>	<u>43,875</u>

ST FRANCIS XAVIER'S COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

		(Continued)	
16	Creditors: amounts falling due after more than one year	2015	2014
Analysis of loans			
	Not wholly repayable within five years by instalments	646,800	46,800
		<u>646,800</u>	<u>46,800</u>
	Less: included in current liabilities	(15,850)	(2,925)
		<u>630,950</u>	<u>43,875</u>
	Amounts included above	<u>630,950</u>	<u>43,875</u>
	Instalments not due within five years	<u>577,550</u>	<u>20,475</u>
Loan maturity			
	Debt due in one year or less	15,850	2,925
	In more than one year but not more than two years	15,850	5,850
	In more than two years but not more than five years	37,550	17,550
	In more than five years	577,550	20,475
		<u>646,800</u>	<u>46,800</u>
17 Deferred income			
		2015	2014
		£	£
	Deferred income is included within:		
	Creditors due within one year	61,565	57,020
		<u>61,565</u>	<u>57,020</u>
	Total deferred income at 1 September 2014	57,020	39,553
	Amounts credited to the statement of financial activities	(57,020)	(39,553)
	Amounts deferred in the year	61,565	57,020
		<u>61,565</u>	<u>57,020</u>
	Total deferred income at 31 August 2015	61,565	57,020

Deferred income includes funds received in advance in relation to trips and rates which relate to 15/16.

ST FRANCIS XAVIER'S COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

18 Funds

	Balance at 1 September 2014 (as restated)	Incoming resources	Resources expended	Gains, losses and transfers	Balance at 31 August 2015
	£	£	£	£	£
Restricted general funds					
General Annual Grant	52,581	6,565,563	(7,136,068)	517,924	-
Other government grants	-	129,837	-	(129,837)	-
Other restricted funds	-	297,767	-	(297,767)	-
	<u>52,581</u>	<u>6,993,167</u>	<u>(7,136,068)</u>	<u>90,320</u>	<u>-</u>
Funds excluding pensions	52,581	6,993,167	(7,136,068)	90,320	-
Pension reserve	(1,666,000)	-	(38,000)	(93,000)	(1,797,000)
	<u>(1,613,419)</u>	<u>6,993,167</u>	<u>(7,174,068)</u>	<u>(2,680)</u>	<u>(1,797,000)</u>
Restricted fixed asset funds					
Restricted fixed asset funds	12,896,068	4,715,705	(640,571)	(68,735)	16,902,467
	<u>12,896,068</u>	<u>4,715,705</u>	<u>(640,571)</u>	<u>(68,735)</u>	<u>16,902,467</u>
Total restricted funds	<u>11,282,649</u>	<u>11,708,872</u>	<u>(7,814,639)</u>	<u>(71,415)</u>	<u>15,105,467</u>
Unrestricted funds					
General funds	455,492	24,463	-	(21,585)	458,370
	<u>455,492</u>	<u>24,463</u>	<u>-</u>	<u>(21,585)</u>	<u>458,370</u>
Total funds	<u>11,738,141</u>	<u>11,733,335</u>	<u>(7,814,639)</u>	<u>(93,000)</u>	<u>15,563,837</u>

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

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

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

ST FRANCIS XAVIER'S COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

19 Agency Arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for the EFA. In the accounting period ending 31 August 2015 the trust received £15,167 (2014: £16,410) and disbursed £5,898 (2014: £16,410) from the fund, with the balance carried forward totalling £9,269.

The academy trust collects canteen revenue for Taylor Shaw, a third party, as an agent. In the accounting period ending 31 August 2015 the trust received £33,245 (2014: £19,296) and disbursed £33,245 (2014: £19,296) from the fund.

20 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Fixed asset funds £	Total funds £
Fund balances at 31 August 2015 are represented by:				
Tangible fixed assets	-	-	17,328,835	17,328,835
Fixed asset investments	-	-	275,000	275,000
Current assets	458,370	175,387	87,000	720,757
Creditors falling due within one year	-	(175,387)	(157,418)	(332,805)
Creditors falling due after one year	-	-	(630,950)	(630,950)
Defined benefit pension liability	-	(1,797,000)	-	(1,797,000)
	<u>458,370</u>	<u>(1,797,000)</u>	<u>16,902,467</u>	<u>15,563,837</u>

21 Pensions and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

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

Teachers' Pension Scheme

Introduction

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

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

ST FRANCIS XAVIER'S COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

21 Pensions and similar obligations

(Continued)

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

ST FRANCIS XAVIER'S COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

21 Pensions and similar obligations

(Continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £240,000, of which employer's contributions totalled £191,000 and employees' contributions totalled £49,000. The agreed contribution rates for future years are 13 per cent for employers and 5.5 - 12.0 per cent for employees.

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

	2015 £	2014 £
Employer's contributions	191,000	166,000
Employees' contributions	49,000	46,000
Total contributions	240,000	212,000

Principal actuarial assumptions

	2015 %	2014 %
Rate of increase in salaries	3.80	3.70
Rate of increase for pensions in payment	2.30	2.20
Discount rate for scheme liabilities	4.00	4.40
Inflation assumption (CPI)	2.30	2.20
Expected return on scheme assets at 31 August	5.30	5.73

Sensitivity analysis	+0.1% p.a. discount rate	+0.1% p.a. inflation	1 year increase in life expectancy
	£	£	£
Liabilities	2,847,000	2,982,000	2,965,000
Assets	(1,117,000)	(1,117,000)	(1,117,000)
Deficit/(surplus)	1,730,000	1,865,000	1,848,000
Projected Service Cost for next year	175,000	183,000	183,000
Projected Expected Return on Assets for next year	(61,000)	(61,000)	(61,000)
Projected Interest Cost for next year	121,000	123,000	123,000

ST FRANCIS XAVIER'S COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

21 Pensions and similar obligations

(Continued)

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

	2015 Years	2014 Years
Retiring today		
- Males	22.4	22.3
- Females	25.3	25.2
Retiring in 20 years		
- Males	24.8	24.7
- Females	28.1	28

The academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	2015 Expected return %	2015 Fair value £	2014 Expected return %	2014 Fair value £
Equities	6.5	672,000	7.0	527,000
Government bonds	2.5	154,000	2.9	120,000
Other bonds	3.6	58,000	3.8	20,000
Cash/liquidity	0.5	32,000	0.5	39,000
Property	6.1	96,000	6.2	68,000
Other assets	6.5	105,000	7	102,000
Total market value of assets		1,117,000		876,000
Present value of scheme liabilities - funded		(2,914,000)		(2,542,000)
Net pension liability		(1,797,000)		(1,666,000)

The expected rate of return on plan assets is based on market expectations, at the beginning of the period, for investment returns over the entire life of the related obligation. The assumption used is the average of the following assumptions appropriate to the individual asset classes weighted by the proportion of the assets in the particular asset class.

The assumed investment return on government bonds is the yield on 20-year fixed interest gilts at the relevant date. As at 31 August 2015 this yield was 3.4% pa.

The actual return on scheme assets was £26,000.

ST FRANCIS XAVIER'S COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

21 Pensions and similar obligations

(Continued)

Operating costs and income recognised in the statement of financial activities

	2015 £	2014 £
Financial expenditure/(income)		
Expected return on pension scheme assets	(52,000)	(31,000)
Interest on pension liabilities	106,000	95,000
	<u>54,000</u>	<u>64,000</u>
Other expenditure/(income)		
Current service cost	175,000	(11,000)
Past service cost	-	-
	<u>175,000</u>	<u>(11,000)</u>
Total operating charge/(income)	<u>229,000</u>	<u>53,000</u>

Actuarial gains and losses recognised in the statement of financial activities

	2015 £	2014 £
Actuarial (gains)/losses on assets: actual return less expected	27,000	(216,000)
Experience losses on liabilities	66,000	239,000
	<u>93,000</u>	<u>23,000</u>
Total losses	<u>93,000</u>	<u>23,000</u>
 Cumulative losses to date	 <u>130,000</u>	 <u>37,000</u>

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

	2015 £	2014 £
Opening defined benefit obligations	(2,542,000)	(2,007,000)
Current service cost	(175,000)	(155,000)
Interest cost	(106,000)	(95,000)
Contributions by employees	(49,000)	(46,000)
Actuarial losses	(66,000)	(239,000)
Benefits paid	24,000	-
	<u>(2,914,000)</u>	<u>(2,542,000)</u>

ST FRANCIS XAVIER'S COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

21 Pensions and similar obligations

(Continued)

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

	2015 £	2014 £
Opening fair value of scheme assets	876,000	417,000
Expected return on assets	52,000	31,000
Actuarial gains/(losses)	(27,000)	216,000
Contributions by employers	191,000	166,000
Contributions by employees	49,000	46,000
Benefits paid	(24,000)	-
	<u>1,117,000</u>	<u>876,000</u>

The estimated value of employer contributions for the year ended 31 August 2016 is £191,000.

History of experience gains and losses:

	2015 £	2014 £	2013 £
Present value of defined benefit obligations	(2,914,000)	(2,542,000)	(2,007,000)
Fair value of share of scheme assets	<u>1,117,000</u>	<u>876,000</u>	<u>417,000</u>
Deficit in the scheme	<u>(1,797,000)</u>	<u>(1,666,000)</u>	<u>(1,590,000)</u>
Experience gains/(losses) on scheme liabilities	-	(47,000)	-
Experience gains/(losses) on scheme assets	<u>(27,000)</u>	<u>216,000</u>	<u>25,000</u>

ST FRANCIS XAVIER'S COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

22 Reconciliation of net income to net cash inflow/(outflow) from operating activities

	2015 £	As restated 2014 £
Net income	3,918,696	93,533
Capital grants and similar income	(4,715,705)	(158,790)
Investment income	(803)	(9,239)
FRS17 pension costs less contributions payable	(16,000)	(11,000)
FRS17 pension finance income	54,000	64,000
Depreciation of tangible fixed assets	338,616	320,769
Losses/(profits) on disposals of fixed assets	301,955	(881)
Increase in debtors	(33,832)	(7,888)
Decrease in creditors	(57,892)	(177,598)
Net cash inflow/(outflow) from operating activities	(210,965)	112,906

23 Reconciliation of net cash flow to movement in net funds

	2015 £	2014 £
Increase in cash	(121,808)	206,388
EFA loans	-	(46,800)
Contribution to LCC development	(600,000)	-
Net funds at 1 September 2014	551,691	392,103
Net funds at 31 August 2015	(170,117)	551,691

24 Analysis of net funds

	At 1 September 2014 £	Cash flows £	Non-cash changes £	At 31 August 2015 £
Cash at bank and in hand	598,491	(121,808)	-	476,683
Debt due within one year	(2,925)	-	(12,925)	(15,850)
Debt due after one year	(43,875)	-	(587,075)	(630,950)
	(46,800)	-	(600,000)	(646,800)
Net balances	551,691	(121,808)	(600,000)	(170,117)

Non-cash changes include a £600,000 contribution by the Academy towards a building project funded by Liverpool City Council (LCC) payable over the next 30 years.

ST FRANCIS XAVIER'S COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

25 Commitments under operating leases

At 31 August 2015 the academy trust had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2015	2014	2015	2014
	£	£	£	£
Expiry date:				
- Within one year	-	-	24,863	27,194
- Between two and five years	-	-	120,801	114,369
- In over five years	14,300	14,300	-	-
	<u>14,300</u>	<u>14,300</u>	<u>145,664</u>	<u>141,563</u>

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

26 Related parties

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

All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures, with an elevated scrutiny given the existence of the connected parties.

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

The proprietor of E.B.C Construction is the spouse of the school's business manager. During the year the academy purchased services to the value of £37,656 (2014 - £26,284) from E.B.C Construction.

Kevin Fay is the spouse of the deputy head teacher of KS3. During the year the academy purchased services to the value of £33,900 (2014 - £30,000) from Kevin Fay in his capacity as the school's careers advisor. £15,000 (2014 - £15,000) of this cost has been recharged to collaborative schools and colleges.

27 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he 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.