

Registered number: 08462151 (England and Wales)

ST FRANCIS OF ASSISI ACADEMIES TRUST

(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

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ST FRANCIS OF ASSISI ACADEMIES TRUST
(A Company Limited by Guarantee)

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ST FRANCIS OF ASSISI ACADEMIES TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016**

Members	Duns Scotus Trust
Trustees	A Bishop, Executive Principal (appointed 1 September 2016) ¹ J M Brady (appointed 31 March 2016) Fr M H Bull C J Donnellan, Chair ¹ A C Knought (appointed 31 March 2016) Dr A Lee, Executive Principal (resigned 23 April 2016) ¹ M E Morris ¹ M O'Sullivan I L Ottley ¹ C M Piotrowski L Sanderson (resigned 23 September 2016) ¹ Member of the Finance Committee
Company secretary	A Waterhouse
Executive Principal	A Bishop (appointed 1 September 2016) Dr A Lee (resigned 23 April 2016)
Senior management team	Dr A Lee, Executive Principal (resigned 23 April 2016) A Bishop, Executive Principal (appointed 1 September 2016) F Topa, Headteacher A Wilshaw-Quinn, Headteacher L Sumpter, Headteacher A Palmer, Headteacher Mrs J Stringer, Chief Finance Officer
Company name	St Francis of Assisi Academies Trust
Principal and registered office	St Thomas More Catholic Teaching School Tyne Crescent Bedford MK41 7UL
Company registered number	08462151
Independent auditors	Streets Audit LLP Chartered Accountants Statutory Auditors Potton House Wyboston Lakes Great North Road Wyboston Bedford MK44 3BZ

ST FRANCIS OF ASSISI ACADEMIES TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016**

Advisers (continued)

Bankers	Lloyds Bank plc 34 High Street Bedford MK40 1SB
Solicitors	Duncan A Pickering LLB 4 Southfields Bourne PE10 9TZ

ST FRANCIS OF ASSISI ACADEMIES TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 01 September 2015 to 31 August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Academy Trust was incorporated on 26 March 2013 and took over the activities of the four member schools St Thomas More Catholic School, St Gregory's Catholic Middle School, St Joseph's Catholic Lower School and St John Rigby Catholic Primary School, on 1 April 2013. On 3 April 2013 the charitable organisation changed its name from St Francis of Assisi Academies Trust Ltd to St Francis of Assisi Academies Trust.

Its academies have a combined PAN of 2,060 and had a roll of 2,001 in the school census in October 2016.

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of St Francis Of Assisi Academies Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as St Francis of Assisi Academies Trust.

Locally the member schools are known as 'Bedford Catholic Schools'.

Details of the trustees who served during the year are included in the Reference and Administrative 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, for the debts and liabilities contracted before they ceased to be a member.

Trustees' Indemnities

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000.

Method of Recruitment and Appointment or Election of Trustees

The management of the Academy Trust is the responsibility of the Trustees who are appointed by the Duns Scotus Trust, or elected or co-opted under the terms of the Articles of Association and in accordance with the requirements of the Duns Scotus Trust which is the sole member of the charitable company.

Policies and Procedures Adopted for the Induction and Training of Trustees

All new Trustees will be given a tour of the Academy Schools and the chance to meet staff and pupils. All Trustees are provided with electronic access to copies of the policies, procedures, minutes, accounts, budgets, plans and other documents they need to undertake their role as Trustees. Informal inductions take place for new Trustees.

Organisational Structure

The Academy Trust operates through a single governing body, supported by an Executive Principal, who are jointly responsible for the strategic direction and leadership of the member schools. Each individual school has their own Headteacher, whose role includes leading on standards, learning and teaching pedagogy and nurturing the unique Catholic ethos. They are line managed by the Executive Principal. Each individual school is overseen by the Academy Support and Improvement Group, a local governing body reporting back to the Full governing Body.

ST FRANCIS OF ASSISI ACADEMIES TRUST
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Arrangements for setting pay and remuneration of key management personnel

Executive Principal pay is agreed in line with Bedford Borough pay policy for head teachers, taking into account combined size of the four schools and role of the Executive Principal.

The head teachers pay is agreed in line with Bedford Borough pay policy for head teachers, taking into account the size of the individual schools and any other factors such as recruitment and retention.

Chief Finance Officer pay is determined in line with market rates for comparable roles.

Related Parties and other Connected Charities and Organisations

The Trustees are appointed by the Duns Scotus Trust on behalf of the Northampton Roman Catholic Diocese and in accordance with the Articles of Association. Otherwise there are no related parties which either control or significantly influence the decisions and operations of the Academy Trust, although it works with the Duns Scotus Trust and the Northampton Roman Catholic Diocese in pursuit of the charitable activities.

Objectives and Activities

Objects and Aims

The principal object and activity of the Academy Trust is to provide education for pupils of different abilities between the ages of 3 and 19 and to advance education in the United Kingdom for the benefit of the public.

The Academy Trust is also committed to the core values of the Catholic Faith, and the belief that all pupils can succeed in some area which will equip them for a fulfilling life.

Objectives, Strategies and Activities

The Academy Trust's main strategy is to provide all through Catholic education for the culturally diverse Bedford community.

The Academy still strives to ensure that standards are continually raised. New targets and increased rigour of teaching and self assessment are being introduced to ensure that standards and achievements keep rising.

Public Benefit

The directors of the Academy Trust have complied with the duty to have a high regard for the guidance on public benefit, published by the Charity Commission. They believe that the activities of the members have a positive impact on pupils in those schools and the wider community.

Strategic Report

Achievements and Performance and Key Performance Indicators

St Thomas More Catholic Upper School

In September 2014 St Thomas More Teaching School became a secondary school, welcoming its first intake of Year 7s. We started by expecting 45 from our Primary Catholic Feeder school, but our success saw this number rapidly rise to such numbers that the Year 7 entry point was oversubscribed even after raising the PAN to 75.

The academic year 2015-16 has been one of huge success for St Thomas More in Exam outcomes. The school achieved outstanding GCSE results in a year that saw new Progress and Attainment measures brought in by the DfE. In the new measure of Progress 8 STM was the top Borough school, achieving a score of 0.53, which is classed as 'well above average' by the DfE. We were also the top of the Diocesan schools, and second in the whole of Bedfordshire. The Basics indicator has seen an increase of 8 percentage points from 2015 to 2016, driven by another strong performance by English with 87% of students achieving an A* to C grade in either English Language or English Literature. Mathematics have seen a big increase in performance from 2015, up by almost 10% (or 20 students). This is the highest Mathematics A* to C percentage since the 2014 reforms and represents year to year growth in a subject that has seen no increase nationally.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

The Head Teacher has been recognised by NCTL for her work in enabling other schools, and has been made an NLE. And thus the school gains National Support School status. In addition to this success, the school has continued to develop its Teaching School. This is now a vibrant element of school operations with a significant turnover. It enables the school to invest in supporting other schools and in maintaining quality within St Thomas More School. We continue our direct intensive School to School Support Programmes and more general courses that inspire excellence and improvement.

The school is looking forward to moving to full Two Tier arrangements, which will see the removal of mobile classrooms and an extensive building programme to accommodate this change in structure.

St Gregory's Catholic Middle School

Standards

This has been another highly successful year at St Gregory's with results positioning the school as one of the top performers in the Local Authority at Key Stage 2. St Gregory's have met the floor standards in three out of four measures. Progress scores are in excess of the expected floor by some margin, especially in Writing and Maths.

- The floor figure for attainment was 65% for RWM. STG (52 pupils) has 56% in this area with 5% achieving a "high score". The national figures were 53% and 5% respectively. The percentage of pupils progress in reading, writing and maths is +7% above the national average. For pupils achieving the higher standard is +0 (in line with national average).
- The percentage of pupils progress in reading was +0 (in line with national average). The percentage of pupils reaching the higher standard was +3% above the national average of 0.
- The percentage of pupils progress in writing was +13% above the national average. Pupils achieving the higher standard were -7% below the national average.
- The percentage of pupils' progress in maths was +7% above the national average. Pupils achieving the higher standard was +1% above national average

Key Stage 3: Attainment is at least good with some outstanding progress.

English

In 2016, English Level 5+ is good at 87.05%. This is in line with historical National Teacher Assessment percentages for the end of KS3 (Year 9). This compares well with the KS3 estimates from FFT D / Top 25% for the end of Year 9 (94% estimated to reach Level 5+ by the end of Year 9 – 6.96% away from the estimate for the end of Year 9).

Level 6+, was significantly up on last year at 60%.

Maths:

In 2016, Maths Level 5+ is good at 88%. This is above the historical National Teacher Assessment percentages for the end of KS3 (Year 9) and students are on track to achieve the FFT D / Top 25% estimate for the end of Year 9 which was 94%. Level 6+ is outstanding at 69% - only 5% away from the FFT estimate for the end of Year 9 (74%).

Science:

Students have continued to make excellent progress in Science this year with outcomes showing the rewards of strong ethos created in the Science department and the curriculum changes made over the last 2 years. 96.48% of students achieved L5+ - which is significantly above the historical national standards. 63.53% achieved 6+. Assessments are accurate and evidenced by in-class work and regular online assessments. The curriculum continues to be revised in line with changes to the national curriculum and GCSE developments.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

St Gregory's has been re-designated with the Basic Skills Award and has also retained the School Games Kite Mark (Gold Standard).

Attendance 2015-16 was above the National Average at 96%.

A grant from the EFA enabled the replacement of windows in the main school block which has not only enhanced the look of the building but has provided much needed insulation and energy savings. (Further work to be completed in 2016-17).

There has been an ongoing ICT refurbishment programme with a new Server installed and iPads purchased to support pupils' learning. There has also been an investment in Music resources to further enhance the curriculum.

The school also purchased a new boiler as the old one had ceased to function.

Senior staff continue to be in demand with the Local Authority and have supported other schools in key areas of Maths, Reading and Writing. We now have two Local Leaders of Learning who are providing support for staff who are new to Senior Leadership (as commissioned by St Thomas More Teaching School).

St Joseph's Catholic Lower School

Key priorities with actions and outcomes, including some key performance indicators are as follows:

1. To strongly improve achievement for all pupils, including disadvantaged pupils and those who have special educational needs, over a sustained period of time.

- Improve outcomes and provision in mathematics - A large sum of money was invested in the Maths Mastery programme. This will be implemented across the school starting 2015 in EYFS and Y1. The programme builds cumulatively on the skills and knowledge the children acquire. Outcomes in EYFS clearly demonstrate a significant improvement in progress this year.

Maths (number)	% children at expected level on entry	% children at or above expected level at end	% point increase
2016 Results	18%	74%	56
2015 Results	34%	68%	34

- Improve outcomes for those with SEND and the 'more able' not making the expected progress with reading or with mathematics by developing use of assessment and provision.
- To supplement the reduced external provision for 'Speech and Language Difficulties', a practitioner was commissioned to provide direct teaching to children and enhance the skills of support staff in implementing SpLD programmes across the school. Outcomes are difficult to determine at this stage.
- Increased funding was directed to support the implementation of the Read Write Inc 1:1 programme after a development day identified a large group of Year 1 and 2 children had not reached the required outcomes. Although Year 1 phonics screening check outcomes continue to be slightly below national figures, the Year 2 cumulative picture is very good. The school makes significantly good progress with girls as a group. We continue to identify strategies to ensure the gender gap narrows.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

2016 Phonics screening check	Year 1	National	Year 2 cumulative	National
All pupils	78	81	95	91
Boys	59	77	92	89
Girls	94	84	100	93
Disadvantaged	68	70	95	86
Other	83	83	95	93

- The Maths Mastery Lead teacher collaborated with the Year 2 practitioners to ensure mastery techniques were used for teaching and intervention. This resulted in excellent progress for all groups of children in their outcomes at the end of the year. Better progress was made in all groups measured against national outcomes and from baseline. The disadvantaged group are not measured against disadvantaged children nationally, but against outcomes for those not at a disadvantage!

2016 KS1 Maths	Expected standard	National	Greater depth	National
All pupils	72	73	18	18
Boys	64	72	11	19
Girls	86	74	29	16
Disadvantaged	63	77 (other)	11	20 (other)
Other	76	77	21	20
GLD* Yes	95	91	32	27
GLD* No	60	47	11	4
Emerging	50	36	0	2
Expected	90	86	33	18
Exceeding	0	99	0	59

- Enhance early experience of school for Polish speaking group in order to improve outcomes.
- A specialist teacher was deployed in the Foundation stage classes to pre-teach and introduce specific subject vocabulary. Although outcomes below are focused on speaking, better outcomes were seen for this group across all subjects.

C & L (speaking)	% children at expected level on entry	% children at or above expected level at end	% point increase
2016 Results	35%	72%	37
2015 Results	42%	72%	30

2. Increase confidence and skills of support staff through professional development and appraisal. Improve confidence and skill of school leaders to shape and lead this process. Maximize well-being at work of practitioners in order to improve engagement with tasks.

- Further staff development days were purchased to enhance skills in teaching reading. Phonics screening check and KS1 reading outcomes demonstrate the positive impact of this.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

2016 KS1 Reading	Expected standard	National	Greater depth	National
All pupils	77	74	44	24
Boys	67	70	28	20
Girls	95	78	71	27
Disadvantaged	74	78 (other)	37	27 (other)
Other	79	77	47	27
GLD* Yes	95	93	79	37
GLD* No	69	48	23	5
Emerging	52	36	13	2
Expected	97	85	63	20
Exceeding	100 (1 child)	99	100 (1 child)	65

- Support staff appraisal procedures have been embedded this year resulting in professional development being further matched to individual needs.
- All senior leads had training for performance management conversations to enable them to carry out the support staff appraisal. This in turn developed their professional skills as leaders.

3. Strengthen the links within the teaching, learning and assessment cycle to improve learning.

- The use of the Classroom Monitor online assessment tool was fully embedded through a series of staff meetings and continuous practitioner development. Monitoring by subject leads, including Religious Education and Science, ensured planning and provision was being closely matched to learning needs. Continuous tracking using the system also resulted in summative judgments at identified assessment points being based on a wide range of evidence.
- The Early Years' Lead, and other practitioners, took part in professional development through the Early Excellence Project, looking particularly at Learner engagement scales. They also enhanced their practice in making baseline assessments. This resulted in securing improved pupil progress in EYFS.

4. Careful management of the budget has resulted in significant sums of money being used to improve resources across the school including new chairs in all classrooms and re-organisation of the school office to provide larger and more versatile accommodation for support staff.

St John Rigby Catholic Primary School

St John Rigby has continued to demonstrate that it is on a significant journey towards being an outstanding primary school.

With regards to Leadership and Management, the mid-year departure of the Deputy Head teacher has allowed the Headteacher and Directors to look at the considerable leadership potential that exists within the school.

By the end of the academic year, Phase leaders for KS2 and an Assistant Head (E Years and KS1) have been appointed. These are key in ensuring that there is a leadership structure that is sustainable and fit for purpose for a large inclusive Catholic primary school. The school has also benefited from the cross-Trust support of its partner schools, in particular, St. Gregory's. The Headteacher continues to benefit from the wisdom and insight of St. Gregory's Headteacher and the school has also enlisted the support of Mrs. I Bond, recently retired Deputy Head from St. Thomas More. Mrs. Bond is able to lend her considerable expertise in child protection, and the personal development and welfare of youngsters.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

The school has also invested in another layer of leadership which is having a positive impact already. The Family Support worker now has increased hours in order to be able to meet the needs of an increasing number of vulnerable families. In addition, an additional L4 Cover Supervisor was appointed (internal appointment together). Three existing teaching assistants also secured 10 hours per week as Level 3 Teaching Assistants. The objective here is to create the monitoring time for middle leaders mentioned above to build an overall picture of their areas and drive improvement in these.

The school's KS2 results are some of the best in the Local Authority and attainment and progress is summarised as follows:

Subject	SJR	National Average	Progress Scores	National Floors on Progress
Reading	68.5	66	+0.5	-5.0
Maths	87	70	+2.7	-5.0
GPS	80	72		
Writing (Teacher assessed)	68.5	74	-2.3	-7.0
Reading, Writing and Maths	61.1	Floor standard is 65		

The school's Key Stage One results are also ahead of Local Authority Averages:

	% expected	
	Sch	LA
RWM	68.3	59
Reading	80	72.1
Writing	71.7	64.8
Maths	83.3	70.8

Year One Phonics continues to demonstrate excellent progress from Early Years.

At the end of Year 2, 100% of pupils achieve the Phonics screener compared to a National Average of 90%.

In Early Years, the APS for all learning goals as well as prime areas for development remain well above Local Authority averages.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

The percentages for prime areas for as well as literacy and numeracy for 2016, also show an increase on 2015.

Pupil attendance for 2015-16 remained well above, and persistent absence well below, national averages.

The school has continued to ensure that the learning environment is safe and stimulating for children. It has engaged with many initiatives in order to promote environment sustainability.

The school has engaged with the other schools across the Trust in getting the best possible value for money for grounds maintenance. It has used this as an opportunity to ensure that the extensive numbers of trees are managed in order to ensure a safe working environment.

Various rooms such as the HT office, Family Support and Intervention Room, Admin offices and Early Years, have been overhauled in order to ensure that support for pupil achievement and engagement with parents remain at the forefront of the school's vision.

Going Concern

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

Financial Review

The majority of the Academy Trust's income is obtained from the DfE via the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. Pupil premium funding is also received from the EFA and other grants, such as Special Educational Needs Funding, is received from the Local Authority. In accordance with the SORP (Statement of Recommended Practice), these sources of funding are shown in the Statement of Financial Activities (SOFA) as Restricted Funds. Any other items of funding have been assigned in the financial statements in accordance with the guidelines set down by the SORP.

During the period ending 31 August 2016 income totalled £11,194,960 (2015 £11,309,015) and expenditure totalled £10,784,739 (2015 £10,668,015). All schools have achieved a balanced budget taking into account reserves brought forward and surplus GAG funds have been carried forward to the following academic year.

At 31 August 2016 the net book value of fixed assets was £433,501 (2015 £480,307). These assets are used exclusively for providing education and the associated support services to the pupils of the Academy Trust.

The premises used by the Academy Trust are owned by the Northampton Roman Catholic Diocese Trust and used by the academy Trust under the terms of a 125 year lease. However, the terms of the lease do not transfer the benefits of ownership to the Trust and, as a consequence, the land and buildings are not recognised in the financial statements. Other assets have been included in the financial statements at cost or the estimated market value on conversion, taking into account purchase price and remaining useful lives.

Reserves Policy

The Trustees review the reserve levels of each member school, and monitor the overall reserves under the control of the Academy Trust. This review examines the income and expenditure streams against the forecasts to match commitments and to identify or forecast any potential shortfall.

The Trustees are mindful that the Academy Trust needs to maintain an appropriate level of reserves, to provide sufficient working capital to cover delays between spending and receipt of income from the applicable streams or to provide a cushion for unexpected expenditure and emergencies. The Trustees will continue to keep reserves subject to constant and ongoing review.

A contribution from reserves will be needed to upgrade the school sites within the MAT as part of the move from 3 tier to 2 tier delivery.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

The balance sheet at 31 August 2016 shows a net deficit amounting to £780,308 (2015 net reserves totalling £390,471) after accounting for the accumulated deficit on the Local Government Pension Scheme for non teaching staff of £2,707,000 (2015 £1,482,000). As disclosed in note 22, the DfE would meet these liabilities in the event that the Academy Trust was to close. The Academy Trust's net assets, excluding the pension liability amounted to £1,926,692 (2015 £1,872,471) of which £1,493,191 (2015 £1,932,164 are free reserves).

Investment Policy

The Academy Trust seeks to optimise cash flow whilst maximising the return on investments in a safe and secure manner. At the balance sheet date the Academy Trust had placed £1,500,000 in a money market deposit.

Principal Risks and Uncertainties

As detailed in the 'Plans for Future Periods' note the Trust will move from three tier education to two tier education from September 2017. The money needed to adapt the school sites to meet the needs of the new student cohorts is being supplied by the Local Authority (£2.07m). As the money will not transfer to the Trust until April 2018 there is always a risk that changes in central or local government could affect the commitment given.

Plans for Future Periods

Our Trust remains committed to providing exceptional all-through Catholic education for approximately 2,000 pupils aged from 3-18 across Bedford. All Trust schools have achieved either 'outstanding' or 'good' at Ofsted and are ambitious for further success and securing ever-improving educational outcomes.

As part of the Local Authority programme to move schools from three (lower, middle, upper) to two (primary, secondary) tier provision, there will be a change in the structure of Trust schools from September 2017. St Joseph's Lower School and St Gregory's Middle School which share a site either side of a playing field, will in effect merge to become a primary school, whilst numbers in Year 7 and 8 will be expanded at St Thomas More.

The Local Authority are supplying funding (£2.07m) for the changes that will be needed to be made to the school sites, this money will be available from April 2018 and as an interim measure St Thomas More's year 7 and 8 will be split across the St Gregory's and St Thomas More sites.

Funds Held as Custodian Trustee on Behalf of Others

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

Auditor

Insofar as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- the trustees 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 St Francis of Assisi Academies Trust have re-appointed Streets as their auditor as agreed at the finance committee meeting 17th October 2016.

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 7 December 2016 and signed on the board's behalf by:



C J Donnellan
Chair of Trustees

ST FRANCIS OF ASSISI ACADEMIES TRUST
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The Board of Trustees has delegated the day-to-day responsibility to the Executive Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between St Francis of Assisi Academies Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

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

Trustee	Meetings attended	Out of a possible
A Bishop, Executive Principal (appointed 1 September 2016)	0	0
J M Brady	2	3
Fr M H Bull	2	3
C J Donnellan, Chair	3	3
A C Knought	1	3
Dr A Lee, Executive Principal (resigned 23 April 2016)	3	3
M E Morris	3	3
M O'Sullivan	3	3
I L Ottley	3	3
C M Piotrowski	3	3
L Sanderson	2	3

F Topa (interim Accounting Officer from 23 April to 31 August 2016) attended two meetings whilst acting as Accounting Officer.

Governance reviews:

The board expanded its membership in 2015 and continues to look for appropriately skilled/qualified directors to enhance its skillset. The trust carries out an annual governor skills audit (Catholic Education Service template) that informs training, succession planning and recruitment. Committee membership and terms of reference are reviewed and updated annually. The Directors are actively seeking to recruit a professionally qualified accountant to the board.

The finance committee is a sub-committee of the main board of trustees and also includes audit within its terms of reference. Its purpose is to ensure that school's money within the trust is well spent, that resources are allocated in line with strategic priorities and that the schools are making full and efficient use of assets and financial resources.

ST FRANCIS OF ASSISI ACADEMIES TRUST
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GOVERNANCE STATEMENT (continued)

We are actively recruiting a qualified accountant to join our governing body. The Chief Finance Officer is a qualified accountant and attends all finance committee meetings.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
C J Donnellan	4	5
M Morris	5	5
I L Ottley	3	5
Dr A Lee (Executive Principal and Accounting Officer to 23 April 2016)	5	5

F Topa (interim Accounting Officer from 23 April to 31 August 2016) attended two meetings whilst acting as Accounting Officer.

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Executive Principal has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

- Pro-actively scrutinising staffing structures to ensure that delivery of teaching is as cost effective as possible while not having a negative effect on outcomes. An example would be the re-organisation of leadership at St Thomas More Catholic Upper School when an assistant head left. The post has not been replaced and leadership duties have been reviewed and redistributed.
- The schools within the MAT offer support to each other from within the organisation when needed. An example would be when a deputy head left St John Rigby Primary School the post was filled by a member of the leadership team at another school while the school structure was reviewed. This gave the school the time it needed to look the best structure going forward rather than replacing like for like.
- The improved efficiencies envisaged by the centralisation of the finance team in January 2015 have now materialised through improved cash flow, the implementation of electronic payments and income collection and the negotiation of trust wide contracts for the delivery of services such as grounds maintenance etc.

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 ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in St Francis of Assisi Academies Trust for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

ST FRANCIS OF ASSISI ACADEMIES TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks, that has been in place for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint HCSS Education as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a termly basis, the internal auditor reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The checks carried out in the current period included:

Autumn Term 2015

- Roles, Responsibilities & Financial Procedures
- Register of Interests
- Whistle Blowing
- Self-evaluation of Financial Competencies
- New Governors Induction Pack
- Tendering
- Budgeting
- Financial / Accounting Records and Systems
- Data Security
- Insurance

ST FRANCIS OF ASSISI ACADEMIES TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

Spring Term 2016

- Reporting
- GAG income
- Grant Income
- Purchasing
- Cash Control
- Payroll
- VAT and other Taxations
- Year End

Summer Term 2016

- School Development Plan
- Other Income
- Assets

HCSS Education have delivered the schedule of work as agreed at the start of the year. They will however not be continuing to provide this service for the next financial year as they are closing their internal audit department.

No material control issues were identified.

REVIEW OF EFFECTIVENESS

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

- the work of the internal auditor;
- the work of the external auditors;
- 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 members of the Board of Trustees on 7 December 2016 and signed on their behalf, by:



C J Donnellan
Chair of Trustees



A Bishop
Accounting Officer

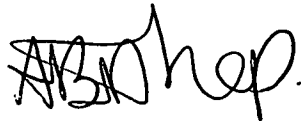
ST FRANCIS OF ASSISI ACADEMIES TRUST
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of St Francis of Assisi Academies Trust I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2015.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of trustees and EFA.

A handwritten signature in black ink, appearing to read 'A Bishop'.

A Bishop
Accounting Officer

Date: 7 December 2016

ST FRANCIS OF ASSISI ACADEMIES TRUST
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Strategic Report, the Trustees' Report and the financial statements 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 Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 7 December 2016 and signed on its behalf by:



C J Donnellan
Chair of Trustees

ST FRANCIS OF ASSISI ACADEMIES TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ST FRANCIS OF ASSISI ACADEMIES TRUST

We have audited the financial statements of St Francis of Assisi Academies Trust for the year ended 31 August 2016 which comprise the Statement of Financial Activities Incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements 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 FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Academy Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements 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 FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

ST FRANCIS OF ASSISI ACADEMIES TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ST
FRANCIS OF ASSISI ACADEMIES TRUST**

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' Report, incorporating the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

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 financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Robert Anderson (Senior Statutory Auditor)

for and on behalf of

Streets Audit LLP

Chartered Accountants
Statutory Auditors

Potton House
Wyboston Lakes
Great North Road
Wyboston
Bedford
MK44 3BZ

Date: 13 December 2016

ST FRANCIS OF ASSISI ACADEMIES TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO ST FRANCIS OF
ASSISI ACADEMIES TRUST AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 20 October 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St Francis of Assisi Academies Trust during the year 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to St Francis of Assisi Academies Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to St Francis of Assisi Academies Trust 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 St Francis of Assisi Academies Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF ST FRANCIS OF ASSISI ACADEMIES TRUST'S ACCOUNTING
OFFICER AND THE REPORTING AUDITORS**

The accounting officer is responsible, under the requirements of St Francis of Assisi Academies Trust's funding agreement with the Secretary of State for Education dated 26 March 2013, and the Academies Financial Handbook extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by 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.

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO ST FRANCIS OF
ASSISI ACADEMIES TRUST AND THE EDUCATION FUNDING AGENCY (continued)**

The work undertaken to draw our conclusions included:

- Review of the Academy's systems and controls to ensure effective design;
- Confirmation of satisfactory operation of controls during the year, including authorisation of invoices, payments and salary adjustments;
- Review of a sample of expenses focussing on those nominal codes considered to include transactions of a greater risk;
- Review of the reports from internal scrutiny work undertaken during the year;
- Discussions with the finance team.

CONCLUSION

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



Robert Anderson (Senior Statutory Auditor)

for and on behalf of

Streets Audit LLP

Chartered Accountants
Statutory Auditors

Potton House
Wyboston Lakes
Great North Road
Wyboston
Bedford
MK44 3BZ

Date: 13 December 2016

ST FRANCIS OF ASSISI ACADEMIES TRUST
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Income from:						
Donations and capital grants	2	146,403	-	7,225	153,628	650,167
Charitable activities	3	180,778	10,400,461	43,624	10,624,863	10,623,400
Other trading activities	4	25,459	-	-	25,459	32,531
Investments	5	4,010	387,000	-	391,010	2,917
Total income		356,650	10,787,461	50,849	11,194,960	11,309,015
Expenditure on:						
Charitable activities		52,014	10,625,565	107,160	10,784,739	10,668,015
Total expenditure	6	52,014	10,625,565	107,160	10,784,739	10,668,015
Net income / (expenditure) before transfers		304,636	161,896	(56,311)	410,221	641,000
Transfers between Funds	18	(46,150)	36,645	9,505	-	-
Net income / (expenditure) before other recognised gains and losses		258,486	198,541	(46,806)	410,221	641,000
Actuarial losses on defined benefit pension schemes	22	-	(1,581,000)	-	(1,581,000)	(232,000)
Net movement in funds		258,486	(1,382,459)	(46,806)	(1,170,779)	409,000
Reconciliation of funds:						
Total funds brought forward		585,530	(675,366)	480,307	390,471	(18,529)
Total funds carried forward		844,016	(2,057,825)	433,501	(780,308)	390,471

ST FRANCIS OF ASSISI ACADEMIES TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08462151

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £	£	2015 £
Fixed assets					
Tangible assets	13		433,501		480,307
Current assets					
Stocks	14	49,167		29,738	
Debtors	15	291,437		334,296	
Investments	16	1,500,000		1,200,000	
Cash at bank and in hand		613,633		985,963	
			2,454,237	2,549,997	
Creditors: amounts falling due within one year	17	(961,046)		(1,157,833)	
Net current assets			1,493,191		1,392,164
Total assets less current liabilities			1,926,692		1,872,471
Defined benefit pension scheme liability	22		(2,707,000)		(1,482,000)
Net (liabilities)/assets including pension scheme liabilities			(780,308)		390,471
Funds of the academy					
Restricted income funds:					
Restricted income funds	18	649,175		806,634	
Restricted fixed asset funds	18	433,501		480,307	
Restricted income funds excluding pension liability		1,082,676		1,286,941	
Pension reserve		(2,707,000)		(1,482,000)	
Total restricted income funds			(1,624,324)		(195,059)
Unrestricted income funds	18		844,016		585,530
Total (deficit)/funds			(780,308)		390,471

The financial statements were approved by the Trustees, and authorised for issue, on 7 December 2016 and are signed on their behalf, by:



C J Donnellan
Chair of Trustees

The notes on pages 25 to 48 form part of these financial statements.

ST FRANCIS OF ASSISI ACADEMIES TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	20	(101,799)	740,283
Cash flows from investing activities:			
Dividends, interest and rents from investments		29,469	35,448
Purchase of tangible fixed assets		-	(56,177)
Purchase of investments		(300,000)	(1,200,000)
Net cash used in investing activities		(270,531)	(1,220,729)
Change in cash and cash equivalents in the year		(372,330)	(480,446)
Cash and cash equivalents brought forward		985,963	1,466,409
Cash and cash equivalents carried forward		<u>613,633</u>	<u>985,963</u>

ST FRANCIS OF ASSISI ACADEMIES TRUST
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

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

St Francis of Assisi Academies Trust constitutes a public benefit entity as defined by FRS 102.

1.2 Company status

The Academy Trust is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the Academy Trust being wound up, the liability in respect of the guarantee is limited to £10 per member of the Academy Trust.

1.3 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

ST FRANCIS OF ASSISI ACADEMIES TRUST
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.4 Income

All income is recognised once the Academy Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of Financial Activities Incorporating Income and Expenditure Account 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 Statement of Financial Activities Incorporating Income and Expenditure Account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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

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

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

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

Charitable activities and Governance costs are costs incurred on the Academy Trust's educational operations, including support costs and costs relating to the governance of the Academy Trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

ST FRANCIS OF ASSISI ACADEMIES TRUST
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.6 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities Incorporating Income and Expenditure Account and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities Incorporating Income and Expenditure Account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold Property	-	2% per annum straight line
Improvements		
Fixtures and fittings	-	14.29% per annum straight line
Computer equipment	-	33.33% per annum straight line

1.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.9 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

ST FRANCIS OF ASSISI ACADEMIES TRUST
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.11 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy Trust; this is normally upon notification of the interest paid or payable by the Bank.

1.12 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.

ST FRANCIS OF ASSISI ACADEMIES TRUST
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.13 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1.14 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 Trustees.

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

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

1.15 Financial instruments

The Academy Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

ST FRANCIS OF ASSISI ACADEMIES TRUST
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.16 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Donations	21,288	-	-	21,288	68,206
Academies Capital and Maintenance Fund grants	-	-	7,225	7,225	504,753
Contributions to School trips	125,115	-	-	125,115	77,208
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and capital grants	146,403	-	7,225	153,628	650,167
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

In 2015, of the total income from donations and capital grants, £145,414 was to unrestricted funds and £504,753 was to restricted funds

ST FRANCIS OF ASSISI ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

3. FUNDING FOR EDUCATIONAL OPERATIONS

	Unrestricted Funds 2016 £	Restricted Funds 2016 £	Total Funds 2015 £	Total Funds 2015 £
DfE / EFA REVENUE GRANTS				
General Annual Grant	-	8,735,882	8,735,882	8,794,782
Capital Grants	-	43,624	43,624	43,002
Other DfE/EFA Grants	-	758,582	758,582	898,764
	-	9,538,088	9,538,088	9,736,547
OTHER GOVERNMENT GRANTS				
Local Authority Grants	-	568,770	568,770	504,399
	-	10,106,858	10,106,858	504,399
OTHER INCOME				
Departmental and other income	180,778	193,703	374,481	280,410
Catering income	-	143,524	143,524	102,043
	180,778	10,444,085	10,624,863	382,452
Total	180,778	10,444,085	10,624,863	10,623,400

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Letting income	25,459	-	25,459	32,531

In 2015, of the total income from other trading activities, £32,531 was to unrestricted funds and £nil was to restricted funds.

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

5. INVESTMENT INCOME

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	<i>Total funds 2015 £</i>
Interest received	4,010	-	4,010	2,917
Pension income	-	387,000	387,000	-
	<u>4,010</u>	<u>387,000</u>	<u>391,010</u>	<u>2,917</u>

In 2015, of the total investment income, £2,917 was to unrestricted funds and £nil was to restricted funds.

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FOR THE YEAR ENDED 31 AUGUST 2016**

6. CHARITABLE ACTIVITIES

	Unrestricted Funds 2016 £	Restricted Funds 2016 £	Total Funds 2016 £	Total Funds 2015 £
DIRECT COSTS - EDUCATIONAL OPERATIONS				
Wages and salaries	-	5,945,086	5,945,086	5,516,942
National insurance	-	496,850	496,850	413,284
Pension cost	-	952,591	952,591	787,633
Educational supplies	-	694,732	694,732	637,963
Agency Staff	-	123,079	123,079	199,375
Examination fees	-	141,023	141,023	134,423
Staff development	-	64,748	64,748	54,215
Technology	-	34,848	34,848	47,521
Other direct costs	-	-	-	1,917
	-	8,452,957	8,452,957	7,793,272
SUPPORT COSTS - EDUCATIONAL OPERATIONS				
Wages and salaries	43,303	759,274	802,577	809,877
National insurance	2,204	35,138	37,342	35,389
Pension costs	6,507	166,846	173,353	170,043
LGPS Pension interest cost	-	-	-	1,000
Depreciation	-	46,806	46,806	41,850
Recruitment and support	-	21,490	21,490	45,618
Technology	-	84,944	84,944	67,885
Maintenance of premises and equipment	-	272,725	272,725	795,115
Cleaning	-	41,546	41,546	44,221
Rent and rates	-	72,098	72,098	72,502
Energy costs	-	152,259	152,259	125,038
Insurance	-	94,390	94,390	88,344
Security and Transport	-	24,462	24,462	22,604
Catering	-	212,656	212,656	224,944
Bank interest and charges	-	2,672	2,672	2,101
Other Support Costs	-	275,120	275,120	310,061
Governance - Auditors' remuneration	-	13,142	13,142	15,000
Governance - Internal audit costs	-	4,200	4,200	3,150
	52,014	2,279,768	2,331,782	2,874,742
Total	52,014	10,732,725	10,784,739	10,668,015

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

7. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the charity	46,806	41,850
Auditors' remuneration - audit	13,142	15,000
Internal audit costs	4,200	3,150
Operating lease rentals	25,522	20,491
	<u> </u>	<u> </u>

8. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2016 was £3,063 (2015 - £3,063).

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

9. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	6,747,663	6,326,819
Social security costs	534,192	448,673
Operating costs of defined benefit pension schemes	1,125,944	957,676
	<u>8,407,799</u>	<u>7,733,168</u>
Supply teacher costs	122,579	199,375
Severance payments	11,000	-
	<u><u>8,541,378</u></u>	<u><u>7,932,543</u></u>

b. Staff numbers:

The average number of persons employed by the Academy Trust during the year was as follows:

	2016 No.	2015 No.
Teaching staff	131	120
Support staff	195	175
Management	6	6
	<u>332</u>	<u>301</u>

Average headcount expressed as a full time equivalent:

	2016 No.	2015 No.
Teachers	111	116
Support	121	121
Management	6	5
	<u>238</u>	<u>242</u>

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

9. STAFF COSTS (continued)

c. Higher paid staff

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

	2016	2015
	No.	No.
In the band £60,001 - £70,000	2	1
In the band £70,001 - £80,000	2	2
In the band £80,001 - £90,000	1	0
In the band £110,001 - £120,000	0	1

All of the above employees participated in the Teachers' Pension Scheme.

d. Non statutory/non-contractual staff severance payments

A severance payment was made totalling £11,000 for an employee who had been on long term sick leave.

e. Key management personnel:

The key management personnel of the Academy Trust comprise the trustees and senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £401,010 (2015 £589,993).

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

10. CENTRAL SERVICES

The Academy Trust has provided the following central services to its academies during the year:

- Management and administration
- Audit and accountancy services
- Educational leadership and inspection consultancy
- Software licencing

The Academy Trust charges for these services on the following basis:

Percentage of income from General Annual Grant.

The actual amounts charged during the year were as follows:

	2016	2015
	£	£
St Thomas More Catholic School	150,543	183,580
St Gregory's Middle School	55,339	55,329
St Joseph's Catholic Lower School	46,702	44,355
St John Rigby Catholic Primary School	51,728	47,598
	<u>304,312</u>	<u>330,862</u>
Total		

11. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2016	2015
		£	£
Dr A Lee (Executive Principal and Trustee)	Remuneration	70,000-75,000	110,000-115,000
	Pension contributions paid	10,000-15,000	15,000-20,000

During the year, no other Trustees received any benefits in kind or reimbursement of expenses (2015 - £nil).

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**NOTES TO THE FINANCIAL STATEMENTS
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12. OTHER FINANCE INCOME

	2016 £	2015 £
Interest income on pension scheme assets	565,000	151,000
Interest on pension scheme liabilities	(178,000)	(152,000)
	<u>387,000</u>	<u>(1,000)</u>

13. TANGIBLE FIXED ASSETS

	Leasehold Property Improve- ments £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 September 2015 and 31 August 2016	418,769	86,418	41,554	546,741
Depreciation				
At 1 September 2015	29,898	16,267	20,269	66,434
Charge for the year	20,938	12,345	13,523	46,806
At 31 August 2016	50,836	28,612	33,792	113,240
Net book value				
At 31 August 2016	<u>367,933</u>	<u>57,806</u>	<u>7,762</u>	<u>433,501</u>
At 31 August 2015	<u>388,871</u>	<u>70,151</u>	<u>21,285</u>	<u>480,307</u>

As noted in the accounting policies, the properties used by the Academy Trust's member schools are owned by The Northampton Roman Catholic Diocese Trustee and leased to the Academy Trust. The trustees do not consider that the risks and rewards of ownership have been transferred to the Trust under the terms of the lease and, consequently, the value of these assets has not been recognised in these financial statements.

Additions to the leasehold property are capitalised in the financial statements to the extent that they are funded from the Trust's own resources, from grants received and other sources of income.

14. STOCKS

	2016 £	2015 £
Goods for own use and for resale	<u>49,167</u>	<u>29,738</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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15. DEBTORS

	2016 £	2015 £
Trade debtors	22,690	52,574
VAT repayable	38,357	53,161
Prepayments and accrued income	230,390	228,561
	<u>291,437</u>	<u>334,296</u>

16. CURRENT ASSET INVESTMENTS

	2016 £	2015 £
Money Market Deposit	<u>1,500,000</u>	<u>1,200,000</u>

17. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	319,522	281,700
Other creditors	185	3,105
Accruals and deferred income	641,339	873,028
	<u>961,046</u>	<u>1,157,833</u>
Deferred income		
Deferred income at 1 September 2015	790,362	379,516
Resources deferred during the year	585,979	790,362
Amounts released from previous years	(790,362)	(379,516)
Deferred income at 31 August 2016	<u>585,979</u>	<u>790,362</u>

Deferred income comprises Devolved Formula Capital receipts in advance £25,651, unspent ACMF grants £241,279, Universal Infant Free School Meals £81,957, Rates £19,177, SEND advisor funding £145,276, NCTL teaching school £40,000 and trips and other receipts in advance of £32,639.

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

18. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General Funds	585,530	356,650	(52,014)	(46,150)	-	844,016
Restricted funds						
General Annual Grant (GAG)	668,317	8,737,047	(8,847,695)	(16,684)	-	540,985
Other DfE/EFA Grants	-	713,158	(713,158)	-	-	-
Teaching School Local Authority Grants	138,317	176,903	(260,359)	53,329	-	108,190
Other Restricted Funds	-	575,035	(575,035)	-	-	-
Pension reserve	-	198,318	(198,318)	-	-	-
	(1,482,000)	387,000	(31,000)	-	(1,581,000)	(2,707,000)
	<u>(675,366)</u>	<u>10,787,461</u>	<u>(10,625,565)</u>	<u>36,645</u>	<u>(1,581,000)</u>	<u>(2,057,825)</u>
Restricted fixed asset funds						
Fixed Asset Reserve	480,307	-	(46,806)	-	-	433,501
Devolved Formula Capital	-	43,624	(53,129)	9,505	-	-
ACMF Funds	-	7,225	(7,225)	-	-	-
	<u>480,307</u>	<u>50,849</u>	<u>(107,160)</u>	<u>9,505</u>	<u>-</u>	<u>433,501</u>
Total restricted funds	<u>(195,059)</u>	<u>10,838,310</u>	<u>(10,732,725)</u>	<u>46,150</u>	<u>(1,581,000)</u>	<u>(1,624,324)</u>
Total of funds	<u>390,471</u>	<u>11,194,960</u>	<u>(10,784,739)</u>	<u>-</u>	<u>(1,581,000)</u>	<u>(780,308)</u>

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

General Funds:

The Academy Trust's general fund represents assets transferred on conversion and income and expenditure relating to activities undertaken by the Academy Trust as part of its charitable activities. The Academy Trust can use these funds for any purpose. £46,150 has been transferred from general funds to support teaching costs in excess of GAG and other restricted grant income.

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

18. STATEMENT OF FUNDS (continued)

Restricted Funds:

The Academy Trust received a number of grants during the year for the purpose of providing educational services to its pupils. These funds included grants from the EFA for the General Annual Grant (GAG) and Pupil Premium and High Needs grants were also received from the Local Authority. These grants have been used for staff costs, educational resources and general costs incurred in the running of the Academy. A net transfer of £16,684 has been made from GAG expenditure: £46,150 received from general funds to cover costs in excess of grant funding received less £53,329 for Teaching School reserves and £9,505 transferred to Restricted Fixed Asset funds for capital expenditure in excess of Devolved Formula Capital income.

The Academy Trust received other restricted income for the provision of the Teaching School which has been used to provide a number of courses for staff of the academy and other schools. The Teaching School activities have also generated other income from participating schools and the unspent funds have been carried forward to future accounting periods.

The value of assets capitalised in the accounts is represented by a separate Restricted Fixed Asset Fund. Devolved Capital Formula Funding received in the period has been expended on capital repairs and maintenance costs. The source of funding used to purchase the fixed assets is represented by transfers between funds.

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2016 were allocated as follows:

	Total 2016 £	<i>Total 2015 £</i>
St Thomas More Catholic School	859,470	966,426
St Gregory's Middle School	165,454	151,737
St Joseph's Catholic Lower School	369,103	269,188
St John Rigby Catholic Primary School	99,164	4,813
	<hr/>	<hr/>
Total before fixed asset fund and pension reserve	1,493,191	1,392,164
Restricted fixed asset fund	433,501	480,307
Pension reserve	(2,707,000)	(1,482,000)
	<hr/>	<hr/>
Total	(780,308)	390,471
	<hr/> <hr/>	<hr/> <hr/>

ST FRANCIS OF ASSISI ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

18. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY COST

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depre- ciation £	Total 2016 £	Total 2015 £
St Thomas More Catholic School	4,200,554	444,889	296,337	711,507	5,653,287	5,039,265
St Gregory's Middle School	1,252,030	164,415	114,659	285,731	1,816,835	2,206,638
St Joseph's Catholic Lower School	979,662	184,855	153,604	255,560	1,573,681	1,420,715
St John Rigby Catholic Primary School	1,084,860	160,484	128,918	288,868	1,663,130	1,594,685
Centralised costs	-	31,000	-	-	31,000	364,862
	<u>7,517,106</u>	<u>985,643</u>	<u>693,518</u>	<u>1,541,666</u>	<u>10,737,933</u>	<u>10,626,165</u>

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	-	433,501	433,501	480,307
Current assets	844,016	1,610,221	-	2,454,237	2,549,997
Creditors due within one year	-	(961,046)	-	(961,046)	(1,157,833)
Provisions for liabilities and charges	-	(2,707,000)	-	(2,707,000)	(1,482,000)
	<u>844,016</u>	<u>(2,057,825)</u>	<u>433,501</u>	<u>(780,308)</u>	<u>390,471</u>

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NOTES TO THE FINANCIAL STATEMENTS
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20. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2016 £	2015 £
Net income for the year (as per Statement of financial activities)	410,221	641,000
Adjustment for:		
Depreciation charges	46,806	41,850
Dividends, interest and rents from investments	(29,469)	(35,448)
(Increase)/decrease in stocks	(19,429)	(9,768)
Decrease in debtors	42,859	153,870
Decrease in creditors	(196,787)	(85,221)
Defined benefit pension scheme cost less contributions payable	31,000	33,000
Defined benefit pension scheme finance cost	(387,000)	1,000
Net cash (used in)/provided by operating activities	(101,799)	740,283

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash in hand	613,633	985,963
Total	613,633	985,963

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

22. PENSION COMMITMENTS

The Academy Trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Hymans Robertson LLP. Both are Multi-Employer Defined Benefit Pension Schemes.

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

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £676,710 (2015 - £577,957).

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NOTES TO THE FINANCIAL STATEMENTS
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22. PENSION COMMITMENTS (continued)

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £528,000 (2015 - £460,000), of which employer's contributions totalled £427,000 (2015 - £371,000) and employees' contributions totalled £101,000 (2015 - £89,000). The agreed contribution rates for future years are 24.1% for employers and a variable rate 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.

Principal actuarial assumptions:

	2016	2015
Discount rate for scheme liabilities	2.00 %	3.70 %
Expected return on scheme assets at 31 August	2.00 %	3.70 %
Rate of increase in salaries	3.10 %	3.50 %
Rate of increase for pensions in payment / inflation	2.10 %	2.60 %

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

	2016	2015
Retiring today		
Males	22.4	22.4
Females	24.3	24.3
Retiring in 20 years		
Males	24.4	24.4
Females	26.8	26.8

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

22. PENSION COMMITMENTS (continued)

The Academy Trust's share of the assets in the scheme was:

	Fair value at 31 August 2016 £	<i>Fair value at 31 August 2015 £</i>
Equities	3,200,000	2,052,000
Debt instruments	415,000	551,000
Property	415,000	337,000
Cash	125,000	122,000
	<u>4,155,000</u>	<u>3,062,000</u>
Total market value of assets	<u>4,155,000</u>	<u>3,062,000</u>

The actual return on scheme assets was £442,000 (2015 £62,000)

The amounts recognised in the Statement of Financial Activities Incorporating Income and Expenditure Account are as follows:

	2016 £	<i>2015 £</i>
Current service cost (net of employee contributions)	(458,000)	(404,000)
Net interest cost	387,000	(1,000)
Past service cost	(6,507)	(6,787)
	<u>(77,507)</u>	<u>(411,787)</u>
Total	<u>(77,507)</u>	<u>(411,787)</u>
Actual return on scheme assets	<u>442,000</u>	<u>62,000</u>

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

	2016 £	<i>2015 £</i>
Opening defined benefit obligation	4,544,000	3,756,000
Current service cost	458,000	404,000
Interest cost	178,000	152,000
Contributions by employees	101,000	89,000
Actuarial losses	1,581,000	143,000
	<u>6,862,000</u>	<u>4,544,000</u>
Closing defined benefit obligation	<u>6,862,000</u>	<u>4,544,000</u>

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22. PENSION COMMITMENTS (continued)

Movements in the fair value of the Academy Trust's share of scheme assets:

	2016 £	2015 £
Opening fair value of scheme assets	3,062,000	2,540,000
Return on plan assets (excluding net interest on the net defined pension liability)	123,000	151,000
Interest income	442,000	-
Actuarial gains and (losses)	-	(89,000)
Contributions by employer	427,000	371,000
Contributions by employees	101,000	89,000
	<u>4,155,000</u>	<u>3,062,000</u>
Closing fair value of scheme assets	<u>4,155,000</u>	<u>3,062,000</u>

23. OPERATING LEASE COMMITMENTS

At 31 August 2016 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £	2015 £
Amounts payable:		
Within 1 year	40,081	27,563
Between 1 and 5 years	54,344	20,178
	<u>94,425</u>	<u>47,741</u>
Total	<u>94,425</u>	<u>47,741</u>

24. RELATED PARTY TRANSACTIONS

During the year the Academy Trust engaged the services of Jigsaw Communications Limited to provide support with marketing and website development. L Sanderson, a member of the Board of Trustees, is also a director of Jigsaw Communications Limited. The total amount paid to Jigsaw Communications Limited was £9,167 (2015 £nil). The directors consider that the services were supplied at cost to the Academy Trust. L Sanderson ceased being a director on 1 September 2016.

25. MEMBERS' LIABILITY

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

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26. FIRST TIME ADOPTION OF FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

The policies applied under the Academy Trust's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure.