

Company Registration Number: 08462151 (England & Wales)

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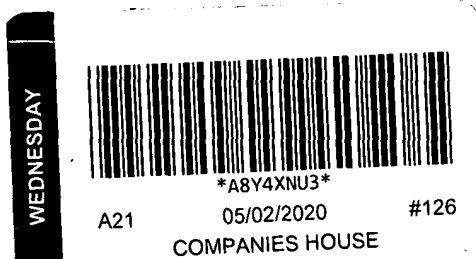
**ST FRANCIS OF ASSISI ACADEMIES TRUST**

**(A Company Limited by Guarantee)**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2019**



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

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**REFERENCE AND ADMINISTRATIVE DETAILS**

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<b>Members</b>	Duns Scotus Trust
<b>Trustees</b>	A Bishop, Executive Principal <sup>1</sup> I Bond Fr M H Bull C J Donnellan, Chair <sup>1</sup> A C Knought (resigned 29 April 2019) M E Morris <sup>1</sup> I L Ottley <sup>1</sup> M O'Sullivan C M Piotrowski  <sup>1</sup> Member of the Finance Committee
<b>Company registered number</b>	08462151
<b>Company name</b>	St Francis of Assisi Academies Trust
<b>Principal and registered office</b>	St Thomas More Catholic Teaching School Tyne Crescent Bedford MK41 7UL
<b>Company secretary</b>	A Waterhouse
<b>Executive Principal</b>	A Bishop
<b>Senior management team</b>	A Bishop, Executive Principal M Bonner, Headteacher L Sumpter, Headteacher M McGettigan, Headteacher J Stringer, Chief Finance Officer (Resigned 18/10/2019)
<b>Independent auditors</b>	Streets Audit LLP Chartered Accountants Statutory Auditors Potton House Wyboston Lakes Great North Road Wyboston Bedford MK44 3BZ
<b>Bankers</b>	Lloyds Bank plc 34 High Street Bedford MK40 1SB

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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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<b>Solicitors</b>	Duncan A Pickering LLB 4 Southfields Bourne PE10 9TZ
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**ST FRANCIS OF ASSISI ACADEMIES TRUST**  
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2018 to 31 August 2019. 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 has three member schools with a PAN of:

- St John Rigby Primary School - 60
- St Joseph's and St Gregory's Catholic Primary School - 75
- St Thomas More Secondary School - 150

The total number of students on roll in the October 2018 census was 1,958.

**Structure, governance and management**

**a. 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, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

**b. 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.

**c. Trustees' indemnities**

The Trustees' liability is covered through the RPA. The Trustees' Liability section of the RPA will indemnify Trustees, members of the governing body or board of governors of the Academy; Employees of the Academy acting in a managerial capacity and any employee named as a co-defendant in a claim made against a Governor. 'Governor' is defined as 'any governor of an Academy Trust. A director/trustee of an Academy Trust, or a person who sits on a local governing body (a committee established for an Academy by the Academy Trust in accordance with its Articles)'. The insurance provides cover up to £10,000,000.

**d. 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.

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**ST FRANCIS OF ASSISI ACADEMIES TRUST**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Structure, governance and management (continued)**

**e. Policies 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.

**f. 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 Head Teacher, 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.

**g. 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 three schools plus the Teaching School 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.

**h. Trade Union Facility Time**

Number of employees who were relevant union officials during relevant period - 3

Full time equivalent employee number - 3

We have 3 members of staff who act in an official capacity for their unions. None of these staff took any paid time off to attend meetings or support members during 2018/19.

**i. 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**

**a. 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.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Objectives and activities (continued)**

**b. 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.

**c. Public benefit**

The Trustees 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**

**a. Key performance indicators**

**St Thomas More Catholic Secondary School**

This year has been one of significant change at St Thomas More. Our Head Teacher, who had served the school in various capacities for 32 years, left to take up a position in a MAT in Central Bedfordshire. There then followed a successful transition period whereby the school was led by an interim Head Teacher and the new substantive Head took up his position in January. The school coped admirably with this change in leadership and obviously benefited from the continuity afforded by the continuing oversight provided by the Executive Principal/CEO of the Trust.

With the appointment of a new Head Teacher, St Thomas More had to apply to be re-designated as a Teaching School. This was further complicated by the fact that the Director of Teaching School also left to join the same Trust in Central Bedfordshire as the former Head Teacher. The new Director of Teaching School took up her post after Easter and together with the Head Teacher achieved a successful re-designation. The Teaching School is flourishing under the new leadership and an exciting partnership with the University of Bedford has been established to further the influence of the Teaching School in the local leadership of education.

The improvement and development of the school's facilities continued this year with the opening of our new Emmaus Centre. Emmaus is our purpose built, innovative centre for students with Individual Needs. The department deals with every student on an individual basis whatever their level of need, whether it be physical, academic, sensory or linguistic.

The Pastoral Support Department is also based in Emmaus and works with students who may be experiencing difficulties pastorally or with behaviour. As a department they value each young person and work with them in removing any barriers to their learning.

**ST FRANCIS OF ASSISI ACADEMIES TRUST**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Strategic report (continued)**

**Achievements and performance (continued)**

**Outcomes KS4 (unvalidated):**

**BEDFORD CATHOLIC SCHOOLS | St Thomas More Catholic Secondary School**  
Summary of Headline Indicators

Student Characteristic	Cohort Size		Attainment 8 Score				Average Attainment 8 Grade				Grade 5 or Above in English & Maths			
	COUNT	% ALL	FFT 20	CURRENT	PREDICT	RESULT	FFT 20	CURRENT	PREDICT	RESULT	FFT 20	CURRENT	PREDICT	RESULT
All Students	195	100%	45.8	39.6	44.9	48.2	4.6	4.0	4.5	4.8	56%	24%	37%	41%
High Prior Attainment	87	45%	61.7	50.7	56.9	60.5	6.2	5.1	5.7	6.0	95%	46%	66%	69%
Average Prior Attainment	78	40%	37.2	32.0	36.6	40.2	3.7	3.2	3.7	4.0	29%	5%	15%	21%
Low Prior Attainment	18	9%	20.6	21.0	25.7	27.4	2.1	2.1	2.6	2.7	0%	6%	6%	6%
No Prior Attainment	1	1%	0.0	28.0	32.0	43.0	0.0	2.8	3.2	4.3	0%	0%	0%	0%
Female	97	50%	47.8	42.8	48.1	52.0	4.8	4.3	4.8	5.2	58%	24%	40%	47%
Male	98	50%	43.8	36.5	41.6	44.5	4.4	3.6	4.2	4.4	54%	24%	34%	35%
FSM Ever 6	35	18%	38.0	30.8	36.1	39.2	3.8	3.1	3.6	3.9	40%	11%	23%	23%
Not FSM Ever 6	160	82%	47.5	41.5	46.8	50.2	4.7	4.2	4.7	5.0	59%	27%	40%	45%
Looked After	1	1%	25.0	28.0	32.5	35.0	2.5	2.8	3.3	3.5	0%	0%	0%	0%
Not Looked After	194	99%	45.9	39.7	44.9	48.3	4.6	4.0	4.5	4.8	56%	24%	37%	41%
Disadvantaged	35	18%	38.0	30.8	36.1	39.2	3.8	3.1	3.6	3.9	40%	11%	23%	23%
Not Disadvantaged	160	82%	47.5	41.5	46.8	50.2	4.7	4.2	4.7	5.0	59%	27%	40%	45%
Education, Health & Care Plan	6	3%	18.2	16.5	21.3	18.2	1.8	1.7	2.1	1.8	0%	0%	0%	0%
SEN Support	18	9%	31.7	24.3	29.2	33.0	3.2	2.4	2.9	3.3	22%	0%	11%	6%
No Special Educational Need	171	88%	48.2	42.0	47.3	50.9	4.8	4.2	4.7	5.1	61%	27%	41%	46%
Minority Ethnic Background	126	65%	44.8	39.5	44.8	48.7	4.5	4.0	4.5	4.9	53%	23%	38%	41%
White - British Background	69	35%	47.6	39.8	45.0	47.3	4.8	4.0	4.5	4.7	61%	26%	35%	41%
English as Additional Language	52	27%	44.7	42.4	47.0	51.9	4.5	4.2	4.7	5.2	54%	27%	44%	44%
English as First Language	143	73%	46.2	38.6	44.1	46.9	4.6	3.9	4.4	4.7	57%	23%	34%	40%

**Year 13 destinations:**

Higher Education		Apprenticeship		Employment		Gap Year		Further Education		Other	
2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019
67%	59%	13%	22%	5%	8%	8%	5%	5%	4%	2%	2%

Higher Education (2019)	Firm	Insurance	Clearing	Still waiting	Unconditional offers
	78%	7%	13%	2%	13%



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**ST FRANCIS OF ASSISI ACADEMIES TRUST**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Strategic report (continued)**

**Achievements and performance (continued)**

St Joseph's and St Gregory's Catholic Primary School

The school continues to successfully refine and embed structures as a primary operating across two sites. Reputationally the school continues to be held in good regard within the community, although a combination of a low birth year and more places than students within the immediate locale meant that reception place were not filled.

Careful management of budgets mean the school continues to operate soundly, with sufficient reserves to meet unforeseen circumstance and explore educational initiatives as needed.

Many children in the school come through from Nursery up to year 6 before progressing on to St Thomas More giving the students an uninterrupted education that encourages them to flourish at all stages of their schooling.

The schools aim continues to be to give every child coming through our doors at St Joseph's & St Gregory's an education they enjoy, which prepares them for academic success and happy, fulfilling lives, now and in the future.

For the performance of the school please refer to:

<https://www.compare-school-performance.service.gov.uk/school/139547/st-joseph's-and-st-gregory's-catholic-primary-school/primary>

St John Rigby Catholic Primary School

This year saw a change in, and strengthening of, the leadership structure with the appointment of a new head (following a period of Acting Headship) and restructuring of the leadership team. The school has responded positively to this change in leadership, and to the support of the Executive Principal and central trust team.

The school's ethos and educational aspirations remain strong as a family-orientated thriving community with extremely talented and dedicated members of staff, supportive parents and carers, and inspirational children who strive to live out our Gospel Values of Faith, Love, Hope, Trust and Forgiveness in every aspect of their school life.

For the performance of the school please refer to:

<https://www.compare-school-performance.service.gov.uk/school/139515/st-john-rigby-catholic-primary-school/primary>

Trust and strategic future of the MAT

The Trust has continued to thrive this year and all schools are popular and well regarded in the local area. 2018/19 was our second year within our new 2 tier primary/secondary structure and the changes made to structures are being embedded. All schools are being encouraged to work within an in year budget and on the whole this has been successful although recalculating of student numbers and funding mid-year at secondary level is resulting in some issues.

Building projects such as the Marian Building at St Thomas More have greatly enhanced the learning environment and have been financially managed extremely well allowing us to add additional support to projects such as the CIF (Condition Improvement Fund) funded Emmaus Centre. The schools are all developing the use of our new MIS (Management Information System) to enhance the tracking of progress and attendance as well as improving school office functions. We are also trialling standardised testing across all key stages up to and including key stage 3 to support teaching and to support a more accurate judgment on learning.

The Trust is now moving towards a merger with 2 other local Catholic MATS as part of a Diocesan regional MAT development. On merging we will be part of an 11 school MAT that includes schools in Bedford, Northampton, Corby and Kettering. This is a really exciting development that will support school improvement, the development of business support to all schools and value for money across a range of services.

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**ST FRANCIS OF ASSISI ACADEMIES TRUST**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Strategic report (continued)**

**Achievements and performance (continued)**

**b. Going concern**

The trustees have sought approval for the activities, assets and liabilities of St Francis of Assisi Academies Trust to transfer to Our Lady Immaculate Catholic Academies Trust, another Catholic Multi Academy Trust, as part of a reorganisation of schools within the Northampton Catholic Diocese. Whilst all operations are expected to be transferred on a continuing basis, it is expected that this legal entity will cease and be dissolved in due course. Accordingly, these accounts have been prepared on a cessation basis.

**Financial review**

**a. Overview**

The majority of the Academy's income is obtained from the DfE via the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. Pupil premium funding is also received from the ESFA 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 2019 income totalled £11,754,869 (2018 £13,612,010) and expenditure totalled £11,495,422 (2018 £12,989,363). 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 2019 the net book value of fixed assets was £20,771 (2018 £33,116). 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.

**b. 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.

The school has gone through a major transition year moving from three tier to two tier, money was held in reserves in case there was an obligation to pay redundancy, which was in the end avoided.

The schools are still in this transition phase with the PAN of St Thomas More reducing by 50 children each year from September 2018 so support will be needed as staffing structures are brought into line to match the new profile as new

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Strategic report (continued)**

**Financial review (continued)**

numbers flow through the school.

It should be noted that the boilers at St Joseph's & St Gregory's Catholic Primary School are very old and need replacing fairly imminently. These will cost around £100,000 to replace and are likely to be funded from reserves as have been unsuccessful in CIF bids the past two years for this expenditure.

The statement of financial position at 31 August 2019 shows a deficiency of reserves amounting to £286,969 (2018 positive reserves totalling £385,584), after accounting for the accumulated deficit on the Local Government Pension Scheme for non-teaching staff of £3,267,000 (2018 £1,999,000). As disclosed in note 24, the DfE would meet the LGPS liabilities in the event that the Academy Trust was to close. The Academy Trust's net assets, excluding the pension liability amounted to £2,980,031 (2018 £2,384,584) of which £2,071,516 (2018 £1,638,989) are free reserves.

**c. Investment policy**

The Academy Trust seeks to optimise cash flow whilst maximising the return on investments in a safe and secure manner. At the reporting date the Academy Trust had placed £1,000,000 in a savings account, with instant access.

**Fundraising**

The Academy organises specific fundraising activities to provide funds for specific projects and equipment, and also asks for parental contributions towards design, technology and art activities.

**Plans for future periods**

St Francis of Assisi Academies Trust, including St Thomas More Catholic School, St Joseph's and St Gregory's Catholic Primary School, St John Rigby Catholic Primary School and St Thomas More Catholic Teaching School are all intending to transfer into another multi academy trust in 2020.

As a consequence, St Francis of Assisi Academies Trust is expected to continue to operate for the next few months and will formally cease to exist once the transfer is complete and all necessary returns have been prepared and submitted to the ESFA.

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

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

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**ST FRANCIS OF ASSISI ACADEMIES TRUST**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Employee involvement and employment of the disabled**

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The Academy Trust carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Trustees.

The Academy Trust has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal opportunities policy
- Volunteers' policy
- Health & safety policy

In accordance with the Academy Trust's equal opportunities policy, the Academy Trust has long-established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the Academy Trust's offices.

**Disclosure of information to auditors**

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that 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 auditors are aware of that information.

The Trustees' Report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on 18 December 2019 and signed on its behalf by:



C J Donnellan  
Chair of Trustees

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**ST FRANCIS OF ASSISI ACADEMIES TRUST**  
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**GOVERNANCE STATEMENT**

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**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 2 times during the year. The full board meetings are in addition to various sub-committees which the trustees believe, in total, provides them with sufficient oversight of the trusts activities.

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 and Accounting Officer	2	2
I Bond	2	2
Fr M H Bull	1	2
C J Donnellan, Chair	1	2
A C Knought	1	2
M E Morris	2	2
I L Ottley	2	2
M O'Sullivan	2	2
C M Piotrowski	2	2

The board expanded its membership in 2016 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 have identified a qualified accountant who has been asked to join the board and at present his application is being taken forward by the Diocese. In anticipation he has attended meetings during the year.

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.

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**ST FRANCIS OF ASSISI ACADEMIES TRUST**  
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**GOVERNANCE STATEMENT (CONTINUED)**

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**Governance (continued)**

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
A Bishop (Executive Principal and Accounting Officer)	5	5
C J Donnellan	5	5
M Morris	5	5
I Ottley	1	5

The Chief Finance Officer was a qualified accountant who also attended all finance committee meetings in the year.

**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:

- Continuing the implementation of a three year strategic trust development plan to systematically review each area of the trusts activities, to ensure they are run appropriately and effectively.
- Actively seeking opportunities for the schools within the trust to work collaboratively sharing ideas and resources.

**The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in St Francis of Assisi Academies Trust for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

**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 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

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**ST FRANCIS OF ASSISI ACADEMIES TRUST**  
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**GOVERNANCE STATEMENT (CONTINUED)**

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**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 and General Purposes 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 Strictly Education Limited 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. In particular the checks carried out in the current period included:

	Summer and Autumn 2018	Spring 2019
Payroll & personnel	Y	
Annual Accounts & Audit	Y	
Purchases and procurement	Y	
Risk Management and Insurance	Y	
Data Security	Y	
Investments	Y	
Business Cycle & development plan		Y
Fixed Assets		Y
Petty cash Control		Y
Tax & VAT		Y
Borrowing		Y

The internal auditor has been appointed to report to the board of Trustees through the finance committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

During the year, the trust received two visits from the internal auditor:

- 28 January 2019 visit covered the Summer and Autumn Term 2018, report issued 1 May 2019
- 21 June 2019 visit covered the Summer and Autumn Term 2018, report issued 27 August 2019

Although both visits and reports were undertaken during the year, the first report was not received by the trust until November 2019. There were no recommendations on either report with significant cause for concern.

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

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**GOVERNANCE STATEMENT (CONTINUED)**

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**The risk and control framework (continued)**

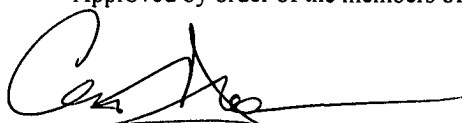
**Review of effectiveness**

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:

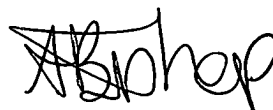
- the work of the internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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 ensure continuous improvement of the system is in place.

Approved by order of the members of the board of Trustees on 18 December 2019 and signed on their behalf by:



**C J Donnellan**  
Chair of Trustees



**A Bishop**  
Accounting Officer



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

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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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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 & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the Academy Trust board of Trustees are able to identify any material irregular or improper use of all 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 2018.

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 ESFA.



**A Bishop**  
Accounting Officer  
Date: 18 December 2019

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

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education & Skills 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 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 ESFA/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 18 December 2019 and signed on its behalf by:



**C Donnellan**  
Chair of Trustees

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

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

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**Opinion**

We have audited the financial statements of St Francis of Assisi Academies Trust (the 'academy trust') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2019 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 2018 to 2019 issued by the Education & Skills Funding Agency.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

As discussed in the Accounting Policies, the financial statements have not been prepared on a going concern basis.

**Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Other information includes the Reference and Administrative Details, the Trustees' Report including the Strategic Report, and the Governance Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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

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

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**Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

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

In the light of our knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

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

**Responsibilities of trustees**

As explained more fully in the Trustees' Responsibilities Statement, 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, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy Trust or to cease operations, or have no realistic alternative but to do so.

**Auditors' responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

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

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

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**Use of our report**

This report is made solely to the Academy Trust'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 Academy Trust'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 Academy Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Robert Anderson FCA (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

18 December 2019

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

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

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In accordance with the terms of our engagement letter dated 24 October 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, 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 2018 to 31 August 2019 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 ESFA 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 ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than St Francis of Assisi Academies Trust and ESFA, 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 accountant**

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 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 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 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw 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 focusing 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.

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

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ST  
FRANCIS OF ASSISI ACADEMIES TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY  
(CONTINUED)**

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**Conclusion**

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



**Robert Anderson, FCA**

**Streets Audit LLP**

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

Date: 18 December 2019

**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 2019**

		Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Note						
<b>Income from:</b>						
Donations and capital grants	3	15,848	61,139	1,181,052	1,258,039	2,628,616
Charitable activities		119,683	10,172,827	-	10,292,510	10,645,734
Teaching schools		452	166,048	-	166,500	229,692
Other trading activities		31,959	-	-	31,959	26,030
Investments	6	5,861	-	-	5,861	81,938
<b>Total income</b>		<b>173,803</b>	<b>10,400,014</b>	<b>1,181,052</b>	<b>11,754,869</b>	<b>13,612,010</b>
<b>Expenditure on:</b>						
Charitable activities	8	60,142	10,238,595	1,018,132	11,316,869	12,795,581
Teaching schools		-	178,553	-	178,553	193,782
<b>Total expenditure</b>		<b>60,142</b>	<b>10,417,148</b>	<b>1,018,132</b>	<b>11,495,422</b>	<b>12,989,363</b>
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>113,661</b>	<b>(17,134)</b>	<b>162,920</b>	<b>259,447</b>	<b>622,647</b>
<b>Other recognised gains/(losses):</b>						
Actuarial losses on defined benefit pension schemes	24	-	(932,000)	-	(932,000)	542,000
<b>Net movement in funds</b>		<b>113,661</b>	<b>(949,134)</b>	<b>162,920</b>	<b>(672,553)</b>	<b>1,164,647</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		1,108,651	(1,468,662)	745,595	385,584	(779,063)
Net movement in funds		113,661	(949,134)	162,920	(672,553)	1,164,647
<b>Total funds carried forward</b>		<b>1,222,312</b>	<b>(2,417,796)</b>	<b>908,515</b>	<b>(286,969)</b>	<b>385,584</b>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 26 to 51 form part of these financial statements.



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

**BALANCE SHEET**  
**AS AT 31 AUGUST 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	15	20,771	33,116
		<u>20,771</u>	<u>33,116</u>
<b>Current assets</b>			
Stocks	16	27,950	29,718
Debtors	17	1,130,289	940,779
Cash at bank and in hand		2,576,224	2,531,513
		<u>3,734,463</u>	<u>3,502,010</u>
Creditors: amounts falling due within one year	18	(775,203)	(1,150,542)
<b>Net current assets</b>		<u>2,959,260</u>	<u>2,351,468</u>
<b>Total assets less current liabilities</b>		<u>2,980,031</u>	<u>2,384,584</u>
<b>Net assets excluding pension liability</b>		<u>2,980,031</u>	<u>2,384,584</u>
Defined benefit pension scheme liability	24	(3,267,000)	(1,999,000)
<b>Total net assets</b>		<u><u>(286,969)</u></u>	<u><u>385,584</u></u>

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

**BALANCE SHEET (CONTINUED)**  
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
<b>Funds of the Academy Trust</b>			
<b>Restricted funds:</b>			
Fixed asset funds	19	908,515	745,595
Restricted income funds	19	849,204	530,338
Restricted funds excluding pension asset	19	1,757,719	1,275,933
Pension reserve	19	(3,267,000)	(1,999,000)
<b>Total restricted funds</b>	19	(1,509,281)	(723,067)
<b>Unrestricted income funds</b>	19	1,222,312	1,108,651
<b>Total funds</b>		(286,969)	385,584

The financial statements on pages 22 to 51 were approved by the Trustees, and authorised for issue on 18 December 2019 and are signed on their behalf, by:



**C J Donnellan**  
Chair of trustees

The notes on pages 26 to 51 form part of these financial statements.

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

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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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	Note	2019 £	2018 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	21	7,822	373,054
<b>Cash flows from investing activities</b>	22	36,889	1,380,429
<b>Change in cash and cash equivalents in the year</b>		44,711	1,753,483
Cash and cash equivalents at the beginning of the year		2,531,513	778,030
<b>Cash and cash equivalents at the end of the year</b>	23	<u>2,576,224</u>	<u>2,531,513</u>

The notes on pages 26 to 51 form part of these financial statements

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**1. Accounting policies**

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgments 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 historic 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

St Francis of Assisi Academies Trust meets the definition of a public benefit entity under FRS 102.

**1.2 Going concern**

The trustees intend to transfer the operations, assets and liabilities of the Trust to Our Lady Immaculate Catholic Academies Trust. Whilst the activities of the schools will continue this legal entity will cease and will be dissolved in due course. Accordingly, it is not appropriate for these accounts to be prepared on a going concern basis.

**1.3 Income**

All incoming resources are recognised when the Academy Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

- **Grants**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Statement of Financial Position. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

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

- **Donations**

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

- **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the Academy Trust has provided the goods or on completion of the service.

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**1. Accounting policies (continued)**

**1.4 Expenditure**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

**1.5 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 institution with whom the funds are deposited.

**1.6 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 Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**1.7 Tangible fixed assets**

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. 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 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. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset, less their estimated residual value, over their expected useful life, on the following bases:

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**1. Accounting policies (continued)**

**1.7 Tangible fixed assets (continued)**

Plant and equipment	- 33.33% per annum straight line
Furniture and fixtures	- 14.29% per annum straight line

**1.8 Stocks**

Stocks are valued at cost.

**1.9 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.

**1.10 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.

**1.11 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the reporting 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.

**1.12 Financial instruments**

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement bases are as follows:

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**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.

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

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

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

**1.14 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 funders 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/donor and include grants from the Department for Education Group.

Investment income, gains and losses are allocated to the appropriate fund.

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**2. Critical accounting estimates and areas of judgment**

Estimates and judgments 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. 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.

**3. Income from donations and capital grants**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	15,848	61,139	-	76,987	119,079
Capital Grants	-	-	1,181,052	1,181,052	2,509,537
	<u>15,848</u>	<u>61,139</u>	<u>1,181,052</u>	<u>1,258,039</u>	<u>2,628,616</u>
<i>Total 2018</i>	<u>24,055</u>	<u>95,024</u>	<u>2,509,537</u>	<u>2,628,616</u>	



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**4. Funding for the Academy Trust's educational operations**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	8,570,303	<b>8,570,303</b>	8,852,917
Other DfE/ESFA Grants	-	817,794	<b>817,794</b>	824,084
Local Authority Grants	-	502,450	<b>502,450</b>	513,856
Extended Schools and other activities	119,683	70,878	<b>190,561</b>	234,907
Catering	-	211,402	<b>211,402</b>	219,970
	<u>119,683</u>	<u>10,172,827</u>	<u><b>10,292,510</b></u>	<u>10,645,734</u>
<i>Total 2018</i>	<u>121,456</u>	<u>10,524,278</u>	<u>10,645,734</u>	

**5. Income from other trading activities**

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Lettings income	<u>31,959</u>	<u>31,959</u>	<u>26,030</u>

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**6. Investment income**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Interest received	5,861	-	5,861	13,938
Pension interest received	-	-	-	68,000
	<u>5,861</u>	<u>-</u>	<u>5,861</u>	<u>81,938</u>
<i>Total 2018</i>	<u>13,938</u>	<u>68,000</u>	<u>81,938</u>	

**7. Expenditure**

	Staff Costs 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
Educational operations:				
Direct costs	6,893,876	688,286	7,582,162	8,040,207
Allocated support costs	1,649,522	2,085,185	3,734,707	4,755,374
Teaching school	60,505	118,048	178,553	193,782
	<u>8,603,903</u>	<u>2,891,519</u>	<u>11,495,422</u>	<u>12,989,363</u>
<i>Total 2018</i>	<u>8,983,865</u>	<u>4,005,498</u>	<u>12,989,363</u>	

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**NOTES TO THE FINANCIAL STATEMENTS  
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**8. Analysis of expenditure on charitable activities**

**Summary by fund type**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Educational operations	60,142	11,256,727	11,316,869	12,795,581
	<u>60,142</u>	<u>11,256,727</u>	<u>11,316,869</u>	
<i>Total 2018</i>	<i>60,782</i>	<i>12,734,799</i>	<i>12,795,581</i>	
	<u>60,782</u>	<u>12,734,799</u>	<u>12,795,581</u>	

**9. Analysis of expenditure by activities**

	Direct costs 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Educational operations	7,582,162	3,734,707	11,316,869	12,795,581
	<u>7,582,162</u>	<u>3,734,707</u>	<u>11,316,869</u>	
<i>Total 2018</i>	<i>8,040,207</i>	<i>4,755,374</i>	<i>12,795,581</i>	
	<u>8,040,207</u>	<u>4,755,374</u>	<u>12,795,581</u>	

**Analysis of direct costs**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**9. Analysis of expenditure by activities (continued)**

	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
Staff Costs	6,744,125	7,045,587
Educational Supplies	411,729	600,912
Agency Staff	149,751	166,237
Examination Fees	202,588	138,441
Staff Development	34,866	51,555
Technology	26,803	23,975
Other Support Costs	12,300	13,500
	<u>7,582,162</u>	<u>8,040,207</u>

**Analysis of support costs**

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**9. Analysis of expenditure by activities (continued)**

	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
Pension interest cost	52,000	-
Staff costs	1,649,522	1,668,622
Depreciation	12,345	12,107
Agency Support Staff	7,257	5,540
Recruitment and Support	8,180	21,910
Technology	77,527	108,344
Maintenance of Premises and Equipment	1,156,903	2,073,217
Cleaning	28,176	36,843
Rent and Rates	82,222	79,492
Energy Costs	151,314	149,328
Insurance	42,807	66,699
Security and Transport	23,895	25,350
Catering	186,492	198,053
Bank interest and charges	2,903	2,458
Other Support Costs	231,214	278,561
Governance costs	21,950	28,850
	<u><u>3,734,707</u></u>	<u><u>4,755,374</u></u>

**10. Net income/(expenditure)**

Net income/(expenditure) for the year includes:

	<b>2019 £</b>	<i>2018 £</i>
Operating lease rentals	37,861	37,987
Depreciation of tangible fixed assets	12,345	12,107
Fees paid to auditors for:		
- audit	15,750	15,500
- other services	6,000	5,550
	<u><u>64,956</u></u>	<u><u>69,144</u></u>

**11. Staff costs**

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**11. Staff costs (continued)**

**a. Staff costs**

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	6,511,196	6,752,170
Social security costs	567,354	610,269
Pension costs	1,375,602	1,453,351
	<u>8,454,152</u>	<u>8,815,790</u>
Agency staff costs	149,751	166,237
Staff restructuring costs	-	1,838
	<u><u>8,603,903</u></u>	<u><u>8,983,865</u></u>

Staff restructuring costs comprise:

	2019 £	2018 £
Severance payments	-	1,838
	<u>-</u>	<u>1,838</u>

**b. Staff numbers**

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

	2019 No.	2018 No.
Teaching staff	112	131
Support staff	194	195
Management	5	5
	<u><u>311</u></u>	<u><u>331</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**11. Staff costs (continued)**

**b. Staff numbers (continued)**

The average headcount expressed as full-time equivalents was:

	<b>2019</b>	<i>2018</i>
	<b>No.</b>	<i>No.</i>
Teaching staff	<b>100</b>	<i>111</i>
Support staff	<b>113</b>	<i>117</i>
Management	<b>5</b>	<i>5</i>
	<hr/> <b>218</b> <hr/>	<hr/> <i>233</i> <hr/>

**c. Higher paid staff**

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

	<b>2019</b>	<i>2018</i>
	<b>No.</b>	<i>No.</i>
In the band £60,001 - £70,000	<b>1</b>	<i>1</i>
In the band £70,001 - £80,000	<b>-</b>	<i>1</i>
In the band £80,001 - £90,000	<b>1</b>	<i>-</i>
In the band £90,001 - £100,000	<b>-</b>	<i>1</i>
In the band £100,001 - £110,000	<b>1</b>	<i>-</i>
	<hr/> <b>1</b> <hr/>	<hr/> <i>1</i> <hr/>

**d. 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 £494,728 (2018 £445,978).

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**12. 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 received by each school, along with early years funding at St Joseph's & St Gregory's Catholic Primary School and the sixth form funding received by St Thomas More.

The actual amounts charged during the year were as follows:

	2019 £	2018 £
St Thomas More Catholic School	262,937	270,396
St Joseph & St Gregory's Catholic Primary School	101,093	91,855
St John Rigby Catholic Primary School	73,482	70,591
<b>Total</b>	<b>437,512</b>	<b>432,842</b>

**13. 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 staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2019 £	2018 £
A Bishop (Executive Principal and Trustee)	Remuneration	100,000 -	100,000 -
		105,000	105,000
	Pension contributions paid	15,000 -	15,000 -
		20,000	20,000

During the year ended 31 August 2019, 1 Trustee incurred expenses totalling £690 (2018 - £NIL). This was expenses reimbursed in their role as a National Leader of Governance.

**14. Trustees' and Officers' insurance**

The Academy Trust has opted into the Department of Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme membership.



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**15. Tangible fixed assets**

	Furniture and equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>			
At 1 September 2018	86,418	41,554	127,972
At 31 August 2019	86,418	41,554	127,972
<b>Depreciation</b>			
At 1 September 2018	53,302	41,554	94,856
Charge for the year	12,345	-	12,345
At 31 August 2019	65,647	41,554	107,201
<b>Net book value</b>			
At 31 August 2019	20,771	-	20,771
At 31 August 2018	33,116	-	33,116

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

**16. Stocks**

	2019 £	2018 £
Finished goods and goods for resale	27,950	29,718

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**17. Debtors**

	2019 £	2018 £
<b>Due within one year</b>		
Trade debtors	3,598	10,399
Other debtors	97,504	141,454
Prepayments and accrued income	1,029,187	788,926
	<u>1,130,289</u>	<u>940,779</u>

**18. Creditors: Amounts falling due within one year**

	2019 £	2018 £
Trade creditors	202,974	406,119
Other creditors	356	131,213
Accruals and deferred income	571,873	613,210
	<u>775,203</u>	<u>1,150,542</u>

	2019 £	2018 £
Deferred income at 1 September 2018	190,430	487,766
Resources deferred during the year	138,368	190,430
Amounts released from previous periods	(190,430)	(487,766)
	<u>138,368</u>	<u>190,430</u>

Deferred income comprises Universal Free School Meals £76,731 (2018 £80,300), SEND Advisor funding £Nil (2018 £40,540), capital improvement fund £1,066 (2018 £1,067) and trips and other receipts in advance £60,571 (2018 £44,588).

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**19. Statement of funds**

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>Unrestricted funds</b>						
General Funds	1,108,651	173,803	(60,142)	-	-	1,222,312
<b>Restricted general funds</b>						
GAG	364,213	8,616,253	(7,858,703)	(437,512)	-	684,251
Other DfE	-	771,272	(771,272)	-	-	-
Local Authority	-	502,450	(502,450)	-	-	-
Other income	-	314,051	(314,051)	-	-	-
Teaching School	145,002	166,048	(178,553)	-	-	132,497
Centralised fund	21,123	29,940	(456,119)	437,512	-	32,456
Pension reserve	(1,999,000)	-	(336,000)	-	(932,000)	(3,267,000)
	(1,468,662)	10,400,014	(10,417,148)	-	(932,000)	(2,417,796)
<b>Restricted fixed asset funds</b>						
FAR	33,116	-	(12,345)	-	-	20,771
DFC	45,464	137,044	(34,343)	-	-	148,165
CIF: STJR	117,492	-	(87,241)	-	-	30,251
CIF: STM Emmaus	399,523	-	(345,509)	-	-	54,014
LA: STM 2-tier	-	534,694	(534,694)	-	-	-
Diocese: STM	150,000	-	-	-	-	150,000
CIF: STM Roofing	-	494,314	(4,000)	-	-	490,314
Sisters of Holy Cross	-	15,000	-	-	-	15,000
	745,595	1,181,052	(1,018,132)	-	-	908,515
<b>Total Restricted funds</b>	(723,067)	11,581,066	(11,435,280)	-	(932,000)	(1,509,281)
<b>Total funds</b>	385,584	11,754,869	(11,495,422)	-	(932,000)	(286,969)

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**19. Statement of funds (continued)**

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

**General Funds:**

The Academy Trust's general funds 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.

**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 ESFA 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 Trust. £437,512 (2018 £432,842) of GAG income has been transferred to trust funds to cover centralised services.

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 Trust 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.

**Restricted Fixed Asset Funds:**

The value of tangible fixed assets capitalised in the accounts is represented by a separate Restricted Fixed Asset Fund. Depreciation is charged against the fund and new assets are accounted for by way of a transfer between funds.

Devolved Formula Capital (DFC) funding has been used towards capital repairs and maintenance and the unspent balances have been carried forward to future accounting periods.

During the year, the Academy Trust used £87,241 of CIF funding awarded in 2017/18 towards roofing work at St John Rigby School. The work was ongoing at the year end.

The Academy Trust continued to receive funding from the Local Authority to construct new facilities at St Thomas More School following the borough's decision to change from a 3-tier to 2-tier education system in September 2017. The funds have continued to be used, together with the CIF funds awarded in 2017/18 and the project was ongoing at 31 August 2019. £150,000 of Diocesan funding was also received towards the work in 2017/18, and £15,000 was received from the Sisters of Holy Cross in 2018/19 for internal fixtures and fittings, but these funds remained unspent at the reporting date.

In 2018/19, the Academy Trust was also awarded a CIF grant for roofing works to be undertaken at St Thomas More School. The funds were awarded on appeal in August 2019, and consequently the majority of funds remained unspent at 31 August 2019.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

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**19. Statement of funds (continued)**

**Total funds analysis by academy**

Fund balances at 31 August 2019 were allocated as follows:

	2019 £	2018 £
St Thomas More Catholic School	1,025,539	896,637
St Joseph's & St Gregory's Catholic Primary School	778,363	609,253
St John Rigby Catholic Primary School	225,158	78,876
Centralised Trust Fund	42,456	54,223
Total before fixed asset funds and pension reserve	2,071,516	1,638,989
Restricted fixed asset fund	908,515	745,595
Pension reserve	(3,267,000)	(1,999,000)
<b>Total</b>	<b>(286,969)</b>	<b>385,584</b>

**Total cost analysis by academy**

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 depreciation £	Total 2019 £	Total 2018 £
St Thomas More Catholic School	4,124,308	508,361	167,055	1,829,654	6,629,378	7,561,842
St Joseph's & St Gregory's Catholic Primary School	1,391,637	377,202	145,480	308,447	2,222,766	2,375,295
St John Rigby Catholic Primary School	1,187,186	245,803	98,595	307,230	1,838,814	2,076,328
Central services	190,745	181,271	-	420,103	792,119	963,791
<b>Academy Trust</b>	<b>6,893,876</b>	<b>1,312,637</b>	<b>411,130</b>	<b>2,865,434</b>	<b>11,483,077</b>	<b>12,977,256</b>

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**19. Statement of funds (continued)**

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

	<i>Balance at 1 September 2017</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2018</i>
	£	£	£	£	£	£
<b>Unrestricted funds</b>						
General Funds	982,951	335,470	(60,782)	(148,988)	-	1,108,651
<b>Restricted general funds</b>						
GAG, ESFA & LA funds	334,941	10,470,945	(10,093,958)	(347,715)	-	364,213
Teaching School	111,153	229,231	(195,382)	-	-	145,002
Centralised fund	-	84,545	(496,264)	432,842	-	21,123
Pension reserve	(2,290,000)	-	(251,000)	-	542,000	(1,999,000)
	<u>(1,843,906)</u>	<u>10,784,721</u>	<u>(11,036,604)</u>	<u>85,127</u>	<u>542,000</u>	<u>(1,468,662)</u>
<b>Restricted fixed asset funds</b>						
FAR	45,223	-	(12,107)	-	-	33,116
DFC	36,669	42,060	(23,265)	(10,000)	-	45,464
CIF: STJR	-	821,969	(317,741)	12,787	-	517,015
LA Grant	-	1,492,210	(1,553,284)	61,074	-	-
ACMF Funds	-	3,298	(3,298)	-	-	-
Diocese: STM	-	150,000	-	-	-	150,000
	<u>81,892</u>	<u>2,509,537</u>	<u>(1,909,695)</u>	<u>63,861</u>	<u>-</u>	<u>745,595</u>
<b>Total Restricted funds</b>	<u>(1,762,014)</u>	<u>13,294,258</u>	<u>(12,946,299)</u>	<u>148,988</u>	<u>542,000</u>	<u>(723,067)</u>
<b>Total funds</b>	<u>(779,063)</u>	<u>13,629,728</u>	<u>(13,007,081)</u>	<u>-</u>	<u>542,000</u>	<u>385,584</u>

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**20. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	20,771	20,771
Current assets	1,222,312	1,624,407	887,744	3,734,463
Creditors due within one year	-	(775,203)	-	(775,203)
Provisions for liabilities and charges	-	(3,267,000)	-	(3,267,000)
<b>Total</b>	<b>1,222,312</b>	<b>(2,417,796)</b>	<b>908,515</b>	<b>(286,969)</b>

**Analysis of net assets between funds - prior year**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	33,116	33,116
Current assets	1,108,651	1,680,880	712,479	3,502,010
Creditors due within one year	-	(1,150,542)	-	(1,150,542)
Provisions for liabilities and charges	-	(1,999,000)	-	(1,999,000)
<b>Total</b>	<b>1,108,651</b>	<b>(1,468,662)</b>	<b>745,595</b>	<b>385,584</b>

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**21. Reconciliation of net income to net cash flow from operating activities**

	2019 £	2018 £
Net income for the year (as per Statement of Financial Activities)	259,447	622,647
<b>Adjustments for:</b>		
Depreciation	12,345	12,107
Dividends, interest and rents from investments	(36,889)	(40,429)
Defined benefit pension scheme cost less contributions payable	284,000	319,000
Defined benefit pension scheme finance cost	52,000	(68,000)
Decrease in stocks	1,768	10,613
Increase in debtors	(189,510)	(573,215)
(Decrease)/increase in creditors	(375,339)	90,331
<b>Net cash provided by operating activities</b>	<b>7,822</b>	<b>373,054</b>

**22. Cash flows from investing activities**

	2019 £	2018 £
Dividends, interest and rents from investments	36,889	40,429
Proceeds from the disposal of investments	-	1,340,000
<b>Net cash provided by investing activities</b>	<b>36,889</b>	<b>1,380,429</b>

**23. Analysis of cash and cash equivalents**

	2019 £	2018 £
Cash in hand	2,576,224	2,531,513
<b>Total cash and cash equivalents</b>	<b>2,576,224</b>	<b>2,531,513</b>

**24. Pension commitments**

The Academy Trust's employees belong to two principal pension schemes: the Teachers' 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 Bedfordshire Pension Fund. Both are multi-employer defined benefit schemes.



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**24. Pension commitments (continued)**

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

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

**Teachers' Pension Scheme**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed 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**

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)
- 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%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 September 2019.

The employer's pension costs paid to TPS in the year amounted to £644,892 (2018 - £675,683).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

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**24. Pension commitments (continued)**

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £558,000 (2018 - £559,000) of which employer's contributions totalled £449,000 (2018 - £451,000) and employees' contributions totalled £109,000 (2018 - £108,000). The agreed contribution rates for future years are 23.5 per cent for employers and a variable per cent for employees.

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

**Principal actuarial assumptions**

	2019	2018
	%	%
Rate of increase in salaries	2.6	2.7
Rate of increase for pensions in payment/inflation	2.3	2.4
Discount rate for scheme liabilities	1.9	2.8

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

	2019	2018
	Years	Years
<i>Retiring today</i>		
Males	20.7	22.4
Females	23.2	24.5
<i>Retiring in 20 years</i>		
Males	21.7	24
Females	24.7	26.2

**Sensitivity analysis**

	2019	2018
	£000	£000
Discount rate -0.1%	(192,000)	(185,400)
Mortality assumption - 1 year increase	303,000	222,000
CPI rate +0.1%	35,000	160,400

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**24. Pension commitments (continued)**

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

	<b>At 31 August 2019</b>	<i>At 31 August 2018</i>
	<b>£</b>	<b>£</b>
Equities	4,053,000	3,136,640
Corporate bonds	911,000	757,120
Property	552,000	486,720
Cash and other liquid assets	272,000	1,027,520
<b>Total market value of assets</b>	<b>5,788,000</b>	<b>5,408,000</b>

The actual return on scheme assets was £152,000 (2018 £129,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	<b>2019</b>	<i>2018</i>
	<b>£</b>	<b>£</b>
Current service cost	(690,000)	(770,000)
Past service cost	(38,000)	(8,643)
Interest cost	(52,000)	68,000
Administrative expenses	(5,000)	-
<b>Total amount recognised in the Statement of Financial Activities</b>	<b>(785,000)</b>	<b>(710,643)</b>

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

	<b>2019</b>	<i>2018</i>
	<b>£</b>	<b>£</b>
<b>At 1 September</b>	<b>7,407,000</b>	<b>6,970,000</b>
Current service cost	690,000	770,000
Interest cost	204,000	184,000
Employee contributions	109,000	108,000
Actuarial losses/(gains)	932,000	(542,000)
Benefits paid	(325,000)	(83,000)
Past service costs	38,000	-
<b>At 31 August</b>	<b>9,055,000</b>	<b>7,407,000</b>

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**24. Pension commitments (continued)**

Changes in the fair value of the Academy Trust's share of scheme assets were as follows:

	2019 £	2018 £
<b>At 1 September</b>	<b>5,408,000</b>	<b>4,680,000</b>
Expected return on assets	(3,000)	129,000
Interest income	155,000	123,000
Employer contributions	449,000	451,000
Employee contributions	109,000	108,000
Benefits paid	(325,000)	(83,000)
Administration expenses	(5,000)	-
<b>At 31 August</b>	<b>5,788,000</b>	<b>5,408,000</b>

**25. Operating lease commitments**

At 31 August 2019 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	36,593	34,421
Later than 1 year and not later than 5 years	31,458	43,662
	<b>68,051</b>	<b>78,083</b>

**26. Members' liability**

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/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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**27. Related party transactions**

Owing to the nature of the Academy Trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the requirements of the AFH, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining approval where required, and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

During the year, the trust has the following related party transactions:

- Trustee's remuneration and expenses, as disclosed in note 13
- C Piotrowski, a trustee, was paid a total of £690 for time and reimbursed expenses incurred whilst providing support as a National Leader of Governance. No remuneration was paid for being a trustee.

**28. Teaching school trading account**

	2019 £	2019 £	2018 £	2018 £
<b>Income</b>				
<b>Direct income</b>				
NSS Bursary and LA grant	81,620		54,273	
School Centred Initial Teacher Training	61,909		60,091	
<b>Total direct income</b>	<u>143,529</u>		<u>114,364</u>	
<b>Other income</b>				
Consultancy and other activities	22,971		114,867	
<b>Total income</b>		<b>166,500</b>		<b>229,231</b>
<b>Expenditure</b>				
<b>Direct expenditure</b>				
Direct staff costs	60,505		101,581	
Other direct costs	118,048		93,801	
<b>Total direct expenditure</b>	<u>178,553</u>		<u>195,382</u>	
<b>Total expenditure</b>		<b>178,553</b>		<b>195,382</b>
<b>(Deficit)/surplus from all sources</b>		<b>(12,053)</b>		<b>33,849</b>
<b>Teaching school balances at 1 September 2018</b>		<b>145,002</b>		<b>111,153</b>
<b>Teaching school balances at 31 August 2019</b>		<u><u>132,949</u></u>		<u><u>145,002</u></u>