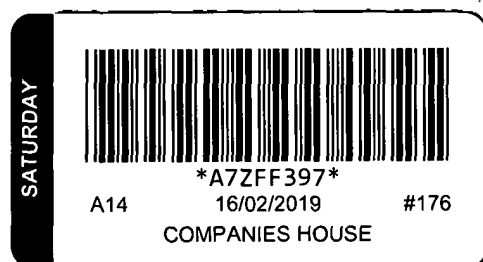


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**ST FRANCIS OF ASSISI ACADEMIES TRUST**  
(A Company Limited by Guarantee)

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**



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

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**CONTENTS**

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	Page
<b>Reference and Administrative Details</b>	1 - 2
<b>Trustees' Report</b>	3 - 9
<b>Governance Statement</b>	10 - 13
<b>Statement on Regularity, Propriety and Compliance</b>	14
<b>Statement of Trustees' Responsibilities</b>	15
<b>Independent Auditors' Report on the Financial Statements</b>	16 - 18
<b>Independent Reporting Accountant's Assurance Report on Regularity</b>	19 - 20
<b>Statement of Financial Activities Incorporating Income and Expenditure Account</b>	21
<b>Balance Sheet</b>	22
<b>Statement of Cash Flows</b>	23
<b>Notes to the Financial Statements</b>	24 - 49

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

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**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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<b>Members</b>	Duns Scotus Trust
<b>Trustees</b>	A Bishop, Executive Principal <sup>1</sup> J M Brady (resigned 24 February 2018) Fr M H Bull C J Donnellan, Chair <sup>1</sup> A C Knought M E Morris <sup>1</sup> M O'Sullivan I L Ottley <sup>1</sup> C M Piotrowski I Bond  <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 A Wilshaw-Quinn, Headteacher L Sumpter, Headteacher A Palmer, Headteacher (resigned 03/06/18) M McGettigan, Acting Headteacher (appointed 04/06/18) J Stringer, Chief Finance Officer
<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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**ST FRANCIS OF ASSISI ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS TRUSTEES AND  
ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2018**

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**Advisers (continued)**

<b>Solicitors</b>	Duncan A Pickering LLB 4 Southfields Bourne PE10 9TZ
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**ST FRANCIS OF ASSISI ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 01 September 2017 to 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

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

On 1st September 2017 the schools formerly known as St Joseph's Catholic Lower School and St Gregory's Catholic Middle School merged to form St Joseph's and St Gregory's Catholic Primary. This was in response to the realignment of schools across the Borough from three tier to two tier.

The trust has a PAN as follows:

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

The total number of students on roll in the October 2017 census was 2,044.

#### **Structure, Governance and Management**

##### **Constitution**

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

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

Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

##### **Members' Liability**

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

##### **Trustees' Indemnities**

The Governors liability is covered through the RPA. 'The Governors Liability section of the RPA will indemnify Governors, 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.

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

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**Method of Recruitment and Appointment or Election of Trustees**

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

**Policies and Procedures Adopted for the Induction and Training of Trustees**

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

**Organisational Structure**

The Academy Trust operates through a single governing body, supported by an Executive Principal, who are jointly responsible for the strategic direction and leadership of the member schools. Each individual school has their own 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.

**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.

**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.

**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 2017/18.

**Objectives and Activities**

**Objects and Aims**

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

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

**Objectives, Strategies and Activities**

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

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

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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

**Public Benefit**

The 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 and Key Performance Indicators**

**St Thomas More Catholic Upper School**

This year saw the completion of a 12 classroom block situated by the front of the tennis courts and beside the Sports Hall. The new build was necessary as part of the ongoing two tier transition, and in order to house the transfer of students who had remained on part of the old St Gregory's Middle School site while the additional accommodation was constructed. This major development also saw the removal of some of the temporary buildings. This block sets the way for the Year 7-13 structure of the school going forward. To meet with the increased numbers overall and the limitations on the capacity on site with the addition of years 7 and 8 the Pupil Admission Number has been reduced from 200 to 150. We were delighted that the project was completed on time, and ready for the September 2018 new school year.

The summer examinations at GCSE saw great successes in English and Maths and notably in Textiles Polish Italian and Geography, all above National Average. The performance tables can be viewed on the website at <https://www.compare-school-performance.service.gov.uk/school/139517/st-thomas-more-catholic-school>

At A-Level the vast majority of students successfully gained their next stage places including stunning results at the top end, where individual performance in STEM subjects were outstanding. When evaluating performance, across all subject level indicators, there were notable successes in Chemistry, English Literature and Textiles. Students have moved on successfully onto a wide range of aspirational pathways including apprenticeship, work placement, and a wide range of University courses including those who successfully gained their places at Oxford University.

This year we were sad to receive the resignation of the Headteacher who had served the school community for 32 years. She has taken up the post as the Director of Education in a MAT in Central Bedfordshire. The strength and depth of experience in the School and across the St Francis of Assisi Academy Trust enabled the school to continue with an experienced and confident interim leader while the replacement was sought. A new Headteacher has been recruited and will take up post in January 2019.

The next phase of improvement and development at the school is the removal, replacement, and re-siting of the Emmaus Centre, currently housed in temporary buildings. The Emmaus Centre provides the support for all students who have additional needs at whatever time in their time in the school. A bespoke and innovative design has been drawn up, and we have capital funding in place to embark on stage one (the capital funding is currently included in the figure on the statement of financial position for restricted fixed assets) of the design and when future funds become available we will expand the centre and the provision we can offer.

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

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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St Joseph's & St. Gregory's Catholic Primary School

*Key priorities with actions and outcomes*

1. The main focus for this year has been the continued implementation and embedding of the re-structuring of the lower and middle school into the primary school of choice in the local community. Once again, this year, new starters in the reception classes did not fill available places. Although the intake numbers across the school in the Autumn Term (and into the Spring, when another Y3 class was opened) have continued to show significant in-year admissions. A rise in admission to nursery has been seen, particularly in the uptake of paid all-day places.
2. A significant sum of money from the current under spend was used to upgrade lighting across the Lower Primary site. The perimeter fencing was also enhanced to ensure security between sites was secure. The remaining teaching classrooms on the Upper Primary sites were fitted with touch screen interactive whiteboards; the ICT suite was remodelled to provide an additional teaching classroom and further use was made of mobile technology. The Upper Primary site now benefits from a dedicated suite of PCs in the library as well as thirty laptops and thirty chrome books in mobile storage trolleys.
3. Careful management of the staffing budget has ensured the predicted deficit did not materialise and the school finished the year with a small surplus despite spending in all areas to support the curriculum.
4. A new school information management system, Bromcom, was introduced part way through the year, which has taken time to embed. This should facilitate greater efficiencies, particularly in communicating with parents and producing reports for a wider audience.
5. The school has continued to provide Initial Teacher Training places for the local universities and other training providers. Three School Direct trainees (all of which had placements at the school) were offered and accepted teaching positions at the school. The school has not had to advertise for teachers for several years now, saving time and resource in terms of recruitment.

*Plans for Future Periods 2018-2019*

1. Trustees and school leaders will continue with plans to evaluate the provision and expansion of nursery provision on the Upper Primary site.
2. New methods of communicating with parents through Bromcom will be evaluated and developed further to enhance parental communication and engagement with the school.
3. Both sites continue to need new boilers. The CIF bid last year was unsuccessful and a new bid will be submitted this year with matched fund to support the application.
4. The CIF bid for safe access to the school was unsuccessful and on evaluation it is deemed unlikely to attract CIF funding. The school will look at cost effective ways of enhancing access to the site to make it safer for pedestrians.
5. A separate building on the Upper Primary site is being developed this year to provide Teaching School course accommodation – this may attract a small income to the school in future years.

For the performance of the school please refer to this link: <https://www.compare-school-performance.service.gov.uk/school/139547/st-joseph's-and-st-gregory's-catholic-primary-school>



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

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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St John Rigby Catholic Primary Schools: Review of Activities

The Primary School on the east side of the town continues to achieve great success at KS1 and KS2.

During the course of the year the Headteacher, who has delivered positive benefits for almost 5 years to the school, resigned in order to take up the post of Headteacher in another part of the Diocese. The opportunity for reviewing the management structure, and structure for middle leaders is continuing and using the resources of the wealth of experience available across the MAT and through the Teaching School, as support, the interim acting headteacher was appointed internally. It is intended that the vacant post will be advertised in the Spring term 2019.

This year capital funding was obtained for the repairs necessary for the roof to the single storey main block of the school. The work was completed within budget and almost on time.

For the performance of the school please refer to this link: <https://www.compare-school-performance.service.gov.uk/school/139515/st-john-rigby-catholic-primary-school>

Strategic future of the MAT

The strategic plan of the St Francis of Assisi Academies Trust in the long term, along with the Diocesan strategic plan, is to grow the size of the MAT. The current initial discussions have taken place and the Executive Principal and Trustees have contributed to the Diocesan discussion. The next stage will be for the Duns Scotus Trust trustees to consider the way forward, and then to consider the potential forms of structure for the existing MATs in the Diocese, and the pathway for schools who have not, currently, converted to Academies.

**Going concern**

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

**Financial review**

The majority of the Academics 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 2018 income totalled £13,629,728 (2017 £10,963,753) and expenditure totalled £13,007,081 (2017 £11,299,575). 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 2018 the net book value of fixed assets was £33,116 (2017 £45,223). 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.

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

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**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 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 2018 shows a net surplus amounting to £385,584 (2017 £779,063 net deficit), after accounting for the accumulated deficit on the Local Government Pension Scheme for non teaching staff of £1,999,000 (2017 £2,290,000). As disclosed in note 22, the DfE would meet these liabilities in the event that the Academy Trust was to close. The Academy Trust's net assets, excluding the pension liability amounted to £2,384,584 (2017 £1,510,937) of which £1,638,989 (2017 £1,429,045) are free reserves.

**Investment Policy**

The Academy Trust seeks to optimise cash flow whilst maximising the return on investments in a safe and secure manner. At the reporting date the Academy Trust had placed £1,225,000 in a savings account, with instant access.

**Plans for Future Periods**

Our trust remains committed to exceptional all through Catholic education for families in Bedford. All trust schools have achieved either a "good" or "outstanding" OFSTED rating and are ambitious to secure ever improving educational outcomes. In 2016 the trust produced a 3 year strategic plan based on contributions from directors and stakeholders in all schools. This forms the basis of current and future plans for improvement and is monitored and evaluated termly.

**Funds Held as Custodian Trustee 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**  
**(A Company Limited by Guarantee)**

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**Auditor**

Insofar as the trustees are aware:

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

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 18/12/2018 and signed on the board's behalf by:



**C J Donnellan**  
**Chair of Trustees**

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

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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 3 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
A Bishop, Executive Principal	3	3
J M Brady, resigned 24 February 2018	1	3
Fr M H Bull	2	3
C J Donnellan, Chair	3	3
A C Knought	0	3
M E Morris	1	3
M O'Sullivan	3	3
I L Ottley	2	3
C M Piotrowski	3	3

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.

The Chief Finance Officer is a qualified accountant and attends all finance committee meetings.

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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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Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
C J Donnellan	5	6
M Morris	6	6
I L Ottley	5	6
A Bishop (Executive Principal and Accounting Officer)	6	6

**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:

- Implementing a three year strategic trust development plan to systematically review each areas of the trusts activities to ensure they are run appropriately and effectively.
- Overseeing the restructure of two of its schools ( St Josephs Catholic Lower School ) And St Gregorys Catholic Middle School ) to become a single Primary school that opened on 1st September 2017. The staff restructure resulted in no redundancy costs being incurred by the Trust.
- 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 ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in St Francis of Assisi Academies Trust for the year 1 September 2017 to 31 August 2018 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 2017 to 31 August 2018 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 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:

	Autumn 2017	Spring 2018
Payroll & personnel	Y	
Annual Accounts & Audit	Y	
Budget Monitoring & Review	Y	Y
Business Cycle & development Plan	Y	
Inventory & Security	Y	
Petty cash Control	Y	
Governance		Y
Tax & VAT		Y
Payments & Authorisation		Y
Grant Funding & Pupil Premium		Y
Income & Banking		

The summer audit is scheduled for completion in the autumn term.

No material control issues were identified.

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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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On a termly basis, the auditor reports to the Board of Trustees through the audit committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

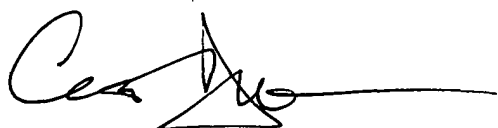
**REVIEW OF EFFECTIVENESS**

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:

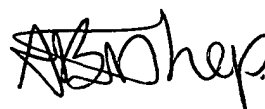
- the work of the internal auditor;
- the work of the external auditors;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 18/12/2018 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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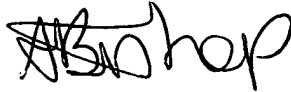
**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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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 2017.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

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**



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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 2018**

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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 Strategic Report, the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction issued 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 2017 to 2018;
- 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 18/12/18 and signed on its behalf by:



**C J 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 2018 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, 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 2017 to 2018 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 2018 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 2017 to 2018 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**

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

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

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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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**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. 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.

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

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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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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.

**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 (Senior Statutory Auditor)

for and on behalf of

**Streets Audit LLP**

Chartered Accountants  
Statutory Auditors

Potton House  
Wyboston Lakes  
Great North Road  
Wyboston  
Bedford

MK44 3BZ

Date: 18/12/18

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

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**INDEPENDENT REPORTING ACCOUNTANTS' 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 2017 to 2018, 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 2017 to 31 August 2018 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 the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than St Francis of Assisi Academies Trust and the 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 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 issued by the 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.

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

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

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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.

**CONCLUSION**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Robert Anderson

**Streets Audit LLP**

Chartered Accountants  
Statutory Auditors

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

Date: 18/12/18

**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 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	As restated Total funds 2017 £
<b>Income from:</b>						
Donations and capital grants	2	115,064	4,015	2,509,537	2,628,616	409,521
Charitable activities	5	179,977	10,483,475	-	10,663,452	10,272,580
Other trading activities	3	26,030	-	-	26,030	26,612
Investments	4	14,399	68,000	-	82,399	2,020
Teaching school		-	229,231	-	229,231	253,020
<b>Total income</b>		<b>335,470</b>	<b>10,784,721</b>	<b>2,509,537</b>	<b>13,629,728</b>	<b>10,963,753</b>
<b>Expenditure on:</b>						
Charitable activities:						
Governance		-	28,850	-	28,850	23,053
Teaching school		-	195,382	-	195,382	250,057
Other charitable activities		60,782	10,812,372	1,909,695	12,782,849	11,026,465
<b>Total expenditure</b>	6	<b>60,782</b>	<b>11,036,604</b>	<b>1,909,695</b>	<b>13,007,081</b>	<b>11,299,575</b>
<b>Net income / (expenditure) before transfers</b>		<b>274,688</b>	<b>(251,883)</b>	<b>599,842</b>	<b>622,647</b>	<b>(335,822)</b>
Transfers between Funds	18	(148,988)	85,127	63,861	-	-
<b>Net income / (expenditure) before other recognised gains and losses</b>		<b>125,700</b>	<b>(166,756)</b>	<b>663,703</b>	<b>622,647</b>	<b>(335,822)</b>
Actuarial gains on defined benefit pension schemes	22	-	542,000	-	542,000	705,000
<b>Net movement in funds</b>		<b>125,700</b>	<b>375,244</b>	<b>663,703</b>	<b>1,164,647</b>	<b>369,178</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		982,951	(1,843,906)	81,892	(779,063)	(1,148,241)
<b>Total funds carried forward</b>		<b>1,108,651</b>	<b>(1,468,662)</b>	<b>745,595</b>	<b>385,584</b>	<b>(779,063)</b>

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

**BALANCE SHEET**  
**AS AT 31 AUGUST 2018**

	Note	£	2018 £	£	2017 £
<b>Fixed assets</b>					
Tangible assets	13		33,116		45,223
<b>Current assets</b>					
Stocks	14	29,718		40,331	
Debtors	15	940,779		367,564	
Investments	16	-		1,340,000	
Cash at bank and in hand		2,531,513		778,030	
		<u>3,502,010</u>		<u>2,525,925</u>	
<b>Creditors: amounts falling due within one year</b>	17	(1,150,542)		(1,060,211)	
<b>Net current assets</b>			<u>2,351,468</u>		<u>1,465,714</u>
<b>Total assets less current liabilities</b>			<u>2,384,584</u>		<u>1,510,937</u>
Defined benefit pension scheme liability	22		(1,999,000)		(2,290,000)
<b>Net assets/(liabilities) including pension scheme liabilities</b>			<u><u>385,584</u></u>		<u><u>(779,063)</u></u>
<b>Funds of the academy</b>					
Restricted income funds:					
Restricted income funds	18	530,338		446,094	
Restricted fixed asset funds	18	745,595		81,892	
		<u></u>		<u></u>	
Restricted income funds excluding pension liability		1,275,933		527,986	
Pension reserve		(1,999,000)		(2,290,000)	
		<u></u>		<u></u>	
Total restricted income funds			(723,067)		(1,762,014)
Unrestricted income funds	18		1,108,651		982,951
<b>Total funds/(deficit)</b>			<u><u>385,584</u></u>		<u><u>(779,063)</u></u>

The financial statements on pages 21 to 49 were approved by the Trustees, and authorised for issue, on 18/12/2018 and are signed on their behalf, by:



**C J Donnellan**  
Chair of Trustees



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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 2018**

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	Note	2018 £	<i>As restated</i> 2016 £
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	20	<b>373,054</b>	<b>(24,235)</b>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		<b>40,429</b>	<b>28,632</b>
Proceeds from investments		<b>1,340,000</b>	<b>160,000</b>
<b>Net cash provided by investing activities</b>		<b>1,380,429</b>	<b>188,632</b>
<b>Change in cash and cash equivalents in the year</b>		<b>1,753,483</b>	<b>164,397</b>
Cash and cash equivalents brought forward		<b>778,030</b>	<b>613,633</b>
<b>Cash and cash equivalents carried forward</b>		<b>2,531,513</b>	<b>778,030</b>

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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 2018**

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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 historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

**1.2 Company status**

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

**1.3 Going concern**

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

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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 2018**

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**1. ACCOUNTING POLICIES (continued)**

**1.4 Income**

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

Grants are included in the Statement of Financial Activities incorporating Income and Expenditure Account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

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

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

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

**1.5 Expenditure**

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

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

All expenditure is inclusive of irrecoverable VAT.

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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 2018**

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**1. ACCOUNTING POLICIES (continued)**

**1.6 Tangible fixed assets and depreciation**

All assets costing more than £5,000 are capitalised 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 incorporating Income and Expenditure Account and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities incorporating Income and Expenditure Account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

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

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

**1.7 Stocks**

Stocks are valued at cost.

**1.8 Debtors**

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

**1.9 Cash at Bank and in hand**

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

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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 2018**

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**1. ACCOUNTING POLICIES (continued)**

**1.10 Liabilities and provisions**

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

**1.11 Taxation**

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

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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 2018**

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**1. ACCOUNTING POLICIES (continued)**

**1.12 Pensions**

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments 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. As stated in note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

**1.13 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 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.

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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 2018**

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**1. ACCOUNTING POLICIES (continued)**

**1.14 Financial instruments**

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. 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 costs as detailed in note 17. 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 instruments.

**1.15 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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	24,055	4,015	-	28,070	26,560
Capital Grants	-	-	2,509,537	2,509,537	275,025
Contributions to School trips	91,009	-	-	91,009	107,936
	<u>115,064</u>	<u>4,015</u>	<u>2,509,537</u>	<u>2,628,616</u>	<u>409,521</u>
<i>Total 2017</i>	<u>132,146</u>	<u>2,350</u>	<u>275,025</u>	<u>409,521</u>	

**3. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Letting income	26,030	-	26,030	26,612
	<u>26,030</u>	<u>-</u>	<u>26,030</u>	<u>26,612</u>
<i>Total 2017</i>	<u>26,612</u>	<u>-</u>	<u>26,612</u>	

**4. INVESTMENT INCOME**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Interest received	14,399	-	14,399	2,020
Pension interest received	-	68,000	68,000	-
	<u>14,399</u>	<u>68,000</u>	<u>82,399</u>	<u>2,020</u>
<i>Total 2017</i>	<u>2,020</u>	<u>-</u>	<u>2,020</u>	



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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**5. FUNDING FOR EDUCATIONAL OPERATIONS**

	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total Funds 2018 £	<i>Total Funds 2017 £</i>
<b>DfE / EFA REVENUE GRANTS</b>				
General Annual Grant	-	8,852,917	8,852,917	8,665,780
Other DfE/EFA Grants	-	824,084	824,084	781,053
	-	9,677,001	9,677,001	9,446,832
<b>OTHER GOVERNMENT GRANTS</b>				
Local Authority Grants	-	513,856	513,856	519,537
	-	10,190,857	10,190,857	519,537
<b>OTHER INCOME</b>				
Departmental and other income	150,346	140,320	290,666	154,822
Catering income	-	181,929	181,929	151,388
	150,346	10,513,106	10,663,452	306,209
<b>Total</b>	<b>150,346</b>	<b>10,513,106</b>	<b>10,663,452</b>	<b>10,272,580</b>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**6. CHARITABLE ACTIVITIES**

	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total Funds 2018 £	Total Funds 2017 £
<b>DIRECT COSTS - EDUCATIONAL OPERATIONS</b>				
Wages and salaries	-	5,683,789	5,683,789	5,755,702
National insurance	-	546,962	546,962	543,377
Pension cost	-	940,472	940,472	951,045
Educational supplies	-	543,957	543,957	694,731
Agency Staff	-	166,237	166,237	243,435
Examination fees	-	138,441	138,441	133,599
Staff development	-	55,022	55,022	61,777
Technology	-	23,975	23,975	29,404
	-	8,098,855	8,098,855	8,413,069
<b>SUPPORT COSTS - EDUCATIONAL OPERATIONS</b>				
Wages and salaries	49,166	1,043,174	1,092,340	819,449
National insurance	2,973	60,334	63,307	44,604
Pension costs	8,643	504,236	512,879	354,162
LGPS Pension interest cost	-	-	-	83,000
Depreciation	-	12,107	12,107	20,345
Recruitment and support	-	21,910	21,910	18,357
Technology	-	108,805	108,805	103,690
Maintenance of premises and equipment	-	2,082,135	2,082,135	494,953
Cleaning	-	36,843	36,843	44,206
Rent and rates	-	79,492	79,492	88,349
Energy costs	-	149,328	149,328	135,031
Insurance	-	61,749	61,749	61,743
Security and Transport	-	25,350	25,350	23,477
Catering	-	200,436	200,436	224,550
Bank interest and charges	-	2,458	2,458	1,846
Other Support Costs	-	292,127	292,127	235,025
Governance - Auditors' remuneration	-	22,500	22,500	18,500
Governance - Internal audit costs	-	6,350	6,350	4,500
	60,782	4,709,334	4,770,116	2,775,787
<b>Total</b>	<b>60,782</b>	<b>12,808,189</b>	<b>12,868,971</b>	<b>11,188,857</b>

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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 2018**

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**7. NET INCOME/(EXPENDITURE)**

This is stated after charging:

	2018	2017
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	12,107	20,345
Auditors' remuneration - audit	15,500	13,000
Internal audit costs	5,550	4,200
Operating lease rentals	37,987	40,483
	<u>          </u>	<u>          </u>

**8. TRUSTEES' AND OFFICERS' INSURANCE**

The academy trust has opted into the Department for 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.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**9. STAFF COSTS**

**a. Staff costs**

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	6,776,129	6,575,151
Social security costs	610,269	587,981
Operating costs of defined benefit pension schemes	1,453,351	1,305,207
	<u>8,839,749</u>	<u>8,468,339</u>
Agency staff costs	166,237	246,679
Severance costs	1,838	-
	<u><u>9,007,824</u></u>	<u><u>8,715,018</u></u>

**b. Non-statutory/non-contractual staff severance payments**

A severance payment was made totalling £1,838 (2017 - £nil) for an employee who had been on long term sick leave.

**c. Staff numbers**

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

	2018 No.	2017 No.
Teaching staff	131	126
Support staff	243	188
Management	5	6
	<u>379</u>	<u>320</u>

Average headcount expressed as a full time equivalent:

	2018 No.	2017 No.
Teachers	111	111
Support	117	121
Management	5	6
	<u>233</u>	<u>238</u>

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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 2018**

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**9. STAFF COSTS (continued)**

**d. Higher paid staff**

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

	<b>2018</b>	<b>2017</b>
	<b>No.</b>	<b>No.</b>
In the band £60,001 - £70,000	<b>2</b>	<b>1</b>
In the band £70,001 - £80,000	<b>0</b>	<b>1</b>
In the band £80,001 - £90,000	<b>1</b>	<b>1</b>
In the band £90,001 - £100,000	<b>0</b>	<b>1</b>
In the band £100,001 - £110,000	<b>1</b>	<b>0</b>

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

**e. Key management personnel**

The key management personnel of the Academy Trust comprise the trustees and senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £445,978 (2017 £500,166).

**10. CENTRAL SERVICES**

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

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

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

Percentage of income from General Annual Grant received by each school, along with the early years funding at St Joseph's & St Gregory's Catholic Primary School and the six form funding received by St Thomas More.

The actual amounts charged during the year were as follows:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
St Thomas More Catholic School	<b>270,396</b>	<b>179,963</b>
St Joseph's & St Gregory's Catholic Primary School	<b>91,855</b>	<b>108,492</b>
St John Rigby Catholic Primary School	<b>70,591</b>	<b>54,491</b>
<b>Total</b>	<b><u>432,842</u></b>	<b><u>342,946</u></b>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**11. TRUSTEES' REMUNERATION AND EXPENSES**

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

		2018 £	2017 £
A Bishop (Executive Principal and Trustee)	Remuneration	100,000-105,000	95,000-100,000
	Pension contributions paid	15,000-20,000	15,000-20,000

During the year ended 31 August 2018, no Trustees received any reimbursement of expenses (2017 - £593 to 1 Trustees). The reimbursement was in relation to their role as a National Leader of Governance (NLG) and not in relation to their role as a trustee.

**12. OTHER FINANCE INCOME**

	2018 £	2017 £
Interest received/(paid) on pension scheme liabilities	<u>68,000</u>	<u>(83,000)</u>

**13. TANGIBLE FIXED ASSETS**

	Furniture and fixtures £	Plant and equipment £	Total £
<b>Cost</b>			
At 1 September 2017 and 31 August 2018	<u>86,827</u>	<u>41,145</u>	<u>127,972</u>
<b>Depreciation</b>			
At 1 September 2017	40,957	41,792	82,749
Charge for the year	12,345	(238)	12,107
At 31 August 2018	<u>53,302</u>	<u>41,554</u>	<u>94,856</u>
<b>Net book value</b>			
At 31 August 2018	<u>33,525</u>	<u>(409)</u>	<u>33,116</u>
At 31 August 2017	<u>45,870</u>	<u>(647)</u>	<u>45,223</u>

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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 2018**

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**13. TANGIBLE FIXED ASSETS (continued)**

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

**14. STOCKS**

	2018 £	2017 £
Consumables	29,718	40,331

**15. DEBTORS**

	2018 £	2017 £
Trade debtors	10,399	9,814
VAT repayable	137,161	80,758
Other debtors	4,293	3,860
Prepayments and accrued income	788,926	273,132
	<u>940,779</u>	<u>367,564</u>

**16. CURRENT ASSET INVESTMENTS**

	2018 £	2017 £
Money Market Deposit	-	1,340,000

**17. CREDITORS: Amounts falling due within one year**

	2018 £	2017 £
Trade creditors	406,119	379,506
Other creditors	131,213	5,538
Accruals and deferred income	613,210	675,167
	<u>1,150,542</u>	<u>1,060,211</u>

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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 2018**

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**17. CREDITORS: Amounts falling due within one year (continued)**

	2018 £	2017 £
<b>Deferred income</b>		
Deferred income at 1 September 2017	487,766	585,979
Resources deferred during the year	190,430	487,766
Amounts released from previous years	(357,685)	(585,979)
Amounts reclassified to other creditors	(130,081)	-
	<u>190,430</u>	<u>487,766</u>
Deferred income at 31 August 2018	<u>190,430</u>	<u>487,766</u>

Deferred income comprises unspent ACMF grants £nil (2017 - £130,081), Universal Infant Free School Meals £80,300 (2017 - £78,388), Rates £23,935 (2017 - £23,405), SEND advisor funding £40,540 (2017 - £85,494), growth funding secondary conversion £nil (2017 - £50,000), capital improvement fund £1,067 (2017 - £56,924) and trips and other receipts in advance of £44,588 (2017 - £63,474).



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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**18. STATEMENT OF FUNDS**

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>Unrestricted funds</b>						
General Funds	982,951	335,470	(60,782)	(148,988)	-	1,108,651
<b>Restricted funds</b>						
General Annual Grant (GAG)	334,941	10,470,945	(10,093,958)	(347,715)	-	364,213
Teaching School	111,153	229,231	(195,382)	-	-	145,002
Trust reserve	-	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>						
Fixed Asset Reserve	45,223	-	(12,107)	-	-	33,116
Devolved Formula Capital	36,669	42,060	(23,265)	(10,000)	-	45,464
ACMF Funds	-	3,298	(3,298)	-	-	-
CIF funds	-	821,969	(317,741)	12,787	-	517,015
LA grant	-	1,492,210	(1,553,284)	61,074	-	-
Donations from diocese	-	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>
Total restricted funds	<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>
Total of funds	<u>(779,063)</u>	<u>13,629,728</u>	<u>(13,007,081)</u>	<u>-</u>	<u>542,000</u>	<u>385,584</u>

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

**General Funds:**

The Academy Trust's general fund represents assets transferred on conversion and income and expenditure relating to activities undertaken by the Academy Trust as part of its charitable activities. The Academy Trust can use these funds for any purpose. £148,988 (2017 £nil) has been transferred from general funds to support teaching costs in excess of GAG and other restricted grant income, along with a small amount transferred to complete some fixed asset projects.

**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

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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 2018**

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**18. STATEMENT OF FUNDS (continued)**

Academy. A net transfer of £63,862 (2017 £73,930) has been made from GAG expenditure to assist with capital repair costs partly funded by ACMF and CIF grants.

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

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

In the period the Academy Trust received two CIF bids which is being spent on a roof replacement at St John Rigby and replacement of a 'well being' building at St Thomas More. The Academy Trust also received some funding from the Local Authority in building additional class rooms at St Thomas More.

A donation has been received from the diocese, which was part of the conditions of the Local Authority providing the money for the additional class rooms at St Thomas More.

**ANALYSIS OF ACADEMIES BY FUND BALANCE**

Fund balances at 31 August 2018 were allocated as follows:

	<b>Total 2018 £</b>	<i>Total 2017 £</i>
St Thomas More Catholic School	<b>896,637</b>	737,292
St Joseph's & St Gregory's Catholic Primary School	<b>609,253</b>	593,008
St John Rigby Catholic Primary School	<b>78,876</b>	98,745
Centralised Trust fund	<b>54,223</b>	-
Total before fixed asset fund and pension reserve	<b>1,638,989</b>	1,429,045
Restricted fixed asset fund	<b>745,595</b>	81,892
Pension reserve	<b>(1,999,000)</b>	(2,290,000)
Total	<b>385,584</b>	(779,063)

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**18. STATEMENT OF FUNDS (continued)**

**ANALYSIS OF ACADEMIES BY COST**

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depre- ciation £	Total 2018 £	Total 2017 £
St Thomas More Catholic School	4,468,451	432,291	339,995	2,321,105	7,561,842	5,649,919
St Joseph's & St Gregory's Catholic Primary School	1,371,900	311,997	147,532	543,866	2,375,295	3,549,353
St John Rigby Catholic Primary School	1,158,806	223,991	102,140	591,391	2,076,328	1,816,711
Centralised costs	192,986	303,278	-	-	496,264	33,535
	<u>7,192,143</u>	<u>1,271,557</u>	<u>589,667</u>	<u>3,456,362</u>	<u>12,509,729</u>	<u>11,049,518</u>

**STATEMENT OF FUNDS - PRIOR YEAR**

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General Funds	844,016	278,330	(53,633)	(85,762)	-	982,951
<b>Restricted funds</b>						
General Annual Grant (GAG)	540,985	8,709,055	(8,923,487)	8,388	-	334,941
Other DfE/EFA Grants	-	731,778	(731,778)	-	-	-
Teaching School	108,190	253,020	(250,057)	-	-	111,153
Local Authority Grants	-	517,937	(517,937)	-	-	-
Other Restricted Fund	-	198,608	(198,608)	-	-	-
Pension reserve	(2,707,000)	-	(288,000)	-	705,000	(2,290,000)
	<u>(2,057,825)</u>	<u>10,410,398</u>	<u>(10,909,867)</u>	<u>8,388</u>	<u>705,000</u>	<u>(1,843,906)</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**18. STATEMENT OF FUNDS (continued)**

**Restricted fixed asset funds**

Fixed Asset Reserve	65,568	-	(20,345)	-	-	45,223
Devolved Formula Capital	-	71,215	(73,341)	38,795	-	36,669
ACMF Funds	-	111,198	(117,525)	6,327	-	-
CIF funds	-	92,612	(124,864)	32,252	-	-
	<u>65,568</u>	<u>275,025</u>	<u>(336,075)</u>	<u>77,374</u>	<u>-</u>	<u>81,892</u>
Total restricted funds	<u>(1,992,257)</u>	<u>10,685,423</u>	<u>(11,245,942)</u>	<u>85,762</u>	<u>705,000</u>	<u>(1,762,014)</u>
Total of funds	<u>(1,148,241)</u>	<u>10,963,753</u>	<u>(11,299,575)</u>	<u>-</u>	<u>705,000</u>	<u>(779,063)</u>

**A CURRENT YEAR 12 MONTHS AND PRIOR YEAR 12 MONTHS COMBINED POSITION IS AS FOLLOWS:**

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>Unrestricted funds</b>						
General Funds	844,016	278,330	(53,633)	(85,762)	-	982,951
	-	335,470	(60,782)	(148,988)	-	125,700
<b>Restricted funds</b>						
General Annual Grant (GAG)	540,985	19,180,000	(19,017,445)	(339,327)	-	364,213
Other DfE/EFA Grants	-	731,778	(731,778)	-	-	-
Teaching School	108,190	482,251	(445,439)	-	-	145,002
Local Authority Grants	-	517,937	(517,937)	-	-	-
Centralised trust fund	-	84,545	(496,264)	432,842	-	21,123
Other Restricted Fund	-	198,608	(198,608)	-	-	-
Pension reserve	(2,707,000)	-	(539,000)	-	1,247,000	(1,999,000)
	<u>(2,057,825)</u>	<u>21,195,119</u>	<u>(21,946,471)</u>	<u>93,515</u>	<u>1,247,000</u>	<u>(1,468,662)</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**18. STATEMENT OF FUNDS (continued)**

**Restricted fixed asset funds**

Fixed Asset Reserve	65,568	-	(32,452)	-	-	33,116
Devolved Formula Capital	-	113,275	(96,606)	28,795	-	45,464
ACMF Funds	-	114,496	(120,823)	6,327	-	-
CIF funds	-	914,581	(442,605)	45,039	-	517,015
Local authority contribution	-	1,492,210	(1,553,284)	61,074	-	-
Diocese contribution	-	150,000	-	-	-	150,000
	<u>65,568</u>	<u>2,784,562</u>	<u>(2,245,770)</u>	<u>141,235</u>	<u>-</u>	<u>745,595</u>
	<u>(1,992,257)</u>	<u>23,979,681</u>	<u>(24,192,241)</u>	<u>234,750</u>	<u>1,247,000</u>	<u>(723,067)</u>
Total of funds	<u>(1,148,241)</u>	<u>24,593,481</u>	<u>(24,306,656)</u>	<u>-</u>	<u>1,247,000</u>	<u>385,584</u>

**19. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	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)
	<u>1,108,651</u>	<u>(1,468,662)</u>	<u>745,595</u>	<u>385,584</u>

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	As restated Total funds 2017 £
Tangible fixed assets	-	-	45,223	45,223
Current assets	982,951	1,506,305	36,669	2,525,925
Creditors due within one year	-	(1,060,211)	-	(1,060,211)
Provisions for liabilities and charges	-	(2,290,000)	-	(2,290,000)
	<u>982,951</u>	<u>(1,843,906)</u>	<u>81,892</u>	<u>(779,063)</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**20. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2018 £	2017 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	622,647	(335,822)
<b>Adjustment for:</b>		
Depreciation charges	12,107	20,345
Dividends, interest and rents from investments	(40,429)	(28,632)
Decrease in stocks	10,613	8,836
Increase in debtors	(573,215)	(76,127)
Increase in creditors	90,331	99,165
Defined benefit pension scheme cost less contributions payable	319,000	205,000
Defined benefit pension scheme finance cost	(68,000)	83,000
<b>Net cash provided by/(used in) operating activities</b>	<b>373,054</b>	<b>(24,235)</b>

**21. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2018 £	2017 £
Cash in hand	2,531,513	778,030
<b>Total</b>	<b>2,531,513</b>	<b>778,030</b>

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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 2018**

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**22. PENSION COMMITMENTS**

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

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

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

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

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 April 2019.

The employer's pension costs paid to TPS in the period amounted to £675,683 (2017 - £653,317).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**22. PENSION COMMITMENTS (continued)**

([www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx](http://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx)).

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £559,000 (2017 - £560,000), of which employer's contributions totalled £451,000 (2017 - £453,000) and employees' contributions totalled £108,000 (2017 - £107,000). The agreed contribution rates for future years are 24.1% for employers and a variable rate% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Expected return on scheme assets at 31 August	2.80 %	2.50 %
Rate of increase in salaries	2.70 %	2.70 %
Rate of increase for pensions in payment / inflation	2.40 %	2.40 %

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

	2018	2017
Retiring today		
Males	22.4	22.4
Females	24.5	24.5
Retiring in 20 years		
Males	24	24.0
Females	26.2	26.2

	At 31 August 2018 £	At 31 August 2017 £
<b>Sensitivity analysis</b>		
Discount rate -0.1%	(185,400)	(171,000)
Mortality assumption - 1 year increase	222,000	209,000
CPI rate +0.1%	160,400	24,400



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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**22. PENSION COMMITMENTS (continued)**

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	3,136,640	2,667,600
Corporate bonds	757,120	702,000
Property	486,720	421,200
Cash and other liquid assets	1,027,520	889,200
<b>Total market value of assets</b>	<b>5,408,000</b>	<b>4,680,000</b>

The actual return on scheme assets was £129,000 (2017 - £(27,000))

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

	2018 £	2017 £
Current service cost	(770,000)	(658,000)
Past service cost	(8,643)	(6,657)
Interest received/(cost)	68,000	(83,000)
<b>Total</b>	<b>(710,643)</b>	<b>(747,657)</b>
<b>Actual return on scheme assets</b>	<b>129,000</b>	<b>(27,000)</b>

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

	2018 £	2017 £
Opening defined benefit obligation	6,909,000	6,862,000
Current service cost	770,000	658,000
Interest cost	(68,000)	83,000
Employee contributions	108,000	107,000
Actuarial gains	(542,000)	(705,000)
Benefits paid	(83,000)	(96,000)
<b>Closing defined benefit obligation</b>	<b>7,094,000</b>	<b>6,909,000</b>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**22. PENSION COMMITMENTS (continued)**

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

	2018 £	2017 £
Opening fair value of scheme assets	4,680,000	4,155,000
Expected return on assets	129,000	(27,000)
Interest income	123,000	88,000
Employer contributions	451,000	453,000
Employee contributions	108,000	107,000
Benefits paid	(83,000)	(96,000)
	<u>5,408,000</u>	<u>4,680,000</u>
Closing fair value of scheme assets	<u>5,408,000</u>	<u>4,680,000</u>

**23. OPERATING LEASE COMMITMENTS**

At 31 August 2018 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
<b>Amounts payable:</b>		
Within 1 year	34,421	39,168
Between 1 and 5 years	43,662	36,109
Total	<u>78,083</u>	<u>75,277</u>

**24. RELATED PARTY TRANSACTIONS**

Owing to the nature of the academy trust 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 Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 11.

**25. MEMBERS' LIABILITY**

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**26. TEACHING SCHOOL TRADING ACCOUNT**

	2018 £	2018 £	2017 £	2017 £
<b>Income</b>				
<b>Direct income</b>				
NSS Bursary and LA grant	100,091		99,782	
<b>Other income</b>				
Consultancy and other activities	129,140		153,238	
<b>Total income</b>		229,231		253,020
<b>Expenditure</b>				
<b>Direct expenditure</b>				
Direct staff costs	92,258		95,716	
Other direct costs	7,489		35,784	
<b>Total Direct expenditure</b>	99,747		131,500	
<b>Other expenditure</b>				
Other staff costs	9,323		10,278	
Technology costs	461		-	
Other support costs	84,251		108,279	
Share of governance costs	1,600		-	
<b>Total Other expenditure</b>	95,635		118,557	
<b>Total expenditure</b>		195,382		250,057
<b>Surplus from all sources</b>		33,849		2,963
<b>Teaching school balances at 1         September 2017</b>		111,153		108,190
<b>Teaching school balances at 31         August 2018</b>		145,002		111,153