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

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

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

CONTENTS

	Page
Reference and Administrative Details	1 - 2
Trustees' Report	3 - 11
Governance Statement	12 - 15
Statement on Regularity, Propriety and Compliance	16
Statement of Trustees' Responsibilities	17
Independent Auditors' Report on the Financial Statements	18 - 20
Independent Reporting Accountant's Assurance Report on Regularity	21 - 22
Statement of Financial Activities Incorporating Income and Expenditure Account	23
Balance Sheet	24
Statement of Cash Flows	25
Notes to the Financial Statements	26 - 50

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

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017

Members	Duns Scotus Trust
Trustees	A Bishop, Executive Principal (appointed 2 September 2016) ¹ J M Brady Fr M H Bull C J Donnellan, Chair ¹ A C Knought M E Morris ¹ M O'Sullivan I L Ottley ¹ C M Piotrowski L Sanderson (resigned 23 September 2016) I Bond (appointed 1 August 2016) ¹ Member of the Finance Committee
Company registered number	08462151
Company name	St Francis of Assisi Academies Trust
Principal and registered office	St Thomas More Catholic Teaching School Tyne Crescent Bedford MK41 7UL
Company secretary	A Waterhouse
Executive Principal	A Bishop (appointed 2 September 2016)
Senior management team	A Bishop, Executive Principal (appointed 2 September 2016) F Topa, Headteacher A Wilshaw-Quinn, Headteacher L Sumpter, Headteacher A Palmer, Headteacher Mrs J Stringer, Chief Finance Officer
Independent auditors	Streets Audit LLP Chartered Accountants Statutory Auditors Potton House Wyboston Lakes Great North Road Wyboston Bedford MK44 3BZ
Bankers	Lloyds Bank plc 34 High Street Bedford MK40 1SB

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

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2017**

Advisers (continued)

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

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 01 September 2016 to 31 August 2017. 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.

The Academy Trust has a combined PAN of 2,060 and had a roll of 2,017 in the school census in October 2016.

Structure, Governance and Management

Constitution

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

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

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

Members' Liability

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

Trustees' Indemnities

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000.

Method of Recruitment and Appointment or Election of Trustees

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

Policies and Procedures Adopted for the Induction and Training of Trustees

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

Organisational Structure

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

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

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Arrangements for setting pay and remuneration of key management personnel

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

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

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

Trustees are actively taking steps to close any gender pay gaps.

Related Parties and other Connected Charities and Organisations

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

Objectives and Activities

Objects and Aims

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

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

Objectives, Strategies and Activities

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

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

Public Benefit

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

Strategic Report

Achievements and Performance and Key Performance Indicators

St Thomas More Catholic Upper School

In September 2014 St Thomas More Catholic Upper School became a secondary school. As a holder of Teaching School status the School has been using the name St Thomas More Catholic Teaching School. We started by expecting 45 pupils from our Primary Catholic Feeder school, but our success saw this number rapidly rise to such numbers that the Year 7 entry point was oversubscribed even after raising the PAN - we are now taking in 200 in year 7.

In line with the Local Authority (Bedford Borough) restructure from a three tier to a two tier system, with effect from September 2017 St Thomas More School will be part of the new two tier structure across the Academy's schools. The school is looking forward to its new building programme due to start in May of 2018 to accommodate this expansion and allowing us to move fully to Two Tier arrangements. We currently have 60 Year 7 students and 80 Year 8 students on a second satellite site, at the former St Gregory's Catholic Middle

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

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

School site in Biddenham. This will see the removal of mobile classrooms and an extensive building programme to accommodate this change in structure.

Last year, the school achieved outstanding GCSE results in a year that saw new Progress and Attainment measures brought in by the DfE. In the new measure of Progress 8 STM was the top Borough school, achieving a score of 0.53, which is classed as 'well above average' by the DfE. We were also the top of the Diocesan schools, and second in the whole of Bedfordshire. This year we again realised a positive Progress 8 score in the new calculations for this year, again placing us in the top 3 in the Borough; with English realising an 89% 9-4 pass with girls – a phenomenal result.

THIS YEAR: English and Maths 9-4

Pupil Group	Cohort		9 to 4 in English†	9 to 4 in Maths	9 to 4 in English† & Maths
	Size	% of All			
All Pupils	182	100%	78%	64%	60%
Male	97	53%	67%	65%	58%
Female	85	47%	89%	64%	62%

- In A*-A Grades 18 Depts surpassed their targets and 11 their National Average
- In A-C grades 5 surpassed their targets and 13 their National Average, with 3 scoring very close

The Head Teacher has been recognised by NCTL for her work in enabling other schools, and is an NLE. This year she has also become the Sub Regional lead for Teaching Schools in the RSC area, bringing in £18,000 to the school. In addition to this success, the school has continued to develop its Teaching School work, supporting many schools and adding capacity to its staffing. This is now a vibrant element of school operations with a significant turnover. It enables the school to invest in supporting other schools and in maintaining quality within St Thomas More School. We continue our direct intensive School to School Support Programmes and more general courses that inspire excellence and improvement.

St Joseph's Catholic Lower School

Achievements and Performance 2016-2017

Key priorities with actions and outcomes, including some key performance indicators

1. The main focus for this year has been the re-organisation of St Joseph's Catholic Lower school and St Gregory's Catholic Middle school across the current site to form a new primary school; St Joseph's and St Gregory's Catholic Primary school. This involved re-structuring staffing posts and positions across the schools; communicating effectively with the existing communities to ensure the smooth transition of the existing students and developing excellent media opportunities to attract new pupils.

- o New email addresses for all staff
- o New Website and other online media
- o Management of two schools on one site
- o New uniform

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

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

2. A significant sum of money from the current under spend was used to enhance IT resources across both sites, to ensure cutting-edge provision supports the learning needs of all pupils appropriately and to ensure excellent cross –site communication.

- o IT infrastructure evaluated and enhanced through:
- o Linking both sites by cable
- o New servers with drives set up for staff data storage and sharing
- o VTSL Telephone system

3. The Lower Primary site now benefits from a new lobby which provides parents and visitors with better access to the school offices whilst ensuring the safety and security of the children on-site.

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

5. Once again a number of teachers were identified to take part in Leadership programmes. This continues to ensure the school benefits from a large number of staff with continually developing skills and confidence at an enhanced leadership level. The projects they managed as part of their research contributed significantly to the outcomes for children across the school. Many of their research projects will be implemented more widely across the school in the coming year.

6. The school has continued to have a strong focus on improving achievement for all pupils, including disadvantaged pupils and those who have special educational needs.

- o The Early Excellence, RWInc and Maths Mastery programmes have continued to be embedded across the school, with the expectation that this will ensure outcomes for pupils continue to demonstrate outstanding progress.
- o Enhanced practitioner understanding and use of work scrutiny to improve the assessment cycle.
- o Early experience of school for Polish speaking children (other groups have also benefitted) has been enhanced in order to improve outcomes.

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

C & L (speaking)	% children at expected level on entry	% children at or above expected level at end	% point increase
2017 Results	34%	72.5%	38.5
2016 Results	35%	72%	37
2015 Results	42%	72%	30

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

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

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

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

o All senior leads had training for performance management conversations to enable them to carry out the support staff appraisal. This in turn developed their professional skills as leaders.

8. Increased profile and visibility of the school in the community has increased staff, child and parents in local events.

o A whole series of events have been attended by children and staff from the school in the local and wider community. This has resulted in very positive feedback from parents about the value the school has in the area.

Plans for Future Periods 2017-2018

1. The main focus for the coming year will be to embed the changes made during the re-organisation of the two schools last year. This will involve evaluating the organisational structure to ensure posts and positions across the schools are fit for purpose.

2. Directors have commissioned a report into the local need for wider nursery provision. An evaluative report will be prepared to consider changing the nursery provision to meet the needs of younger children. This may result in the nursery accommodation being moved to the Upper Primary site.

3. Further work will be undertaken in developing the website, and other online media, to ensure communication within the school, with the parents and local community, and with prospective parents is excellent.

4. Both sites need new boilers and further development of security fencing. A CIF bid will be made for funding to ensure the Lower Primary site has safe access for children, families and visitors – currently pedestrians (and cyclists) use the car park entrance to gain access to both sites.

5. IT resources will continue to need to be developed to ensure the older children have access to mobile devices and can develop their knowledge and understanding of computers.

6. The Early Excellence, RWInc and Maths Mastery programmes will continue to be embedded across the school, with the expectation that this will ensure outcomes for pupils continue to demonstrate outstanding progress.

7. The school will continue to work with the Teaching School and other ITT providers to develop and offer courses, workshops and mentoring of students on the Primary sites.

St John Rigby Catholic Primary Schools: Review of Activities

St John Rigby has continued to demonstrate that it is on a significant journey towards being an outstanding primary school with consistently high standards being achieved. For three years in succession, the school has demonstrated academic outcomes at KS2 which see it as the top primary school in Bedford for attainment.

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

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

The leadership structure within the school has developed significantly over the past year. The Headteacher, Executive Principal and Directors consulted over a sustainable senior leadership structure which best meets the needs and context of the school. As a result, a senior assistant head has been appointed along with two full-time and one part-time assistant head. All members of this team have been appointed internally having been supported in their development as leaders thanks to the continued professional development opportunities offered by the Trust Teaching School.

The first task for the new senior leadership team was to ensure that a revised school improvement plan was in place. This provides a framework for the coherent and collaborative developmental work that is undertaken by senior and middle leaders. This is being supported by the implementation of more effective and engaging working partnerships between Directors and leaders. The school improvement plan mirrors the Trust Development Plan which, in turn, has, at its core, the revised Ofsted framework as well as reflecting the distinctive identity of our Catholic schools.

Key Performance Indicators

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

Subject	SJR	National Average	Progress Scores	National Floors on Progress
Reading	84	71	-0.5	-5.0
Maths	91	77	-0.5	-5.0
GPS	87	77		
Writing (Teacher assessed)	73	76	-1.8	-7.0
Reading, Writing and Maths	67	61		

Year One Phonics screener results are the best that the school has achieved with 83% achieving the required standard.

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

The percentages for children achieving the expected standard (or better) in prime areas such as children's Physical Development, Communication and Personal Social and Emotional Development have increased in 2017 when compared to 2016. Standards in literacy and numeracy were already high in 2016 and these have been maintained. Much has been done to increase the breadth and depth of curriculum provision in Early Years and this can be seen the increased attainment of our pupils in areas such as "Understanding the World" and "Expressive Art and Design".

Pupil attendance for 2016-17 remained well above national averages and rates of persistent absence remained well below the national picture also.

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

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

The school has continued to ensure that the learning environment is safe and stimulating for children. It has engaged with many initiatives in order to promote environment sustainability. The school has benefited from a successful Condition Improvement Fund (CIF) bid, which means that new palisade 2m fencing is now in place around the entire perimeter. There are also electric vehicular and pedestrian security gates, which work on an intercom system.

The school has continued to engage with the other schools across the Trust in getting the best possible value for money for grounds maintenance. It has used this as an opportunity to ensure that the extensive numbers of trees are managed in order to ensure a safe working environment. The school continues to pursue other opportunities for collaboration in this was such as the staff absence pool and educational psychology services.

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

St Gregory's Middle School

After 50 years of St Gregory's as a secondary then a middle school, it was formally closed as a middle school at the end of the 2016-2017 academic year. It reopened as part of the new primary school St Joseph's and St Gregory's Catholic Primary School. The excellent results at KS2 achieved by St Gregory's, as indicated below, is now carried forward with the cohort most of whom have seamlessly transferred to St Thomas More Secondary School.

	STG	National Average	Progress Scores	National floors on progress
Reading	75	71	-0.24	-5.0
Maths	82	77	-1.80	-5.0
GPS	81	77		
Writing (teacher assessed)	80	76	+0.39	-7.0
Reading, writing and Maths	66	61		

The Academy Trust avoided staff redundancy on the restructure of the schools, and the Directors recognise the considerable effort, flexibility and goodwill of the staff in engaging in the consultation process and subsequent implementation of this structural change.

Going concern

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

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

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

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 2017 income totalled £10,963,753 (2016 £11,194,960) and expenditure totalled £11,299,575 (2016 £10,763,801). 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 2017. The net book value of fixed assets was £45,223 (2016 £65,568). These assets are used exclusively for providing education and the associated support services to the pupils of the Academy Trust.

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

Reserves Policy

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

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

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.

£60,000 was released from reserves this year to replace a leaking roof and a major building project will start in April 2018 which will also impact on reserves.

The balance sheet at 31 August 2017 shows a net deficit amounting to £779,063 (2016 £1,148,241), after accounting for the accumulated deficit on the Local Government Pension Scheme for non teaching staff of £2,290,000 (2016 £2,707,000). As disclosed in note 23, the DfE would meet these liabilities in the event that the Academy Trust was to close. The Academy Trust's net assets, excluding the pension liability amounted to £1,510,937 (2016 £1,558,759) of which £1,429,045 (2016 £1,493,191) are free reserves.

Investment Policy

The Academy Trust seeks to optimise cash flow whilst maximising the return on investments in a safe and secure manner. At the balance sheet date the Academy Trust had placed £1,340,000 in a money market deposit, of which £1,000,000 was due to mature in October 2017.

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

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Principal Risks and Uncertainties

As part of the trust's move from a 3 to a 2 tier system, additional building work is planned on the secondary school site. Funding for the 12 classroom building has been provided by Bedford Borough. As part of the project, risks are being managed by employing a project management company (recommended by the diocese) to oversee the project, including contingency funding within budget forecasts and including penalty clauses to provide funding for alternative teaching facilities should the need arise.

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.

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 7 December 2017 and signed on the board's behalf by:

C J Donnellan
Chair of Trustees



ST FRANCIS OF ASSISI ACADEMIES TRUST
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

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

GOVERNANCE

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

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

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

GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
C J Donnellan	5	5
M Morris	4	5
I L Ottley	5	5
A Bishop (Executive Principal and Accounting Officer)	5	5

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 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 2016 to 31 August 2017 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 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

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

GOVERNANCE STATEMENT (continued)

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 2016 term

- Payroll
- Purchases
- Income
- Control accounts
- Fixed assets

Spring 2017 term

- Payroll and personnel
- Budget setting
- Budget monitoring and review
- Fixed assets
- Annual accounts and audits
- Cash collection
- Data security

Summer 2017 term

- Governance and finance policies
- Risk management and insurance
- Taxation and VAT
- Purchases and procurements
- Payments
- Income and banking controls
- Investments

Strictly Education Limited have delivered the schedule of work as agreed at the start of the year.

No material control issues were identified.

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

GOVERNANCE STATEMENT (continued)

On a termly basis, the internal 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.

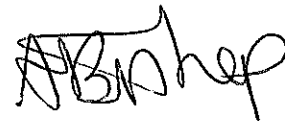
The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 7 December 2017 and signed on their behalf, by:

C J Donnellan
Chair of Trustees



A Bishop
Accounting Officer



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

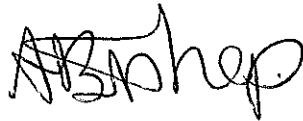
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of St Francis of Assisi Academies Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

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 2016.

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

A handwritten signature in black ink, appearing to read 'A Bishop', with a stylized flourish at the end.

Date: 7 December 2017

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

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2017

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 and 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 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from 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 7 December 2017 and signed on its behalf by:



C J Donnellan
Chair of Trustees

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

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

OPINION

We have audited the financial statements of St Francis of Assisi Academies Trust for the year ended 31 August 2017 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 FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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 Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

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 2017 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 2016 to 2017 issued by the Education and Skills Funding Agency.

BASIS OF OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the 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.

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

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

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 Auditor's report thereon. Our opinion on the financial statements does not cover the 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 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' remunerations specified by law 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.

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

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

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

AUDITOR'S 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 Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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. The description forms part of our Auditor's report.



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: 15/12/17

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

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

In accordance with the terms of our engagement letter dated 20 October 2016 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, 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 2016 to 31 August 2017 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 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 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 2016 to 2017 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.

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

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

The work undertaken to draw our conclusions included:

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

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Robert Anderson (Senior Statutory Auditor)

Streets Audit LLP

Chartered Accountants
Statutory Auditors

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

Date: 15/12/17

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 2017**

		Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	As restated Total funds 2016 £
	Note					
Income from:						
Donations and capital grants	2	132,146	2,350	275,025	409,521	197,252
Charitable activities	5	117,552	10,155,028	-	10,272,580	10,404,655
Other trading activities	3	26,612	-	-	26,612	25,459
Investments	4	2,020	-	-	2,020	391,010
Teaching school		-	253,020	-	253,020	176,584
Total income		278,330	10,410,398	275,025	10,963,753	11,194,960
Expenditure on:						
Charitable activities:						
Teaching school		-	250,057	-	250,057	260,261
Other charitable activities		53,633	10,636,757	336,075	11,026,465	10,486,198
Governance		-	23,053	-	23,053	17,342
Total expenditure	6	53,633	10,909,867	336,075	11,299,575	10,763,801
Net income / (expenditure) before transfers		224,697	(499,469)	(61,050)	(335,822)	431,159
Transfers between Funds	19	(85,762)	8,388	77,374	-	-
Net income / (expenditure) before other recognised gains and losses		138,935	(491,081)	16,324	(335,822)	431,159
Actuarial gains/(losses) on defined benefit pension schemes	23	-	705,000	-	705,000	(1,581,000)
Net movement in funds		138,935	213,919	16,324	369,178	(1,149,841)
Reconciliation of funds:						
Total funds brought forward		844,016	(2,057,825)	65,568	(1,148,241)	390,471
Prior year adjustment (Note 18)		-	-	-	-	(388,871)
Total funds carried forward		982,951	(1,843,906)	81,892	(779,063)	(1,148,241)

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

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£	2017 £	As restated 2016 £
Fixed assets				
Tangible assets	13		45,223	65,568
Current assets				
Stocks	14	40,331		49,167
Debtors	15	367,564		291,437
Investments	16	1,340,000		1,500,000
Cash at bank and in hand		778,030		613,633
		<u>2,525,925</u>		<u>2,454,237</u>
Creditors: amounts falling due within one year	17	(1,060,211)		(961,046)
Net current assets			<u>1,465,714</u>	<u>1,493,191</u>
Total assets less current liabilities			<u>1,510,937</u>	<u>1,558,759</u>
Defined benefit pension scheme liability	23	(2,290,000)		(2,707,000)
Net liabilities including pension scheme liabilities			<u>(779,063)</u>	<u>(1,148,241)</u>
Funds of the academy				
Restricted income funds:				
Restricted income funds	19	446,094		649,175
Restricted fixed asset funds	19	81,892		65,568
Restricted income funds excluding pension liability		527,986		714,743
Pension reserve		(2,290,000)		(2,707,000)
Total restricted income funds			<u>(1,762,014)</u>	<u>(1,992,257)</u>
Unrestricted income funds	19		982,951	844,016
Total deficit			<u>(779,063)</u>	<u>(1,148,241)</u>

The financial statements on pages 23 to 50 were approved by the Trustees, and authorised for issue, on 7 December 2017 and are signed on their behalf, by:


C J Donnellan
Chair of Trustees

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017 £	As restated 2016 £
Cash flows from operating activities			
Net cash used in operating activities	21	(24,235)	(101,799)
Cash flows from investing activities:			
Dividends, interest and rents from investments		28,632	29,469
Purchase of investments		-	(300,000)
Proceeds from investments		500,000	-
Net cash provided by/(used in) investing activities		528,632	(270,531)
Change in cash and cash equivalents in the year		504,397	(372,330)
Cash and cash equivalents brought forward		613,633	985,963
Cash and cash equivalents carried forward		1,118,030	613,633

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

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 2016 to 2017 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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.6 Tangible fixed assets and depreciation

All assets costing more than £1,000 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:

Fixtures and fittings	-	14.29% per annum straight line
Computer 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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

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 23, 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 the Department for Education where the asset acquired or created is held for a specific purpose.

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

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 23, 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 2017. 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 2017**

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	As restated Total funds 2016 £
Donations	24,210	2,350	-	26,560	21,288
Capital Grants	-	-	275,025	275,025	50,849
Contributions to School trips	107,936	-	-	107,936	125,115
	<u>132,146</u>	<u>2,350</u>	<u>275,025</u>	<u>409,521</u>	<u>197,252</u>
<i>Total 2016</i>	<u>146,403</u>	<u>-</u>	<u>50,849</u>	<u>197,252</u>	

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	As restated Total funds 2016 £
Letting income	26,612	-	26,612	25,459
	<u>26,612</u>	<u>-</u>	<u>26,612</u>	<u>25,459</u>
<i>Total 2016</i>	<u>25,459</u>	<u>-</u>	<u>25,459</u>	

4. INVESTMENT INCOME

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	As restated Total funds 2016 £
Interest received	2,020	-	2,020	4,010
Pension income	-	-	-	387,000
	<u>2,020</u>	<u>-</u>	<u>2,020</u>	<u>391,010</u>
<i>Total 2016</i>	<u>391,010</u>	<u>-</u>	<u>391,010</u>	

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

5. FUNDING FOR EDUCATIONAL OPERATIONS

	Unrestricted Funds 2017 £	Restricted Funds 2017 £	Total Funds 2017 £	<i>As restated Total Funds 2016 £</i>
DfE / EFA REVENUE GRANTS				
General Annual Grant	-	8,709,055	8,709,055	8,735,882
Other DfE/EFA Grants	-	731,778	731,778	758,582
	-	9,440,833	9,440,833	9,538,088
OTHER GOVERNMENT GRANTS				
Local Authority Grants	-	517,937	517,937	568,770
	-	9,958,770	9,958,770	568,770
OTHER INCOME				
Departmental and other income	117,552	44,870	162,422	374,481
Catering income	-	151,388	151,388	143,524
	117,552	10,155,028	10,272,580	518,005
Total	117,552	10,155,028	10,272,580	10,581,239

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

6. CHARITABLE ACTIVITIES

	Unrestricted Funds 2017 £	Restricted Funds 2017 £	Total Funds 2017 £	As restated Total Funds 2016 £
DIRECT COSTS - EDUCATIONAL OPERATIONS				
Wages and salaries	-	5,755,702	5,755,702	5,945,086
National insurance	-	543,377	543,377	495,460
Pension cost	-	951,045	951,045	950,658
Educational supplies	-	694,731	694,731	694,732
Agency Staff	-	243,435	243,435	123,079
Examination fees	-	133,599	133,599	141,023
Staff development	-	61,777	61,777	64,748
Technology	-	29,404	29,404	34,848
	-	8,413,070	8,413,070	8,452,957
SUPPORT COSTS - EDUCATIONAL OPERATIONS				
Wages and salaries	43,466	775,983	819,449	802,577
National insurance	2,310	42,294	44,604	37,342
Pension costs	6,657	347,505	354,162	173,353
LGPS Pension interest cost	-	83,000	83,000	-
Depreciation	-	20,345	20,345	25,868
Recruitment and support	-	18,357	18,357	21,490
Technology	-	103,690	103,690	84,944
Maintenance of premises and equipment	-	494,953	494,953	272,272
Cleaning	-	44,206	44,206	41,546
Rent and rates	-	88,349	88,349	72,098
Energy costs	-	135,031	135,031	152,259
Insurance	-	61,743	61,743	94,390
Security and Transport	-	23,477	23,477	24,462
Catering	-	224,550	224,550	212,656
Bank interest and charges	-	1,846	1,846	2,672
Other Support Costs	-	235,025	235,025	275,428
Governance - Auditors' remuneration	-	18,500	18,500	13,142
Governance - Internal audit costs	-	4,500	4,500	4,200
	52,433	2,723,354	2,775,787	2,331,782
Total	52,433	11,136,424	11,188,857	10,760,333

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

7. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017 £	<i>As restated</i> 2016 £
Depreciation of tangible fixed assets:		
- owned by the charity	20,345	25,868
Auditors' remuneration - audit	13,000	13,142
Internal audit costs	4,200	4,200
Operating lease rentals	40,483	37,364
	<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 2017**

9. STAFF COSTS

Staff costs were as follows:

	2017	<i>As restated</i> 2016
	£	£
Wages and salaries	6,575,151	6,756,256
Social security costs	587,981	532,802
Operating costs of defined benefit pension schemes	1,305,207	1,124,011
	8,468,339	8,413,069
Apprenticeship levy	7,646	-
Supply teacher costs	246,679	122,579
Severance costs	-	11,000
	8,722,664	8,546,648

d. Non statutory/non-contractual staff severance payments

A severance payment was made totalling £Nil (2016 - £11,000) for an employee who had been on long term sick leave.

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

	2017	2016
	No.	No.
Teaching staff	126	131
Support staff	188	195
Management	6	6
	320	332

Average headcount expressed as a full time equivalent:

	2017	2016
	No.	No.
Teachers	104	111
Support	117	121
Management	6	6
	227	238

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

	2017	2016
	No.	No.
In the band £60,001 - £70,000	1	2
In the band £70,001 - £80,000	1	2
In the band £80,001 - £90,000	1	1

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

9. STAFF COSTS (continued)

In the band £90,001 - £100,000	1	0
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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 £500,166 (2016 £401,010).

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.

The actual amounts charged during the year were as follows:

	2017	2016
	£	£
St Thomas More Catholic School	179,963	150,543
St Gregory's Middle School	57,823	55,339
St Joseph's Catholic Lower School	50,669	46,702
St John Rigby Catholic Primary School	54,491	51,728
	<u>342,946</u>	<u>304,312</u>
Total		

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

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:

		2017	2016
		£	£
Dr A Lee (Executive Principal and Trustee, resigned 23 April 2016)	Remuneration		70,000-75,000
	Pension contributions paid		10,000-15,000
A Bishop (Executive Principal and Trustee, appointed 1 September 2016)	Remuneration	95,000-100,000	
	Pension contributions paid	15,000-20,000	

During the year ended 31 August 2017, expenses totalling £593 (2016 - £NIL) were reimbursed to 1 Trustee (2016 - none). 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

	2017	<i>As restated</i> 2016
	£	£
Interest income on pension scheme assets	61,000	565,000
Interest on pension scheme liabilities	(144,000)	(178,000)
	(83,000)	387,000

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

13. TANGIBLE FIXED ASSETS

	Leasehold Property Improve- ments £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 September 2016 (as previously stated)	418,769	41,145	86,827	546,741
Prior year adjustment	(418,769)	-	-	(418,769)
At 1 September 2016 (as restated) and 31 August 2017	-	41,145	86,827	127,972
Depreciation				
At 1 September 2016 (as previously stated)	50,836	28,612	33,792	113,240
Prior year adjustment	(50,836)	-	-	(50,836)
At 1 September 2016 (as restated)	-	28,612	33,792	62,404
Charge for the year	-	12,345	8,000	20,345
At 31 August 2017	-	40,957	41,792	82,749
Net book value				
At 31 August 2017	-	188	45,035	45,223
At 31 August 2016 (as restated)	-	12,533	53,035	65,568

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.

A prior year adjustment has been recognised to remove additions to the property as per updated guidance issued by the ESFA.

14. STOCKS

	2017 £	As restated 2016 £
Consumables	40,331	49,167

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

15. DEBTORS

	2017 £	As restated 2016 £
Trade debtors	9,814	22,690
VAT repayable	80,758	38,357
Other debtors	3,860	-
Prepayments and accrued income	273,132	230,390
	<u>367,564</u>	<u>291,437</u>

16. CURRENT ASSET INVESTMENTS

	2017 £	As restated 2016 £
Money Market Deposit	1,340,000	1,500,000

17. CREDITORS: Amounts falling due within one year

	2017 £	As restated 2016 £
Trade creditors	379,506	319,522
Other creditors	5,538	185
Accruals and deferred income	675,167	641,339
	<u>1,060,211</u>	<u>961,046</u>

	2017 £	As restated 2016 £
Deferred income		
Deferred income at 1 September 2016	585,979	790,362
Resources deferred during the year	487,766	585,979
Amounts released from previous years	(585,979)	(790,362)
Deferred income at 31 August 2017	<u>487,766</u>	<u>585,979</u>

Deferred income comprises Devolved Formula Capital receipts in advance £nil (2016 - £25,651), unspent ACMF grants £130,081 (2016 - £241,279), Universal Infant Free School Meals £78,388 (2016 - £81,957), Rates £23,405 (2016 - £19,177), SEND advisor funding £85,494 (2016 - £145,276), NCTL teaching school £nil (2016 - £40,000), growth funding secondary conversion £50,000 (2016 - £nil), capital improvement fund £56,924 and trips and other receipts in advance of £63,474 (2016 - £32,639).

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

18. PRIOR YEAR ADJUSTMENT

Following revised guidance from the ESFA subsequent additions to property which was previously capitalised have now been expensed. The effect of this is to reduce Fixed Assets by £367,933.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

19. STATEMENT OF FUNDS

	Balance at 1 September 2015 (As restated) £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Unrestricted funds						
General Funds	844,016	278,330	(53,633)	(85,762)	-	982,951
Restricted funds						
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>
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>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

19. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	<i>Balance at 1 September 2015 (As restated)</i> £	<i>Income</i> £	<i>Expenditure</i> £	<i>Transfers in/out</i> £	<i>Gains/ (Losses)</i> £	<i>Balance at 31 August 2016 (As restated)</i> £
Unrestricted funds						
General Funds	585,530	356,650	(52,014)	(46,150)	-	844,016
	<u>585,530</u>	<u>356,650</u>	<u>(52,014)</u>	<u>(46,150)</u>	<u>-</u>	<u>844,016</u>
Restricted funds						
General Annual Grant (GAG)	668,317	8,737,047	(8,847,695)	(16,684)	-	540,985
Other DfE/EFA Grants	-	713,158	(713,158)	-	-	-
Teaching School	138,317	176,903	(260,359)	53,329	-	108,190
Local Authority Grants	-	575,035	(575,035)	-	-	-
Other Restricted Fund	-	198,318	(198,318)	-	-	-
Pension reserve	(1,482,000)	387,000	(31,000)	-	(1,581,000)	(2,707,000)
	<u>(675,366)</u>	<u>10,787,461</u>	<u>(10,625,565)</u>	<u>36,645</u>	<u>(1,581,000)</u>	<u>(2,057,825)</u>
Restricted fixed asset funds						
Fixed Asset Reserve	91,436	-	(25,868)	-	-	65,568
Devolved Formula Capital	-	43,624	(53,129)	9,505	-	-
ACMF Funds	-	7,225	(7,225)	-	-	-
	<u>91,436</u>	<u>50,849</u>	<u>(86,222)</u>	<u>9,505</u>	<u>-</u>	<u>65,568</u>
Total restricted funds	<u>(583,930)</u>	<u>10,838,310</u>	<u>(10,711,787)</u>	<u>46,150</u>	<u>(1,581,000)</u>	<u>(1,992,257)</u>
Total of funds	<u>1,600</u>	<u>11,194,960</u>	<u>(10,763,801)</u>	<u>-</u>	<u>(1,581,000)</u>	<u>(1,148,241)</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

19. STATEMENT OF FUNDS (continued)

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

General Funds:

The Academy Trust's general 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. £nil (2016 £46,150) has been transferred from general funds to support teaching costs in excess of GAG and other restricted grant income.

Restricted Funds:

The Academy Trust received a number of grants during the year for the purpose of providing educational services to its pupils. These funds included grants from the ESFA for the General Annual Grant (GAG) and Pupil Premium and High Needs grants were also received from the Local Authority. These grants have been used for staff costs, educational resources and general costs incurred in the running of the Academy. A net transfer of £73,930 (2016 £16,684) 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 Capital Formula Funding received in the period has been expended on capital repairs and maintenance costs. The source of funding used to purchase the fixed assets is represented by transfers between funds.

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2017 were allocated as follows:

	Total 2017 £	<i>As restated Total 2016 £</i>
St Thomas More Catholic School	737,292	859,470
St Gregory's Middle School	175,520	165,454
St Joseph's Catholic Lower School	417,488	369,103
St John Rigby Catholic Primary School	98,745	99,164
Total before fixed asset fund and pension reserve	1,429,045	1,493,191
Restricted fixed asset fund	81,892	65,568
Pension reserve	(2,290,000)	(2,707,000)
Total	(779,063)	(1,148,241)

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

19. 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 2017 £	As restated Total 2016 £
St Thomas More Catholic School	3,754,589	441,921	314,843	1,138,566	5,649,919	5,418,894
St Gregory's Middle School	1,200,374	160,851	93,826	371,676	1,826,727	1,816,835
St Joseph's Catholic Lower School	1,002,362	199,655	105,217	415,392	1,722,626	1,573,681
St John Rigby Catholic Primary School	1,123,357	206,469	102,396	384,489	1,816,711	1,663,130
Centralised costs	-	33,535	-	-	33,535	31,000
	<u>7,080,682</u>	<u>1,042,431</u>	<u>616,282</u>	<u>2,310,123</u>	<u>11,049,518</u>	<u>10,503,540</u>

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	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 2017

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Restricted fixed asset funds</i>	<i>As restated Total funds</i>
	<i>2016</i>	<i>2016</i>	<i>2016</i>	<i>2016</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Tangible fixed assets	-	-	65,568	65,568
Current assets	844,016	1,610,221	-	2,454,237
Creditors due within one year	-	(961,046)	-	(961,046)
Provisions for liabilities and charges	-	(2,707,000)	-	(2,707,000)
	<u>844,016</u>	<u>(2,057,825)</u>	<u>65,568</u>	<u>(1,148,241)</u>

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

	<i>2017</i>	<i>As restated 2016</i>
	<i>£</i>	<i>£</i>
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(335,822)	431,159
Adjustment for:		
Depreciation charges	20,345	25,868
Dividends, interest and rents from investments	(28,632)	(29,469)
Decrease/(increase) in stocks	8,836	(19,429)
(Increase)/decrease in debtors	(76,127)	42,859
Increase/(decrease) in creditors	99,165	(196,787)
Defined benefit pension scheme cost less contributions payable	205,000	31,000
Defined benefit pension scheme finance cost	83,000	(387,000)
Net cash used in operating activities	<u>(24,235)</u>	<u>(101,799)</u>

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	<i>2017</i>	<i>As restated 2016</i>
	<i>£</i>	<i>£</i>
Cash in hand	1,118,030	613,633
Total	<u>1,118,030</u>	<u>613,633</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

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

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS 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 £653,317 (2016 - £676,710).

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

23. PENSION COMMITMENTS (continued)

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £560,000 (2016 - £528,000), of which employer's contributions totalled £453,000 (2016 - £427,000) and employees' contributions totalled £107,000 (2016 - £101,000). 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:

	2017	2016
Discount rate for scheme liabilities	2.50 %	2.00 %
Expected return on scheme assets at 31 August	2.50 %	2.00 %
Rate of increase in salaries	2.70 %	3.10 %
Rate of increase for pensions in payment / inflation	2.40 %	2.10 %

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

	2017	2016
Retiring today		
Males	22.4	22.4
Females	24.5	24.3
Retiring in 20 years		
Males	24.0	24.4
Females	26.2	26.8

	At 31 August 2017 £	At 31 August 2016 £
Sensitivity analysis		
Discount rate -0.1%	(171,000)	(155,000)
Mortality assumption - 1 year increase	209,000	206,000
CPI rate +0.1%	24,400	42,600

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

23. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	2,667,600	3,199,350
Gilts	-	-
Corporate bonds	702,000	415,500
Property	421,200	415,500
Cash and other liquid assets	889,200	124,650
Derivatives	-	-
Total market value of assets	<u>4,680,000</u>	<u>4,155,000</u>

The actual return on scheme assets was £(27000) (2016 - £442,000).

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

	2017 £	2016 £
Current service cost	(658,000)	(458,000)
Past service cost	(6,657)	(6,507)
Interest income	61,000	565,000
Interest cost	(144,000)	(178,000)
Total	<u>(747,657)</u>	<u>(77,507)</u>
Actual return on scheme assets	<u>(27,000)</u>	<u>442,000</u>

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

	2017 £	2016 £
Opening defined benefit obligation	6,862,000	4,544,000
Current service cost	658,000	458,000
Interest cost	144,000	178,000
Employee contributions	107,000	101,000
Actuarial (gains)/losses	(705,000)	1,581,000
Benefits paid	(96,000)	-
Closing defined benefit obligation	<u>6,970,000</u>	<u>6,862,000</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

23. PENSION COMMITMENTS (continued)

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

	2017 £	2016 £
Opening fair value of scheme assets	4,155,000	3,062,000
Expected return on assets	(27,000)	442,000
Interest income	88,000	123,000
Employer contributions	453,000	427,000
Employee contributions	107,000	101,000
Benefits paid	(96,000)	-
	<u>4,680,000</u>	<u>4,155,000</u>
Closing fair value of scheme assets	<u>4,680,000</u>	<u>4,155,000</u>

24. OPERATING LEASE COMMITMENTS

At 31 August 2017 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
Amounts payable:		
Within 1 year	39,168	40,081
Between 1 and 5 years	36,109	54,344
Total	<u>75,277</u>	<u>94,425</u>

25. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy Trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

There were no transactions during the year.

26. MEMBERS' LIABILITY

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