

ST FRANCIS' COLLEGE TRUST
(A Charitable Company Limited by Guarantee)

GOVERNORS' REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

Charity Registered No: 287694
Company Registered No: 01724197

ST FRANCIS' COLLEGE TRUST

GOVERNORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

Contents

	Page
Governors' report	1
Independent auditors' report	7
Statement of financial activities	9
Balance sheet	10
Cash flow statement	11
Notes to the financial statements	12

ST FRANCIS' COLLEGE TRUST

GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2016

The Governors (who are also the charity's trustees and the company's directors) present their report (which, for the purposes of company law, includes the strategic report and the directors' report), together with the financial statements of the charity, for the year ended 31 August 2016. These financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Reference and administrative information

The company was incorporated in 1983 and has been responsible for the College since then; however, the College has been educating girls since 1933.

The company's charity registration number is 287694 and its company registration number is 01724197. Its registered office and principal address is Broadway, Letchworth Garden City, Hertfordshire SG6 3PJ.

Governors

The Governors at the date of this report and who served during the year are as follows:

AW Goodwin* (Chairman)	JWJ Mitchell
Mrs PJ Barlow	CG Nott*
Mrs S Boardman*	J Procter
Prof DS Freeth	Mrs RM Rainey (resigned 17 June 2016)
HM Garavelli (resigned 25 November 2016)	Dr SM Richardson (appointed 25 November 2016)
Miss E Ismay*	GD Ritchie*
Dr VA McNicholas	

*Members of the Finance Committee

Senior Officers and Professional Advisers

These are as follows:

Headmistress:	Mrs B Goulding
Bursar:	Mr K Mather (resigned 10 March 2017)
Company Secretary:	Miss E Ismay
Principal Bankers:	Barclays Bank PLC, 5/6 High Street, Hitchin, Herts
Solicitors:	Brignalls Balderston Warren Broadway Chambers, Letchworth Garden City, Herts SG6 3AD Heckford Norton, 19 Leys Avenue, Letchworth Garden City, Herts SG6 3EB
Auditors:	Nicholsons, 1 st Floor, Bridge House, 25 Fiddlebridge Lane, Hatfield, Herts AL10 0SP

Structure, governance and management

The College is a company limited by guarantee, with no share capital, and is governed by its Memorandum and Articles of Association.

ST FRANCIS' COLLEGE TRUST

GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2016

Structure, governance and management (continued)

Organisational Management

The Governors convene as a board at least three times a year to determine the general policy of the College and review its overall management and control, for which they are legally responsible. The work of monitoring the Board's policies is generally delegated to three principal committees, namely Finance, Estates and Academic, which are comprised of Governors and attended by senior College staff; sometimes, other individuals with particular expertise attend committee meetings. The leadership and management of the College is delegated to the Headmistress, assisted by the other members of the Senior Leadership Team, namely the Deputy Headmistress, the Bursar, the Assistant Head, the Director of Studies, the Head of Sixth Form and the Head of Prep Department.

Governing Body

The Board of Governors may elect new governors at any general meeting. New governors are usually recruited by way of personal introductions from existing Governors, or the College's senior managers, through the Governors' Nominations Committee, and are selected because they possess skills and expertise that are likely to benefit the College. The appointment, induction and retirement, along with the role of the Governors, are in accordance with policies adopted by the Board in March 2010. Induction training is provided for all new Governors and all Governors are encouraged to attend courses and conferences that would benefit them in their role. The College is a member of the Association of Governing Bodies of Independent Schools (AGBIS) and, where relevant, draws on guidance provided by the Association, as well as that of other professional bodies.

Children of five Governors were educated at the College, and two other Governors had daughters at the College during the year under review. All related party transactions are disclosed in Note 20 to the financial statements.

Objects and activities

The object of the College, in accordance with its Memorandum of Association, is to promote and provide for the advancement of education of children in the United Kingdom and elsewhere, such education to be designed to give a sound Christian and moral basis to all pupils.

The College is a charitable company that seeks to benefit the public through the pursuit of its strategic aim, which, in fulfilment of its stated objective, is to provide a stimulating education, based on Christian values, which enables young women to thrive in an ever-changing global environment. To this end, the College seeks to build intellectually creative minds through a rigorous and supportive educational experience, with a focus on close individual care. We aim to be a community that values the unique qualities of each member and promotes social responsibility, self-esteem and self-development.

Objectives for the Year

Within the general framework of its strategic aim, the College's main objectives for the year were to:

- provide high quality teaching to girls between the ages of three and eighteen within a nurturing environment so that they are equipped to face the challenges of modern life and contribute positively to the broader community;
- make education at the College available to girls who might not otherwise be able to afford a place, by awarding bursaries; and
- make the College's resources available to local state schools and other organisations in the local community that operate for the benefit of young people.

ST FRANCIS' COLLEGE TRUST

GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2016

Objects and activities continued.....

To achieve these objectives, the College:

- sought to improve the quality of the education offered by recruiting and retaining the best available staff, providing all staff with high levels of support and professional training and appraising all staff regularly;
- continued to enhance the provision of ICT facilities across all pupil years;
- increased the frequency of assessment of pupils and reporting to parents;
- further widened the choice of extra-curricular and after-school activities;
- enhanced its international outlook by participating in a pupil exchange programme with the Unison World School in India and in a World Challenge expedition and maintained its links with the Kanyike Project in Uganda, both through a visit by a number of girls and staff to the Project and through significant fund-raising by College pupils;
- continued to monitor the well-being of pupils and provide pastoral care;
- maintained a high level of communication with all stakeholders;
- awarded means-tested bursaries;
- identified and acted on opportunities to make the College's resources available to state schools and other organisations operating for the benefit of young people; and
- expanded and improved the promotion of the College via a new website.

In setting objectives, the Governors gave careful consideration to the Charity Commission's general guidance on public benefit.

STRATEGIC REPORT

Achievements and performance

During the year under review, the College provided education to 400 pupils (2015: 425). Boarding facilities are available and, during the year, the number of boarders reduced to 57 (2015: 63).

Academic and extra-curricular achievements

The College arranged continuing professional development and INSET training for teachers and classroom assistants as part of its commitment to provide outstanding teaching. The quality of teaching at the College remains excellent and this is borne out by its academic results. During the year, the College achieved an overall pass rate at A-level of 100% (2015: 100%); 49% of results were A*-A grades (2015: 54%) and 25% of candidates achieved straight A*/A grades. At GCSE, 61% of grades were A* or A (2015: 72%), with just under half of candidates obtaining all A* or A grades.

In keeping with its ethos, the College continued to encourage girls to participate in extra-curricular activities across academic, musical, dramatic, sporting and community fronts. Pupils' fundraising activities for charities, both local and international, remain highly successful. The College's results in inter-schools competitions, whether sporting (for example, hockey, netball and swimming competitions) or academic (for example, the Maths Challenge and the Science Olympiad), are commendable. Almost all girls participate in some form of extra-curricular activity.

ST FRANCIS' COLLEGE TRUST

GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2016

Public benefit

Providing access to the College's resources

During the year, the College made its resources available to a number of local state schools and other organisations operating for the benefit of young people. These included:

- free use of its swimming pool by local state nursery, primary and secondary schools, and subsidised use by local swimming clubs that teach children to swim;
- providing opportunities for pupils from other schools to gain technical experience in the theatre;
- subsidised use of the College's theatre for the Letchworth & District Gang Show and dance and drama activities;
- subsidised use of the College's facilities by a number of organisations working with young people, including a local Tae Kwon-Do club, the Scouts, Sea Scouts, a dance school and the Letchworth Baptist Church. The College also invited local schools to its Sixth Form Debating Society events, a Girls Leadership Day, a Netball Tournament, the school play and a dance event;
- use of its facilities by a children's activity 'camp'; and
- moderating at a local state primary school by a member of academic staff.

Bursaries

The College offered means-tested bursaries to a combination of parents who found themselves in temporary financial difficulty and, on a longer-term basis, parents who would otherwise not be able to afford the fees. In all, 22 bursaries (2015: 31), with a monetary value of £239,952 (2015: £220,421) were awarded during the year. The College's ability to award bursaries continued to be restricted by the present economic conditions (which has resulted in a substantial deficit this year) and the absence of endowments. However, it was again possible to increase funding of bursaries compared with the previous year. Means-tested bursaries are advertised on the College's website and in its Information Booklets, which are produced annually as supplements to the prospectus.

Scholarships and fee discounts

To help promote high levels of achievement and access to education at the College, the College awarded:

- scholarships amounting to £364,457 (2015: £400,673) to girls with exceptional academic, sporting or performing arts potential; and
- discounts amounting to £86,325 (2015: £77,704) to staff, parents with more than one daughter at the College, parents who themselves attended the College and parents serving in the Armed Forces.

Community projects

The College encourages pupils to become involved in raising funds for a variety of charitable projects in order to promote their involvement in the broader community. In the year under review, these projects included ones that sought to relieve poverty and provide education to children in Uganda (The Kanyike Project) and ones that supported hospices and cancer charities providing medical and other care for young people in the UK. These included the Garden House Hospice, Breast Cancer Awareness, Children in Need, The Darwin Centre, Syria Relief and Macmillan Cancer Support. The Sixth Form's participation in the Dragons' Apprentice resulted in the donation of funds to four local charities. The College also operates a very active St John Ambulance Cadets' Corps and participation in the Duke of Edinburgh Award Scheme is also good; under the "Volunteers" element of the Scheme, pupils are involved in a wide range of community activities.

ST FRANCIS' COLLEGE TRUST

GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2016

Financial review and results for the year

The College has reported a deficit this year of £592,000 (2015: a surplus of £4,000). Income fell by £383,000 (or 6%), to £5,756,000, due to a reduction in fee income, an increase in fee-related allowances, and a fall in income from other educational activities. Overall, expenditure increased by £213,000 (or 3%), to £6,348,000, due principally to an increase in staff costs.

Cash decreased by £939,000, to £312,000. Cash outflows from operating activities reduced cash by £789,000, a further £51,000 was spent on tangible fixed assets and £98,000 was spent on repaying loans and making interest payments. The College ended the year with net current liabilities of £277,000, but is able to continue to operate without recourse to additional finance as income is generally received before expenditure is incurred.

The Charity's reserves of £3m have been invested in the College's facilities. With regard to financial management, the Governors aim to maintain cash at a level that would allow the College to continue to operate comfortably should income decrease, or expenditure increase, unexpectedly. The Governors use cash flow forecasts and budgets to assess the adequacy of the cash position. Based on these budgets and cash flow forecasts, the Governors are satisfied that the College has sufficient cash to continue operating for at least the next twelve months, during which period, as a result of measures that are being taken to increase cash inflows and reduce cash outflows, the Governors are confident that cash inflows will be to exceed cash outflows.

Investment policy, objectives and performance

The Governors have power to invest the College's funds as they see fit. They seek to optimise returns on surplus cash balances, whilst holding these funds in a liquid and risk-free form. To this end, the College's surplus cash reserves are invested in common investment funds, monitored by the Finance Committee. During the year, the College obtained a rate of return approximately equal to the Bank of England's base rate.

Future plans

Having completed the long-planned construction of the Upper Prep building in the previous year, and with a new Headmistress at the helm, the College is continuing a period of consolidation and review while being mindful of Government policy. Efforts continue to be focused on a reinvigorated UK and international marketing campaign, with a view to raising pupil numbers and filling the boarding house.

Long leasehold properties

In the opinion of the Governors, the value of the long leasehold properties is substantially more than their book value, but no useful purpose would be served by having the market value professionally estimated. The property has been valued for insurance purposes within the past five years.

Risk Management

The College is committed to safeguarding and promoting the welfare of children and has in place robust measures relating to Child Protection; Governors and staff are regularly trained in Child Protection. One Governor has specific responsibility for Child Protection in the College and two other Governors, together with key staff, have undertaken accredited Safer Recruitment training. The College has appointed a Designated Senior Person with responsibility for Child Protection.

ST FRANCIS' COLLEGE TRUST

GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2016

Risk Management continued.....

With the assistance of the Bursar, the Governors have assessed the major risks to which the College is exposed and have satisfied themselves that systems have been established, or that other appropriate measures have been taken, to mitigate those risks, insofar as is reasonably practicable, but it is recognised that systems cannot give absolute assurance that risks have been eliminated. Procedures are in place to monitor health, safety, welfare and ongoing financial viability and to implement any recommendations made following internal or external reviews, for example, ISI inspections. The Governors and the Senior Leadership Team continue to keep the College's activities under review, including consideration of any major risks that might be present from time to time. The principal risk faced by the College is cash depletion, which could jeopardise the ability of the College to function.

Statement of Governors' responsibilities

The Governors are responsible for preparing the Governors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires the Governors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charitable company and of the incoming resources and their application, including the income and expenditure of the charitable company for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the charitable company will continue in operation.

The Governors are responsible for keeping proper accounting records that 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. So far as the Governors are aware:

- there is no relevant audit information (information needed by the charitable company's auditors in connection with their work) of which the charitable company's auditors are unaware, and
- they have taken all the steps that they ought to have taken to make themselves aware of all relevant audit information and to establish that the auditors are aware of that information.

This report was approved by the Board of Governors at its meeting on 17 March 2017 and signed by order of the Board by:

Miss E Ismay
Company Secretary

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST FRANCIS' COLLEGE TRUST

We have audited the financial statements of St Francis' College Trust for the year ended 31 August 2016, which comprise the statement of financial activities, the balance sheet, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of governors and auditor

As explained more fully in the Statement of Governors' Responsibilities (set out on page 6), the Governors (who are also the directors of the charitable company for the purposes of company law and its trustees for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Governors and the overall presentation of the financial statements.

In addition we read all the financial information and non-financial information in the Governors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST FRANCIS' COLLEGE TRUST
continued.....

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Governors' Report (which incorporates the strategic report and the directors' report required by company law) for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

Peter McKay BSc ACA (Senior Statutory Auditor)
for and on behalf of Nicholsons
Chartered Accountants & Statutory Auditors
1st Floor, Bridge House
25 Fiddlebridge Lane
Hatfield
Hertfordshire
AL10 0SP

21 March 2017

ST FRANCIS' COLLEGE TRUST

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	Unrestricted Funds £	Restricted Fund £	Total 2016 £	Total 2015 £
INCOME AND ENDOWMENTS:					
Donations		-	10,411	10,411	9,188
Charitable activities					
College fees	3	4,944,568	-	4,944,568	5,209,381
Other educational activities	3	366,020	-	366,020	469,585
Ancilliary trading income	3	337,877	-	337,877	363,300
Other trading activities	4	96,332	-	96,332	83,337
Interest receivable		1,230	-	1,230	4,716
Total incoming resources		<u>5,746,027</u>	<u>10,411</u>	<u>5,756,438</u>	<u>6,139,507</u>
EXPENDITURE ON:					
Charitable activities					
College operating costs	7	6,341,598	6,929	6,348,527	6,135,321
Total expenditure	5	<u>6,341,598</u>	<u>6,929</u>	<u>6,348,527</u>	<u>6,135,321</u>
NET (EXPENDITURE) / INCOME		(595,571)	3,482	(592,089)	4,186
Transfers between funds	14	3,482	(3,482)	-	-
NET MOVEMENT IN FUNDS		(592,089)	-	(592,089)	4,186
Funds brought forward 1 September 2015		3,598,604	1,336	3,599,940	3,595,754
Funds carried forward 31 August 2016	14	<u>3,006,515</u>	<u>1,336</u>	<u>3,007,851</u>	<u>3,599,940</u>

All incoming resources and resources expended are derived from continuing operations.

The net deficit, on an historical cost basis, was £605,851 (2015: £5,626). The reduced deficit on an historical cost basis reflects the difference between the current year's charge for depreciation on the revalued residential property (which was £2,250 (2015: £2,250)) and the depreciation that would have been charged had the residential property been included in the accounts at its historical cost (which would have been £810 (2015: £810)).

The notes on pages 12 to 22 form part of these financial statements

ST FRANCIS' COLLEGE TRUST
(COMPANY NUMBER: 01724197)

BALANCE SHEET AS AT 31 AUGUST 2016

	Notes	2016 £	£	2015 £	£
FIXED ASSETS					
Tangible assets	8		4,326,338		4,667,426
CURRENT ASSETS					
Stocks		10,000		10,000	
Debtors	9	410,325		304,376	
Cash at bank and in hand		312,341		1,251,160	
		<u>732,666</u>		<u>1,565,536</u>	
CREDITORS: Amounts falling due within one year	10	<u>1,009,960</u>		<u>1,508,452</u>	
NET CURRENT (LIABILITIES) / ASSETS			<u>(277,294)</u>		<u>57,084</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			4,049,044		4,724,510
CREDITORS: Amounts falling due after more than one year	11		<u>1,041,191</u>		<u>1,124,570</u>
TOTAL NET ASSETS			<u><u>3,007,853</u></u>		<u><u>3,599,940</u></u>
FUNDS OF THE CHARITY:					
Restricted funds	14		1,336		1,336
Unrestricted funds (including revaluation reserve of £52,225 (2015: £53,665))	14		3,006,517		3,598,604
TOTAL FUNDS	14		<u><u>3,007,853</u></u>		<u><u>3,599,940</u></u>

Approved by the Board on 17 March 2017 and signed on its behalf by:

.....
 AW Goodwin - Chairman of Governors

.....
 CG Nott - Governor

The notes on pages 12 to 22 form part of these financial statements

ST FRANCIS' COLLEGE TRUST

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2016

	2016		2015	
	£	£	£	£
Cash flows from operating activities				
Net movement in funds		(592,089)		4,186
Interest receivable	(1,230)		(4,716)	
Interest payable	30,337		36,205	
Depreciation	394,842		367,575	
Profit on sale of tangible fixed assets	(1,294)		-	
Increase in debtors	(105,949)		(71,247)	
Decrease/(increase) in creditors	<u>(513,949)</u>		<u>12,679</u>	
		(197,242)		340,496
Cash (used)/generated by operating activities		<u>(789,331)</u>		<u>344,682</u>
Cash flows from investing activities				
Payments to purchase tangible fixed assets	(88,400)		(1,846,410)	
Proceeds from sale of tangible fixed assets	35,940		-	
Interest received	<u>1,230</u>		<u>4,716</u>	
Net cash used by investing activities		(51,230)		(1,841,694)
Cash flows from financing activities				
New bank loan	-		812,000	
Bank loan repayments	(35,361)		-	
Hire purchase and finance lease repayments	(32,560)		(68,051)	
Interest paid	<u>(30,337)</u>		<u>(36,205)</u>	
Net cash (used)/generated by financing activities		(98,258)		707,744
Change in cash in year		<u>(938,819)</u>		<u>(789,268)</u>
Cash at the beginning of the year		1,251,160		2,040,428
Total cash at the end of the year		<u><u>312,341</u></u>		<u><u>1,251,160</u></u>

The notes on pages 12 to 22 form part of these financial statements

ST FRANCIS' COLLEGE TRUST

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

1. COMPANY INFORMATION

The charitable company is incorporated in England & Wales; the address of the company's registered office is Broadway, Letchworth Garden City, Hertfordshire, SG6 3PJ.

2. ACCOUNTING POLICIES

Basis of Preparation

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Companies Act 2006 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS102 (effective 1 January 2015). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of the College's residential leasehold property in 1996.

This is the first time that the College has prepared its financial statements in accordance with FRS102. The Governors have concluded that, had the previous years' results been prepared in accordance with FRS102, they would not have differed materially and the comparative information presented in these financial statements has therefore not been restated. The College meets the definition of a public benefit entity set out in FRS102.

Going Concern

The year's deficit is just over £592,000 and the Governors are taking measures to increase income (by intensifying marketing) and reduce expenditure (by postponing non-essential maintenance projects and curtailing expenditure on non-teaching activities). Cash flow projections for the next twelve months indicate that cash inflows will begin to exceed cash outflows well before the College exhausts its current cash reserves. Nonetheless, the Governors are monitoring income and expenditure closely and will implement an action plan to reduce expenditure in other areas if further measures need to be taken to conserve cash. The Governors have a reasonable expectation that the College will be able to continue its activities for the foreseeable future and have adopted the going concern basis in the preparation of these financial statements.

Financial instruments

The financial assets and financial liabilities of the College all fall to be classed as basic financial instruments, as defined by FRS102. Creditors for bank loans, hire purchase and finance leases, repayable acceptance fees and fees billed in advance for more than one term are initially recognised at transaction value and measured subsequently at amortised cost. All other financial instruments are initially recognised at transaction value and measured subsequently at their settlement value.

Tangible Fixed Assets

Tangible fixed assets costing more than £1,000 are capitalised at cost, inclusive of any incidental expenses of acquisition. The Governors review annually the College's investment in fixed assets for any indications of impairment and make provisions as necessary. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Long leasehold properties	- 2% on cost (less 10% residual value)
Improvements to leasehold properties	- at rates varying between 4% and 10% on cost
Motor vehicles	- 20% on cost
Fixtures, fittings, furniture and equipment	- at rates varying between 10% and 33% on cost
Computers	- 25% or 33% on cost

The College revalued its residential long leasehold property in 1996 and is being carried at its valuation on that date; this is in accordance with transitional provisions in the previous financial reporting framework and FRS102.

ST FRANCIS' COLLEGE TRUST

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

2. ACCOUNTING POLICIES continued

Fund Accounting

General funds are unrestricted funds which are available for use at the discretion of the Governors in furtherance of the general objectives of the College and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the College for particular purposes. The aim and use of each restricted fund is set out in the notes to the financial statements.

Incoming Resources

All incoming resources are included in the Statement of Financial Activities (SOFA) when the performance conditions attached to the income have been satisfied, receipt is probable, and the income receivable can be measured reliably.

Amounts billed for termly fees and extra-curricula activities are recognised as incoming resources when receivable. Amounts received prior to the balance sheet date for subsequent terms are recorded as fees received in advance. Fees receivable are stated after deducting allowances, bursaries and other remissions granted by the College.

Resources expended

Expenditure is recognised when there is a legal or constructive obligation for a payment to a third party, settlement is probable and the amount of the obligation can be measured reliably. Value added tax is not recoverable and is therefore included in the relevant expense.

All expenditure is classified under headings that aggregate all costs related to the category; where costs cannot be attributed directly to particular headings they are allocated to activities on a basis consistent with the use of the resources.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charitable company. They include the cost of board meetings, Governors' insurance and audit fees.

Pension Schemes

The College contributes to the Teachers' Pension Defined Benefits Scheme, which is a multi-employer pension scheme, at rates set by the Scheme Actuary and as advised to the College by the Scheme Administrator. It is not possible to identify the assets and liabilities that are separately attributable to the College and therefore, in accordance with FRS102, the scheme is accounted for as a defined contribution scheme. Contributions payable for the year, as advised by the Scheme Administrator, are charged to the SOFA.

For non-teaching staff, the College also contributes to individual personal pension schemes. These are all defined contribution schemes. Contributions payable for the year are charged to the SOFA.

Stock

The cost of teaching materials, including games equipment, books, stationery and sundry materials, is charged to the SOFA as it is incurred. Other stocks on hand at the year-end, such as catering and maintenance consumables and administrative and promotional stationery, are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Operating Leases

Rentals payable under operating leases are charged to the SOFA on a straight line basis over the lease term.

ST FRANCIS' COLLEGE TRUST

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

3. INCOME FROM CHARITABLE ACTIVITIES

	2016 £	2015 £
College fees		
Gross tuition fees	5,761,897	5,882,379
Less: scholarships, bursaries, discounts and allowances	(817,329)	(672,998)
	<u>4,944,568</u>	<u>5,209,381</u>
Other educational income		
Language, music, dance and other tuition	220,636	243,189
College trips and courses	133,084	223,139
Other activities	12,300	3,257
	<u>366,020</u>	<u>469,585</u>
Ancillary trading income		
College meals	133,582	137,755
Coach, taxis and other pupil travel	103,491	114,996
Exam fees	35,099	37,924
Pupil insurance	29,132	30,691
Registration & entrance fees	9,763	10,963
After-school clubs	10,870	12,527
Other activities	15,940	18,444
	<u>337,877</u>	<u>363,300</u>

4. ACTIVITIES FOR GENERATING FUNDS

	2016 £	2015 £
Letting of College facilities	86,742	72,837
Non-repayable acceptance fees and charges for late fees	9,590	10,500
	<u>96,332</u>	<u>83,337</u>

5. EXPENDITURE

The year's deficit (last year's surplus) is stated after charging:

	2016 £	2015 £
Depreciation – owned	355,278	309,034
Depreciation – hire purchase / finance lease assets	39,562	58,541
Gains on disposal of fixed assets	(1,294)	-
Operating lease rentals	14,733	13,564
Auditors' remuneration for audit	6,600	6,600
Auditors' remuneration for other services	11,400	3,500
Bank loan interest	21,891	18,994
Hire purchase and finance lease interest	8,446	17,211
Governors' liability insurance	790	790

ST FRANCIS' COLLEGE TRUST

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

6. STAFF COSTS

Staff costs comprise:

	2016	2015
	£	£
Salaries and Wages	3,067,717	2,864,842
Social security	262,783	223,560
Pension contributions	354,459	285,213
	<u>3,684,959</u>	<u>3,373,615</u>

The average weekly number of employees during the year was as follows:

	2016		2015	
	Individuals	Full-time equivalent	Individuals	Full-time equivalent
Teaching staff	73	56	69	54
Non-teaching staff	46	31	44	30
	<u>119</u>	<u>87</u>	<u>113</u>	<u>84</u>

One employee received emoluments that fell in the band between £90,000 and £100,000 (2015: two employees received emoluments that fell in the band between £70,000 and £80,000). With respect to this employee, the College is contributing to a defined benefit pension scheme (2015: one); there were no contributions to defined contribution pension schemes for this employee (2015: the College contributed £7,070 for one employee).

During the year no remuneration (2015: £nil) was paid to Governors. In addition to the Governors, the key management personnel of the College comprised the Headmistress, the Deputy Headmistress, the Assistant Head, the Director of Studies, the Head of Sixth Form, the Head of Prep Department and the Bursar. The aggregate employment benefits paid to these employees amounted to £492,612 (2015: £488,014).

7. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff Costs	Other	Depreciation	2016 Total	2015 Total
	£	£	£	£	£
Charitable activities					
College operating costs					
Teaching	3,082,176	387,227	75,287	3,544,690	3,285,648
Welfare	-	704,320	13,657	717,978	724,000
Premises	211,145	579,119	280,527	1,070,791	1,052,446
Support	510,457	471,400	25,369	1,007,225	1,065,086
Governance	-	7,843	-	7,843	8,141
Total resources expended	<u>3,803,778</u>	<u>2,149,909</u>	<u>394,840</u>	<u>6,348,527</u>	<u>6,135,321</u>

Staff costs include payments of £118,819 (2015: £127,114) to peripatetic and agency staff.

ST FRANCIS' COLLEGE TRUST

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

8. TANGIBLE FIXED ASSETS

	Long Leasehold Land and Property £	Motor Vehicles £	Fixtures, Fittings, Furniture and Equipment £	Computers £	Total £
COST OR VALUATION					
At 1 September 2015	5,274,756	112,859	1,669,987	367,496	7,425,098
Additions	38,848	-	18,812	30,740	88,400
Disposals	(35,940)	(15,275)	-	-	(51,215)
At 31 August 2016	<u>5,277,664</u>	<u>97,584</u>	<u>1,688,799</u>	<u>398,236</u>	<u>7,462,283</u>
DEPRECIATION					
At 1 September 2015	1,279,817	59,220	1,138,520	280,115	2,757,672
Charge for the year	184,927	19,520	136,573	53,822	394,842
Eliminated on disposal	(1,294)	(15,275)	-	-	(16,569)
At 31 August 2016	<u>1,463,450</u>	<u>63,465</u>	<u>1,275,093</u>	<u>333,937</u>	<u>3,135,945</u>
NET BOOK VALUE					
At 31 August 2016	<u>3,814,214</u>	<u>34,119</u>	<u>413,706</u>	<u>64,299</u>	<u>4,326,338</u>
At 31 August 2015	<u>3,994,939</u>	<u>53,639</u>	<u>531,467</u>	<u>87,381</u>	<u>4,667,426</u>

Included in the above are fixed assets acquired under hire purchase agreements and finance leases as follows:

	Motor Vehicles £	Computers £	Total £
COST			
At 1 September 2015	97,584	104,728	202,312
Transferred to ownership	(45,648)	(71,790)	(117,438)
At 31 August 2016	<u>51,936</u>	<u>32,938</u>	<u>84,874</u>
DEPRECIATION			
At 1 September 2015	43,948	81,644	125,592
Charge for the year	19,517	20,045	39,562
Transferred to ownership	(42,605)	(71,790)	(114,395)
At 31 August 2016	<u>20,860</u>	<u>29,899</u>	<u>50,759</u>
NET BOOK VALUE			
At 31 August 2016	<u>31,076</u>	<u>3,039</u>	<u>34,115</u>
At 31 August 2015	<u>53,636</u>	<u>23,084</u>	<u>76,720</u>

ST FRANCIS' COLLEGE TRUST

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

8. TANGIBLE FIXED ASSETS (continued)

The College's residential long leasehold property was revalued on 31 August 1996 to its open market value of £125,000 by the Governors. As permitted by FRS102, this valuation has not been updated.

If the residential long leasehold property had not been revalued, it would have been included at the following historical cost:

	2016 £	2015 £
Cost	<u>45,000</u>	<u>45,000</u>
Aggregate depreciation	<u>18,736</u>	<u>17,926</u>
Net book value	<u>26,264</u>	<u>27,074</u>

In the opinion of the Governors, the College's other school buildings (included in long leasehold property) have a market value significantly higher than their carrying value; however, they have not attempted to quantify the difference.

All tangible fixed assets are held for use on charitable activities.

9. DEBTORS

	2016 £	2015 £
Debtors for billed fees and invoiced lettings	281,853	203,532
Prepayments and accrued income	<u>128,472</u>	<u>100,844</u>
	<u>410,325</u>	<u>304,376</u>

ST FRANCIS' COLLEGE TRUST

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

10. CREDITORS: Amounts falling due within one year

	2016	2015
	£	£
Bank loan	76,063	62,333
Trade creditors	127,824	294,529
Fees received in advance	439,137	637,989
Repayable acceptance fees	182,315	170,579
Social security and other taxes	73,050	61,332
Hire purchase & finance leases	15,791	32,559
Other creditors	62,263	66,158
Accrued expenses	33,517	182,973
	<u>1,009,960</u>	<u>1,508,452</u>

The College receives acceptance fees when pupils join and these are repayable when they leave. Acceptance fees held for pupils who have left, or who are expected to leave before the next balance sheet date, are included within creditors falling due within one year; the balance is shown as being repayable after one year.

11. CREDITORS: Amounts falling due after more than one year

	2016	2015
	£	£
Bank loan	700,576	749,667
Repayable acceptance fees	270,000	272,025
Fees received in advance	64,080	80,550
Hire purchase agreements and finance leases	6,535	22,328
	<u>1,041,191</u>	<u>1,124,570</u>

12. FEES RECEIVED IN ADVANCE

Fees received in advance comprise the following:

	2016	2015
	£	£
Received in respect of fees due for the Autumn term	354,937	541,764
Fees billed in advance for more than one term	148,280	176,775
	<u>503,217</u>	<u>718,539</u>

Assuming all pupils remain in the College, fees billed in advance for more than one term will be released as follows:

	2016	2015
	£	£
Within 1 year	84,200	96,225
Within 2 to 5 years	64,080	80,550
	<u>148,280</u>	<u>176,775</u>

ST FRANCIS' COLLEGE TRUST

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

12. FEES RECEIVED IN ADVANCE continued

The movement during the year in respect of fees billed in advance was as follows:

	£
Balance at 1 September 2015	176,775
Amounts received in the year	114,760
Amounts utilised for the payment of fees	(143,255)
Balance at 31 August 2016	<u>148,280</u>

13. BANK LOANS, HIRE PURCHASE AGREEMENTS AND FINANCE LEASES

An analysis of the maturity of the College's borrowings is given below:

	2016 £	2015 £
Bank loans:		
In less than one year	76,063	62,333
In more than one year but less than two years	78,377	76,884
In more than to years but less than five years	249,727	244,970
After five years and repayable by instalments	<u>372,472</u>	<u>427,813</u>
	<u>776,639</u>	<u>812,000</u>
Hire purchase agreements and finance leases		
In less than one year	15,791	32,559
In more than one year but less than two years	6,535	15,794
In more than to years but less than five years	-	6,534
	<u>22,326</u>	<u>54,887</u>

Hire purchase and finance leases liabilities are secured on the assets acquired, which are computer equipment and minibuses; bank borrowings are secured on the College's other assets. The College's bank loans of £776,639 are repayable by monthly instalments by April 2025; interest is payable at a variable rate, which at the balance sheet date was 3% pa.

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Total £
Fund balances at 31 August 2016 are represented by:			
Tangible fixed assets	4,326,338	-	4,326,338
Current assets	731,330	1,336	732,666
Creditors due within one year	(1,009,960)	-	(1,009,960)
Creditors due after one year	<u>(1,041,191)</u>	<u>-</u>	<u>(1,041,191)</u>
	<u>3,006,517</u>	<u>1,336</u>	<u>3,007,853</u>

ST FRANCIS' COLLEGE TRUST

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

14. STATEMENT OF FUNDS

	Balance at 31-Aug 2015 £	Incoming Resources £	Resources Expended £	Transfers £	Balance at 31-Aug 2016 £
Unrestricted funds	<u>3,598,604</u>	<u>5,746,027</u>	<u>6,341,598</u>	<u>3,482</u>	<u>3,006,515</u>
Restricted funds					
Equipment Fund	<u>1,336</u>	<u>10,411</u>	<u>6,929</u>	<u>(3,482)</u>	<u>1,336</u>
Total funds	<u>3,599,940</u>	<u>5,756,438</u>	<u>6,348,527</u>	<u>-</u>	<u>3,007,851</u>

The Equipment Fund comprises donations and grants received to purchase specific items of equipment. If there is no specific restriction on how or where the equipment is used, then, once the purchase has been made, the cost of the equipment is transferred to unrestricted funds. The balance of the fund represents unspent cash.

15. TAXATION

The charitable company is a registered charity and is exempt from taxation on income arising from and expended on charitable activities; no liability for taxation has arisen during the year.

16. COMMITMENTS UNDER OPERATING LEASES

Annual commitments under non-cancellable operating leases are as follows:

	2016 £	2015 £
Expiring:		
- within one year	30,321	13,320
- between two and five years	<u>72,163</u>	<u>2,993</u>
	<u>102,484</u>	<u>16,313</u>

17. LEGAL STATUS OF THE CHARITY

The charity is a company limited by guarantee and has no share capital. The liability of each member, in the event of a winding-up, is limited to £1.

ST FRANCIS' COLLEGE TRUST

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

18. PENSION SCHEMES

The College participates in the Teachers' Pension Scheme (England and Wales) ('the TPS') for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £314,628 (2015: £274,498). At the year-end, £43,873 (2015: £30,081) was accrued in respect of contributions payable to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by the Teachers' Pensions Regulations 2010 and, from 1 April 2014, the Teachers' Pension Scheme Regulations 2014. Members contribute on a 'pay as you go' basis, with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set following scheme valuations undertaken by the Government Actuary Department. The latest valuation report in respect of the TPS was prepared as at 31 March 2012 and was published in June 2014. This report stipulated that the employer contribution rate for the TPS should increase from 14.1% to 16.4%, although, recognising that teaching establishments work on an academic and not a financial year, the Government deferred the implementation of this increase to 1 September 2015. The Department of Education has also decided to devolve scheme administration costs to scheme employers, which will increase the employer contributions by a further 0.08%; the employer contribution rate from 1 September 2015 was therefore 16.48%. The next revision to the employer contribution rate is not expected to take effect until 1 April 2019. This will follow the next actuarial valuation, which is due as at 31 March 2016. This valuation will also determine the opening balance of the Cost Cap Fund and provide an analysis of the Cost Cap as required by the Public Service Pensions Act 2013.

To comply with legislation, employees that did not already participate in a workplace pension scheme were enrolled automatically into a new group personal pension plan on 1 May 2014. This scheme is a defined contribution scheme and employees have the right to opt out of it. Contributions to this scheme and to other defined contribution schemes are held in funds administered independently by insurance companies.

The College's total pension contributions payable for the year were £354,459 (2015: £285,213). At the balance sheet date, the College owed pension contributions of £46,843 (2015: £31,543).

19. ULTIMATE CONTROLLING PARTY

The College is controlled by the Board of Governors.

20. RELATED PARTY TRANSACTIONS

No remuneration was paid to any Governor during the year but the College did pay £790 (2015: £790) for Governors' indemnity insurance. During the year one Governor was reimbursed £33 (2015: £nil) for expenses. Two (2015: three) Governors paid tuition fees totalling £25,726 (2014: £36,521), on the same terms as other parents.

ST FRANCIS' COLLEGE TRUST

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

21. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds £	Restricted Fund £	Total 2015 £
INCOME AND ENDOWMENTS:			
Donations	-	9,188	9,188
Charitable activities			
College fees	5,209,381	-	5,209,381
Other educational activities	469,585	-	469,585
Ancillary trading income	363,300	-	363,300
Other trading activities	83,337	-	83,337
Interest receivable	4,716	-	4,716
Total incoming resources	6,130,319	9,188	6,139,507
EXPENDITURE ON:			
Charitable activities			
College operating costs	6,133,212	2,109	6,135,321
Total expenditure	6,133,212	2,109	6,135,321
NET (EXPENDITURE) / INCOME	(2,893)	7,079	4,186
Transfers between funds	9,275	(9,275)	-
NET MOVEMENT IN FUNDS	6,382	(2,196)	4,186
Funds brought forward 1 September 2014	3,592,222	3,532	3,595,754
Funds carried forward 31 August 2015	3,598,604	1,336	3,599,940

22. FINANCIAL INSTRUMENTS

	2016 £	2015 £
Financial liabilities measured at amortised cost	1,399,561	1,486,266
Total interest expense for financial liabilities held at amortised cost	30,337	36,205

Financial instruments measured at amortised cost comprise creditors for bank loans, hire purchase and finance leases, repayable acceptance fees and fees billed in advance for more than one term.