

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

GOVERNORS' REPORT

AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

ST FRANCIS' COLLEGE TRUST

GOVERNORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

Contents

	Page
Governors' report	1
Independent auditors' report	8
Statement of financial activities	11
Balance sheet	12
Cash flow statement	13
Notes to the financial statements	14

ST FRANCIS' COLLEGE TRUST

GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2018

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 2018. These financial statements have been prepared in accordance with the requirements of the Companies Act 2006, the Charities Act 2011 and the Charities SORP (FRS 102).

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:

Mr A W Goodwin* (Chairman)	Dr V A McNicholas
Mrs P J Barlow	Mr J W J Mitchell
Mrs S Boardman*	Mr C G Nott*
Mr M J Dingemans	Mr J Procter (resigned 15 June 2018)
Prof D S Freeth	Dr S M Richardson
Miss E Ismay*	Mr G D Ritchie*
Mrs S J Styles	

*Members of the Finance Committee

Senior Officers and Professional Advisers

These are as follows:

Headmistress:	Mrs B Goulding
Bursar:	Ms C Eames
Company Secretary:	Miss E Ismay
Principal Bankers:	Barclays Bank PLC, 5/6 High Street, Hitchin, Herts SG5
Solicitors:	Veale Wasborough Vizards, Narrow Quay House, Narrow Quay, Bristol BS1 4QA
Auditors:	Nicholsons, 1 st Floor, Bridge House, 25 Fiddlebridge Lane, Hatfield, Herts AL10 0SP

ST FRANCIS' COLLEGE TRUST

GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2018

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.

Organisational Management

The Board of Governors meets to set strategy, determine policy and review operations at least three times a year. The Board is assisted by the Finance, Academic and Estates Committees, which are led by Governors and attended by senior College staff and, occasionally, by professional advisors. The leadership and management of the College is delegated to the Headmistress, supported by the Deputy Headmistresses, the Bursar, the Assistant Head, and the Head of Prep Department. The Governors also meet with the Senior Leadership Team at an 'Away Day' each year to consider broader issues.

Governing Body

The appointment, induction and retirement of governors is conducted in line with policies approved by the Board in March 2010. Nominations are usually received from Governors or the College's senior managers; new Governors may be elected at any general meeting and are selected because of the expertise they bring to the Board. All Governors receive an extensive information pack giving them information about the College, its governance, management and policies. New Governors are also provided with induction training and all Governors have the opportunity to attend further training and conferences as necessary. A Governors' handbook is issued to all Governors annually. The College is a member of the Association of Governing Bodies of Independent Schools (AGBIS) and draws on guidance issued by that body.

Children of six governors were educated at the College and two daughters of one other Governor attended the College during the year.

Objects and activities

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

The College is a charitable company that seeks to benefit the public by the provision of a stimulating education, based on Christian values, which enables young women to thrive in an ever-changing global environment. The College aims to develop intellectually-creative minds through a rigorous and supportive educational experience, whilst providing every pupil with close individual care. Our community aims to value the unique contribution of each person and to promote social responsibility, self-esteem and self-development.

Objectives for the Year

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

- provide high quality teaching to girls aged between three and eighteen, so that they are prepared for the challenges of modern life and are able to contribute to the broader community; and
- make its services and facilities available to the wider community.

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

ST FRANCIS' COLLEGE TRUST

GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2018

Objects and activities continued.....

To achieve the first of 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 pupil assessments 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 fund-raising by pupils;
- continued to monitor the well-being of pupils and provide pastoral care;
- maintained a high level of communication with all stakeholders; and
- expanded and improved the promotion of the College via its new website.

To achieve the second of these objectives, the College:

- awarded means-tested bursaries; and
- 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.

STRATEGIC REPORT

Achievements and performance

Providing high quality teaching and encouraging engagement with the broader community

During the year 362 (2017: 377) pupils attended the College, of whom 54 were boarders (2017: 54).

Teaching staff took part in regular INSET training and CPD to ensure teaching was of the highest standard and reflected best practice. Academic results underline the standard of teaching; the overall A level pass rate was 100% (2017: 99%), with 30% of pupils achieving straight A*/A grades (2017: 15%). At GCSE, 60% of grades were A*/A (2017: 55%), or 7-9 in the reformed grading structure. Our results continue to be well above the national average.

Pupils took part in a wide range of extra-curricular activities that spanned academic, sport, arts and community endeavours. These included participation in the Duke of Edinburgh Award Scheme, which gave pupils an opportunity to serve as volunteers in the local community. Pupils also raised funds for a variety of charities, which included the Kanyike Project (which aims to relieve poverty and provide education to children in Uganda), Blue Cross, Herts Young Homeless, Garden House Hospice and Keech Hospice Care.

The College was awarded the Gold School Games Award.

90% of our Year 13 cohort were successful in gaining their first choice place at university, including Russell Group universities, reading a wide range of subjects including Aeronautical Engineering, Psychology, Geography, Economics.

ST FRANCIS' COLLEGE TRUST

GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2018

Achievements and performance continued.....

Pupils have also had considerable success at national competition level in Science Olympiads and UKMT Maths Challenges, as well as LAMBDA examinations. They have worked alongside the University of Hertfordshire on genuine research into antibiotics in the soil. Subsequently, pupils attended the National Conference and presented their work to the delegates. The Year 12 cohort have been directly involved in academic research, working on a genome decoding project.

St Francis College is the first school in the UK to take part in a systems Biology research project in collaboration with the Baliga Laboratory in Seattle. Our students are working alongside academia in genuine partnership, both benefiting from and contributing to current research.

A third of our Year 10 cohort have achieved a Bronze award in the new Youth STEMM Award - this is a new award and we are one of the first schools in the country to take up this opportunity. The Year 10 Hockey Team won the County Cup last season and the Year 10 Cross Country team won the District Championship.

Providing access to services and facilities to the wider community

Bursaries, scholarships and fee concessions

The College offered means-tested bursaries to parents who might not otherwise be able to afford the fees usually charged by the College. However, the College has no investments or endowments to fund bursaries, so they are necessarily limited. Bursaries of £103,940 (2017: £199,068) were granted in the year to 11 pupils (2017: 18). The College also promoted achievement and access to the College by awarding academic, sports and arts scholarships of £284,226 (2017: £323,828) and by granting fee concessions of £70,766 (2017: £72,318) to staff and parents with more than one child at the College.

Access to facilities

The College made its facilities available to local state schools and a variety of organisations operating for the benefit of young people. State schools used the swimming pool free of charge and pupils from local schools were invited to participate in a variety of events, such as the Girls' Leadership Day and Sixth Form Debating Society meetings. Letchworth Baptist Church, Letchworth & District Gang Show and other local groups also used facilities at a reduced rate. We collaborate with a local Secondary state school to provide them with Life Drawing classes.

ST FRANCIS' COLLEGE TRUST

GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2018

Financial review and results for the year

The College has reported a surplus of £310,000 this year (2017: deficit of £219,000). Income increased by £382,000, to £6.4m, which was largely due to fee inflation and a reduction in fee discounts and allowances. Expenditure decreased by £148,000, to £6.1m, mainly due to a reduction in teaching and catering costs. Cash increased by £266,000, to £1.4m, due to an increase in receipts of fees for the coming financial year. The College ended the year with net current liabilities of £224,000 (2017: £488,000) and total net assets of £3.1m (2017: £2.8m) (of which just £1,366 (2017: £1,366) was restricted).

The Governors have addressed the deficits reported in recent years by reducing non-teaching costs (in part, by making efficiency savings) and by taking measures to increase income, which has resulted in a surplus this year. The Governors will continue to take similar measures wherever practicable.

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 exercise robust financial control through a combination of regular management reporting, credit control, budgeting and cash forecasting. These budgets and forecasts confirm that the College has sufficient cash resources to fund its activities comfortably for the foreseeable future.

The Governors' Reserves policy is to hold 5% of fee income to enable the College to meet unforeseen costs or to cover any shortfall in expected fees or other income.

As a precursor to accumulating Reserves, the Governors are focussing on maintaining a surplus and eliminating the College's net liabilities. The absence of Reserves, as well as the presence of net current liabilities, does not generally impinge on the College's operational ability, as cash is usually received in advance of the associated expenditure. Nonetheless, the Governors are aware that the current situation must be addressed and therefore they have made improving the College's financial situation their main priority.

Reserves are that part of a charity's unrestricted funds that is freely available to spend on any of the charity's purposes. On this basis, the College does not have any Reserves, for the following reasons:

- i. the Charity's unrestricted funds of £3.1m (comprising 99.96% of its total funds) have all been invested in tangible fixed assets for use by the College; over the past four years, more than £2.4m has been spent on these assets; and
- ii. notwithstanding the current year's surplus of £310,000, the Charity has sustained a net cumulative operational deficit of £570,000 over the last ten years.

ST FRANCIS' COLLEGE TRUST

GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2018

Investment policy

The Governors have the power to invest the College's funds as they see fit. However, as relatively little surplus cash was held, and returns on interest-bearing deposits were poor, cash was held in instant-access accounts and investment returns were negligible.

Future plans

The Governors intend to continue their current strategies of increasing pupil numbers through active marketing and maintaining the School's position in a competitive market by providing high-quality education for our girls and encouraging wider engagement with the broader community. One new initiative for this year is the creation of the St Francis' Foundation, with a programme that offers additional and intensive English support to selected students from abroad, as well as a cultural programme designed to help the individual gain a good understanding of the cultural, historical and political landscape of modern Britain. The Governors were pleased to note that the deficit had been eliminated sooner than had been anticipated and the Governors' priority continues to be maintaining financial stability and continuing to generate a surplus.

Long leasehold properties

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

Risk Management

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 (including safeguarding) 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. As noted in the Financial Review, measures are being taken to address this threat.

ST FRANCIS' COLLEGE TRUST

GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2018

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; and
- 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 23 November 2018 and signed by order of the Board by:



Miss E Ismay
Company Secretary

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

Opinion

We have audited the financial statements of St Francis College Trust (the "Charity") for the year ended 31 August 2018 which comprise the statement of financial activities, the balance sheet, the cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Charity'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 Charity'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 Charity's 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 Charity's affairs as at 31 August 2018 and of 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.

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 section of this report headed 'Our responsibilities for the audit of the financial statements'. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 Governors (who are also the directors of the Charity for the purposes of company law and its trustees for the purposes of charity law):

- have used the going concern basis of accounting in the preparation of the financial statements when it is not appropriate; or
- have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charity'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.

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

Other information

The Governors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions 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 Governors' annual report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Governors' annual report (incorporating the strategic report and the directors' report) has been prepared in accordance with applicable legal requirements.

Opinions on other matters prescribed by the Companies Act 2006

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' annual 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;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of Governors' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

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

Responsibilities of the Governors

As explained more fully in the Statement of Governors' Responsibilities statement (set out on page 6), the Governors 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 they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Governors are responsible for assessing the Charity'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 Governors either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.



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

23 November 2018

ST FRANCIS' COLLEGE TRUST

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	Unrestricted Funds £	Restricted Fund £	Total 2018 £	Total 2017 £
INCOME AND ENDOWMENTS:					
Donations		-	1,292	1,292	8,063
Charitable activities					
College fees	3	5,528,656	-	5,528,656	5,226,996
Other educational activities	3	417,316	-	417,316	431,814
Ancilliary trading income	3	368,297	-	368,297	315,892
Other trading activities	4	139,315	-	139,315	89,638
Interest receivable		-	-	-	158
Total incoming resources		<u>6,453,583</u>	<u>1,292</u>	<u>6,454,875</u>	<u>6,072,561</u>
EXPENDITURE ON:					
Charitable activities					
College operating costs	7	6,143,211	1,292	6,144,503	6,292,009
Total expenditure	5	<u>6,143,211</u>	<u>1,292</u>	<u>6,144,503</u>	<u>6,292,009</u>
NET INCOME/(EXPENDITURE)		310,372	-	310,372	(219,448)
Transfers between funds	14	-	-	-	-
NET MOVEMENT IN FUNDS		310,372	-	310,372	(219,448)
Funds brought forward 1 September 2017		2,787,069	1,336	2,788,405	3,007,853
Funds carried forward 31 August 2018	14	<u>3,097,442</u>	<u>1,336</u>	<u>3,098,778</u>	<u>2,788,405</u>

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

As no depreciation has been charged this year on long leasehold property, the net surplus on an historical cost basis was also £310,373 (2017: £219,448 deficit).

The notes on pages 14 to 24 form part of these financial statements

ST FRANCIS' COLLEGE TRUST
(COMPANY NUMBER: 01724197)

BALANCE SHEET AS AT 31 AUGUST 2018

	Notes	2018 £	2017 £
FIXED ASSETS			
Tangible assets	8	4,168,449	4,241,310
CURRENT ASSETS			
Debtors	9	149,529	150,660
Cash at bank and in hand		1,387,515	1,121,723
		<u>1,537,044</u>	<u>1,272,383</u>
CREDITORS: Amounts falling due within one year	10	1,761,294	1,759,925
NET CURRENT LIABILITIES		<u>(224,251)</u>	<u>(487,542)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		3,944,199	3,753,768
CREDITORS: Amounts falling due after more than one year	11	845,421	965,363
TOTAL NET ASSETS		<u>3,098,778</u>	<u>2,788,405</u>
FUNDS OF THE CHARITY:			
Restricted funds	14	1,336	1,336
Unrestricted funds (including revaluation reserve of £52,225 (2017: £52,225))	14	3,097,442	2,787,069
TOTAL FUNDS	14	<u>3,098,778</u>	<u>2,788,405</u>

Approved by the Board on 23 November 2018 and signed on its behalf by:



AW Goodwin - Chairman of Governors



CG Nott - Governor

The notes on pages 14 to 24 form part of these financial statements

ST FRANCIS' COLLEGE TRUST

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2018

	2018		2017	
	£	£	£	£
Cash flows from operating activities				
Net movement in funds		310,373		(219,448)
Interest receivable	-		(158)	
Interest payable	21,040		29,206	
Depreciation	135,441		159,283	
Decrease in stock	-		10,000	
Increase in debtors	1,132		259,665	
(Decrease) / increase in creditors	<u>(32,896)</u>		<u>760,082</u>	
		124,717		1,218,078
Cash generated by operating activities		<u>435,090</u>		<u>998,630</u>
Cash flows from investing activities				
Payments to purchase tangible fixed assets	(62,580)		(74,255)	
Interest received	<u>-</u>		<u>158</u>	
Net cash used by investing activities		(62,580)		(74,097)
Cash flows from financing activities				
Bank loan repayments	(79,145)		(70,152)	
Hire purchase and finance lease repayments	(6,533)		(15,793)	
Interest paid	<u>(21,040)</u>		<u>(29,206)</u>	
Net cash used by financing activities		(106,718)		(115,151)
Change in cash in year		<u>265,792</u>		<u>809,382</u>
Cash at the beginning of the year		1,121,723		312,341
Total cash at the end of the year		<u><u>1,387,515</u></u>		<u><u>1,121,723</u></u>

The notes on pages 14 to 24 form part of these financial statements

ST FRANCIS' COLLEGE TRUST

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

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 College meets the definition of a public benefit entity set out in FRS102. 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.

Financial instruments

The financial assets and financial liabilities of the College are all 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 the College's fixed assets annually 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	- when preparing the 2017 accounts, the Governors reconsidered the residual value of the College's long leasehold properties in the light of FRS 102 and determined that it was similar to their net book value. They therefore resolved not to depreciate these assets further. Consequently, it is only additions to long leasehold properties (and not long leasehold properties themselves) that have been depreciated since 1 September 2017.
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

ST FRANCIS' COLLEGE TRUST

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

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.

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 2018

3. INCOME FROM CHARITABLE ACTIVITIES

	2018 £	2017 £
College fees		
Gross tuition fees	6,005,863	5,822,212
Less: scholarships, bursaries, discounts and allowances	(477,207)	(595,216)
	<u>5,528,656</u>	<u>5,226,996</u>
Other educational income		
Language, music, dance and other tuition	277,451	247,810
College trips and courses	126,700	176,803
Other activities	13,165	7,201
	<u>417,316</u>	<u>431,814</u>
Ancillary trading income		
College meals	140,333	122,756
Coach, taxis and other pupil travel	139,609	98,472
Exam fees	33,538	29,429
Pupil insurance	11,246	17,750
Registration & entrance fees	13,098	11,235
After-school clubs	7,637	13,596
Other activities	22,836	22,654
	<u>368,297</u>	<u>315,892</u>

4. ACTIVITIES FOR GENERATING FUNDS

	2018 £	2017 £
Letting of College facilities	102,015	88,426
Letting for Summer School	37,300	-
Non-repayable acceptance fees and charges for late fees	-	1,212
	<u>139,315</u>	<u>89,638</u>

5. EXPENDITURE

The year's surplus is stated after charging:

	2018 £	2017 £
Depreciation – owned	125,054	145,857
Depreciation – hire purchase and finance lease assets	10,387	13,426
Operating lease rentals	39,687	27,378
Auditors' remuneration for audit	7,000	7,000
Auditors' remuneration for other services	5,000	5,000
Bank loan interest	19,594	25,177
Hire purchase and finance lease interest	1,447	4,029
Governors' liability insurance	834	816

ST FRANCIS' COLLEGE TRUST

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

6. STAFF COSTS

Staff costs comprise:

	2018	2017
	£	£
Salaries and Wages	3,014,625	3,103,748
Social security	290,418	297,898
Pension contributions	353,798	353,739
	<u>3,658,841</u>	<u>3,755,385</u>

The above staff costs include termination payments of £nil (2017: £27,065).

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

	2018		2017	
	Individuals	Full-time equivalent	Individuals	Full-time equivalent
Teaching staff	74	52	71	54
Non-teaching staff	42	33	45	30
	<u>116</u>	<u>85</u>	<u>116</u>	<u>84</u>

One employee (2017: one employee) received emoluments that fell in the band between £100,000 and £110,000. With respect to this employee, the College is contributing to a defined benefit pension scheme.

During the year, no remuneration (2017: £nil) was paid to Governors. In addition to the Governors, the key management personnel of the College included the Headmistress, the Deputy Headmistress, the Assistant Head, the Director of Studies, the Head of Prep Department and the Bursar. The aggregate employment benefits paid to these employees amounted to £430,703 (2017: £455,088).

7. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff Costs	Other	Depreciation	2018 Total	2017 Total
	£	£	£	£	£
Charitable activities					
College operating costs					
Teaching	3,183,781	375,027	37,108	3,595,916	3,689,542
Welfare	-	714,437	10,118	724,555	781,225
Premises	176,478	631,166	71,866	879,510	845,818
Support	412,693	508,045	16,350	937,088	967,254
Governance	-	7,434	-	7,434	8,170
Total resources expended	<u>3,772,952</u>	<u>2,236,109</u>	<u>135,442</u>	<u>6,144,503</u>	<u>6,292,009</u>

Staff costs include payments of £114,111 (2017: £116,216) to peripatetic and agency staff.

ST FRANCIS' COLLEGE TRUST

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

8. TANGIBLE FIXED ASSETS

	Long Leasehold Land and Property £	Motor Vehicles £	Fixtures, Fittings, Furniture and Equipment £	Computers £	Total £
COST OR VALUATION					
At 1 September 2017	5,325,080	97,584	1,577,073	331,866	7,331,603
Additions	11,071	-	26,900	24,609	62,580
At 31 August 2018	<u>5,336,151</u>	<u>97,584</u>	<u>1,603,973</u>	<u>356,475</u>	<u>7,394,183</u>
DEPRECIATION					
At 1 September 2017	1,463,450	76,895	1,246,927	303,021	3,090,293
Charge for the year	1,043	10,387	101,176	22,835	135,441
At 31 August 2018	<u>1,464,493</u>	<u>87,282</u>	<u>1,348,103</u>	<u>325,856</u>	<u>3,225,734</u>
NET BOOK VALUE					
At 31 August 2018	<u>3,871,658</u>	<u>10,302</u>	<u>255,870</u>	<u>30,619</u>	<u>4,168,449</u>
At 31 August 2017	<u>3,861,630</u>	<u>20,689</u>	<u>330,146</u>	<u>28,845</u>	<u>4,241,310</u>

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

	Motor Vehicles £	Total £
COST		
At 1 September 2017	51,936	51,936
Transferred to ownership	(51,936)	(51,936)
At 31 August 2018	<u>-</u>	<u>-</u>
DEPRECIATION		
At 1 September 2017	31,247	31,247
Charge for the year	10,387	10,387
Transferred to ownership	(41,634)	(41,634)
At 31 August 2018	<u>-</u>	<u>-</u>
NET BOOK VALUE		
At 31 August 2018	<u>-</u>	<u>-</u>
At 31 August 2017	<u>20,689</u>	<u>20,689</u>

ST FRANCIS' COLLEGE TRUST

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

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:

	2018 £	2017 £
Cost	<u>45,000</u>	<u>45,000</u>
Aggregate depreciation	<u>18,736</u>	<u>18,736</u>
Net book value	<u>26,264</u>	<u>26,264</u>

In the opinion of the Governors, the College's long leasehold properties have market values that are higher than their carrying values; however, they have not attempted to quantify the difference.

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

9. DEBTORS

	2018 £	2017 £
Debtors for billed fees and invoiced lettings	27,996	28,057
Prepayments and accrued income	<u>121,533</u>	<u>122,603</u>
	<u>149,529</u>	<u>150,660</u>

ST FRANCIS' COLLEGE TRUST

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

10. CREDITORS: Amounts falling due within one year

	2018	2017
	£	£
Bank loan	81,013	74,619
Trade creditors	172,081	209,809
Fees received in advance	1,203,814	1,202,506
Repayable acceptance fees	107,719	67,962
Social security and other taxes	71,822	70,593
Hire purchase & finance leases	-	6,533
Other creditors	59,912	77,757
Accrued expenses	64,933	50,146
	<u>1,761,294</u>	<u>1,759,925</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, with the balance shown as repayable after one year.

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

	2018	2017
	£	£
Bank loan	546,329	631,868
Repayable acceptance fees	281,527	306,645
Fees received in advance	17,565	26,850
	<u>845,421</u>	<u>965,363</u>

12. FEES RECEIVED IN ADVANCE

Fees received in advance comprise the following:

	2018	2017
	£	£
Received in respect of fees due for the new academic year	1,203,814	1,202,506
Fees billed in advance for more than one academic year	17,565	26,850
	<u>1,221,379</u>	<u>1,229,356</u>

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

	2018	2017
	£	£
Within one year	17,565	26,850
Between one and two years	-	-
	<u>17,565</u>	<u>26,850</u>

ST FRANCIS' COLLEGE TRUST

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

12. FEES RECEIVED IN ADVANCE continued

The movement during the year in respect of fees billed in advance for more than one accademic year was as follows:

	£
Balance at 1 September 2017	26,850
Amounts received in the year	35,133
Amounts utilised for the payment of fees	(44,418)
Balance at 31 August 2018	<u>17,565</u>

13. BANK LOANS, HIRE PURCHASE AGREEMENTS AND FINANCE LEASES

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

	2018 £	2017 £
Bank loans:		
In less than one year	81,013	74,619
In more than one year but less than two years	83,477	83,575
In more than two years but less than five years	265,976	264,950
After five years	196,876	283,343
	<u>627,342</u>	<u>706,487</u>
Hire purchase agreements and finance leases:		
In less than one year	-	6,533
In more than one year but less than two years	-	-
	<u>-</u>	<u>6,533</u>

Bank borrowings are secured on the College's other assets. The College's bank loans of £627,342 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 2018 are represented by:			
Tangible fixed assets	4,168,449	-	4,168,449
Current assets	1,535,708	1,336	1,537,044
Creditors due within one year	(1,761,294)	-	(1,761,294)
Creditors due after one year	(845,421)	-	(845,421)
	<u>3,097,442</u>	<u>1,336</u>	<u>3,098,778</u>

ST FRANCIS' COLLEGE TRUST

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

14. STATEMENT OF FUNDS continued

	Balance at 31 August 2017 £	Incoming Resources £	Resources Expended £	Transfers £	Balance at 31 August 2018 £
Unrestricted funds	<u>2,787,069</u>	<u>6,453,584</u>	<u>6,143,211</u>	<u>-</u>	<u>3,097,442</u>
Restricted funds:					
Equipment Fund	<u>1,336</u>	<u>1,292</u>	<u>1,292</u>	<u>-</u>	<u>1,336</u>
Total funds	<u>2,788,405</u>	<u>6,454,876</u>	<u>6,144,503</u>	<u>-</u>	<u>3,098,778</u>

The Equipment Fund comprises donations and grants received to purchase specific items of equipment. If there is no restriction on how or where the equipment is to be 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:

	2018 £	2017 £
Expiring:		
- within one year	13,952	27,173
- between two and five years	<u>70,548</u>	<u>76,969</u>
	<u>84,500</u>	<u>104,142</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 2018

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 £344,472 (2017: £343,348). At the year-end, £45,524 (2017: £45,038) was owed in respect of 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 from 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 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 September 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 £353,798 (2017: £353,739). At the balance sheet date, the College owed pension contributions of £49,362 (2017: £46,043).

19. ULTIMATE CONTROLLING PARTY

The College is controlled by the Board of Governors.

20. RELATED PARTY TRANSACTIONS

No remuneration or expenses was paid to any Governor during the year, but the College did pay £834 (2017: £816) for Governors' indemnity insurance. During the year, one Governor (2017: one) was charged tuition fees of £33,870 (2017: £5,353), on the same terms as other parents. Two members (2017: two) of the senior leadership team were also charged tuition fees totalling £26,489 (2017: £19,802), after receiving the usual discounts available to staff members.

ST FRANCIS' COLLEGE TRUST

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

21. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds £	Restricted Fund £	Total 2017 £
INCOME AND ENDOWMENTS:			
Donations	-	8,063	8,063
Charitable activities:			
College fees	5,226,996	-	5,226,996
Other educational activities	431,814	-	431,814
Ancillary trading income	315,892	-	315,892
Other trading activities	89,638	-	89,638
Interest receivable	158	-	158
Total incoming resources	6,064,498	8,063	6,072,561
EXPENDITURE ON:			
Charitable activities:			
College operating costs	6,287,074	4,935	6,292,009
Total expenditure	6,287,074	4,935	6,292,009
NET (EXPENDITURE)/INCOME	(222,576)	3,128	(219,448)
Transfers between funds	3,128	(3,128)	-
NET MOVEMENT IN FUNDS	(219,448)	-	(219,448)
Funds brought forward 1 September 2016	3,006,517	1,336	3,007,853
Funds carried forward 31 August 2017	2,787,069	1,336	2,788,405

22. FINANCIAL INSTRUMENTS

	2018 £	2017 £
Financial liabilities measured at amortised cost	1,034,153	1,151,707
Total interest expense for financial liabilities held at amortised cost	21,040	29,206

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.