



CATHOLIC SIXTH FORM COLLEGE

**Report and Financial Statements
For the Year Ended 31 July 2022**

St Francis Xavier 6th Form College
Year Ended 31 July 2022

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St Francis Xavier 6th Form College For the Year Ended 31 July 2022 Report of the Governing Body

NATURE, OBJECTIVES AND STRATEGIES

The Governing Body presents its report and the audited financial statements for the year ended 31 July 2022.

Legal status

The Governing Body is a corporate body established under the Further and Higher Education Act 1992 for the purpose of conducting the activities of St Francis Xavier 6th Form College. The Governing Body together with the College is an exempt charity for the purposes of the Charities Act 2011.

The College was formed as St Francis Xavier 6th Form College.

Mission

During 2022, the governing body reviewed the College's mission statement and agreed the following statement:

St Francis Xavier Sixth Form College is an inclusive educational community rooted in the Catholic faith with Christ at its centre. Our aim is to provide a broad curriculum which emphasises the pursuit of excellence and focuses on career preparation, leadership and service to others. We are committed to preparing the whole person to lead a life of purpose and success in a just and sustainable world.

Public benefit

St Francis Xavier 6th Form College is an exempt charity under Part 3 of the Charities Act 2011 and following the Machinery of Government changes in July 2016 is regulated by the Secretary of State for Education. The members of the Governing Body, who are trustees of the charity, are disclosed on pages 18 to 20.

In setting and reviewing the College's strategic objectives, the Governing Body has had due regard for the Charity Commission's guidance on public benefit and particularly upon its supplementary guidance on the advancement of education. The guidance sets out the requirement that all organisations wishing to be recognised as charities must demonstrate, explicitly, that their aims are for the public benefit.

In delivering its mission, the College provides the following identifiable public benefit for the advancement of education:

- ◆ High-quality teaching and learning;
- ◆ Widening participation and tackling social exclusion;
- ◆ Excellent university progression and employment rates for students;
- ◆ Strong student support systems;
- ◆ Good links with employers, industry and commerce, including 'T' Level development.
- ◆ Links with Local Enterprise Partnerships (LEPs).

NATURE, OBJECTIVES AND STRATEGIES (continued)

Implementation of Strategic Plan

During the last academic year (2021/22) we agreed a 3-year strategic development plan ratified and monitored by the Governing Body. Our overarching strategic principles are listed below:

- **Commitment to our Catholic mission**
- **Ensuring the future of the College as a thriving provider of education**
- **Excellence in quality and standards of educational achievement supported by a judgement of "Outstanding" in external inspection**
- **Excellence in pastoral care and contribution to the welfare of our young people**
- **Excellence in curriculum development and innovation**
- **Excellence in preparation of students for higher education and employment that contributes to the local and national economy**
- **Exemplary standards in social responsibility and faith in action**
- **Excellence in equality and raising participation**
- **Commitment to promoting sustainability**

Our resources will be deployed to ensure that we achieve those goals. Our commitment to our strategic goals is collective and democratic: stakeholders are invited to reconsider the in-year targets annually and these are drawn from our 3-year overarching perspective. The College community and its governors all share responsibility for the delivery of these goals. We monitor and report progress against Key Performance Indicators annually and we report on progress against the in-year targets of the plan. Unless otherwise stated the targets run for the life of the strategic plan. Underpinning the review of the strategic overview is our annual self-assessment process wherein we assess our progress against objectives. Progress against the annual strategic objectives is measured as objectively as possible. In our College Quality Day, we concentrate particularly upon progress against our KPIs of recruitment, retention and achievement, as well as attendance and punctuality. While this is a mid-term and longer-term strategic plan it will evolve, particularly as the educational and political landscape evolves. We therefore must take note of national educational objectives, for example the development of T levels, and such national agendas are reflected in the aims summarized below:

Strategic Aims:

- ✓ To secure the future of the College as a thriving provider of post-16 provision with demonstrably excellent standards of provision (Outstanding judgement by Ofsted)
- ✓ To keep the roll out of the academisation programme across the Sixth Form Sector under review and respond in a way that benefits the college and the young people it serves
- ✓ To recruit and develop London's most talented and promising young adults and staff members and be a Pan-London institution with a reputation for excellence and diversity.
- ✓ To provide the highest quality teaching environment for our students and deliver an outstanding educational portfolio which facilitates the educational progression and employment opportunities of those in our care
- ✓ To educate students of integrity and faith who will be ready and able to participate in ethical leadership roles in the future and abide by the highest professional and personal standards
- ✓ To offer a holistic education which prepares students for adult life
- ✓ To draw upon our alumni, their achievements and talents as role models and potential future employees of the College
- ✓ To be innovative and responsive in the development of skills and knowledge which make a significant, sustainable and socially responsible contribution to the economies of London and the UK, building capacity, educational participation and community cohesion

NATURE, OBJECTIVES AND STRATEGIES (continued)

Strategic Aims:

Each academic year we extrapolate a number of specific annual objectives for the College. In 2021-22 these were:

1. Inclusion and Respect

Embedding the College's values of Inclusion and Respect in all we do. This is partly in response to the Diocese's "no place for racism" campaign which prompted the College to review and update its Diversity, Equity and Inclusion strategy

2. Nurture and Support

Supporting students with their mental health and wellbeing and in catching up with missed learning due to the Covid-19 pandemic.

3. Standards

With the return of exams and the accompanying performance tables expected in 2022, the College is keen to continue its trajectory of improvement and will thus be monitoring and scrutinising standards across the board more fervently.

4. Physical and Mental Wellbeing

We will continue to develop the College's capacity to support students' and staff's physical and mental wellbeing which may have been impacted by the Covid-19 pandemic.

5. Inspection (Catholic schools'/ Ofsted)

We shall respond to the Ofsted agenda outlined in the Education Inspection Framework, as well as preparing for a Catholic Schools' Inspection which is expected in the autumn of 2022

6. Recruitment

Maintaining our drive on student recruitment which has been successful for the past two enrolment periods.

7. Expectation (High)

Driving up expectations of the whole college community. Particularly, student ambition and aspiration with respect to their next steps.

St Francis Xavier 6th Form College

NATURE, OBJECTIVES AND STRATEGIES (continued)

Performance Indicators

- Recruitment data: Number of enrolments
- Performance Data: Achievement/ Progress/ Destination
- Attendance Data (staff and student)
- Positive Learner Voice
- Graded at least "Good" in both Ofsted and Catholic schools' inspections

FINANCIAL POSITION

Financial results

The College incurred an operating deficit in the year of £498,000 (2020/21 - deficit of £724,000).

The operational surplus for 2021/22 was £486,000 (surplus for 2020/21 - £152,000) after adjustments for FRS 102 pension movements, depreciation and deferred capital grants.

At 31 July 2022, the College has accumulated unrestricted reserves before deduction of the pension reserve of £11,997,000 (2020/21 - £11,876,000) and a cash balance of £2,388,000 (2020/21 - £2,572,000).

Tangible fixed asset additions during the year amounted to £1,996,000 (2020/21 - £265,000). This was split between land and buildings, £57,000 (2020/21 - £166,000) and equipment purchases of £258,000 (2020/21 - £99,000) relating to LED lighting and IT infrastructure improvements and Assets under Construction of £1,681,000 relating to the new Business Hub and Boiler Works.

The College still has significant reliance on the ESFA for its principal funding source, largely from Funding Agency grants. In 2021/22 the ESFA provided 92% of the College's total income (2020/21 – 92%).

The chief impact of Covid on the College's financial results has been a loss of income as a result of a reduced volume of lettings as they have been slower to recover than forecasted as well as fewer places being filled in the College nursery (due to more parents working from home and therefore being able to look after their children).

St Francis Xavier 6th Form College

FINANCIAL POSITION (continued)

Investments

The College has one subsidiary company, SFX Corporate Services Limited. SFX Corporate Services Limited is wholly owned by SFX College, and provides consultancy and other commercial trading activities, including letting of the College. In the year ended 31 July 2022 commercial letting of the premises and facilities of SFX College was the only source of income for the company. Any taxable surpluses generated by the subsidiary are transferred to the College under deed of covenant. In the current year, the overall surplus generated was £50,046 (2020/21 - £26,318).

Treasury policies and objectives

Treasury management is the management of the College's cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

The Treasury Management Policy requires that all major transactions are authorised by the Governors through the Finance and Resources Committee. Such arrangements are restricted by limits in the College's Conditions of Funding Agreement agreed with the ESFA. All other borrowing requires the authorisation of the College and shall comply with the requirements of the Conditions of Funding Agreement.

Short-term borrowing for temporary revenue purposes is authorised by the Accounting Officer. All other borrowing requires the authorisation of the Governing Body and shall comply with the requirements of the Conditions of Funding Agreement.

Cash flows

There was an operating cash inflow of £1,793,000 (2020/21 – inflow of £139,000), and there was an overall decrease in cash of £184,000 in the year (2020/21 – decrease of £121,000).

Liquidity

The College has £1,064,343 on fixed term deposit (2020/21 £700,000).

Reserves Policy

The College needs to have sufficient reserves to enable it to meet its obligations should there be an unexpected revenue shortfall. The existence of unrestricted reserves also offers the College flexibility to plan and fund major projects to develop and maintain its buildings and facilities.

By their very nature, the availability of the restricted funds for the general operation of the College is limited. Accordingly, it is the unrestricted funds (or general purpose reserve) which are expendable at the discretion of the Governing Body in the furtherance of the objectives of the College. General purpose reserve increased by £5m during 2021/22, with the balance being £11m at 31 July 2022 (2020/21 - £6m). General purpose reserves are represented by net current assets of the College with the Governors requiring a minimum cash balance of £1m to be held. There were restricted reserves of £680 available for prizes (2020/21 - £1,040).

St Francis Xavier 6th Form College

CURRENT AND FUTURE DEVELOPMENTS AND PERFORMANCE

Financial Health

According to the ESFA Financial Health grades, the College is currently 'outstanding'.

Student Numbers

The College is funded according to the number of students enrolled (on a lagged basis). In 2021/22, the College recruited 1,279 (2020/21 - 1,249) students against a target of 1,281. All learners were either 16-18 students or fell within the 19+ continuing learners' categories. There were no 19+ learners or part time students.

Student Achievements

The College's vision is to ensure that all students make outstanding progress. The College has taken significant steps towards this goal since the previous Ofsted inspection in 2018. Student achievement and progress across the range and breadth of classroom-based qualifications improved in 2019 (the last time formal examinations were sat prior to this summer) and achievement and progress throughout the period of Covid in 2020 and 2021 was at a high level. However, these achievements were achieved in the context of the Covid-19 pandemic and judgements therefore need to recognise this particular set of circumstances.

In 2022 the achievement rate was significantly higher than pre-pandemic levels at 89.9% and the college is rightly proud of the progress it has made in this area of student achievement.

The College is extraordinarily successful at supporting students to progress to university. Following this summer's results, 86% of leavers were successful at securing a place at university, far surpassing the national average for schools and sixth form colleges.

Highlights of 2021-2022 outcomes include:

- Very high retention of students on 16-19 study programmes
- High qualification achievement rates
- Strong student progress across A level and applied general provision
- Strong progression to university
- Improved rates of progression to highly selective universities

Course	Pass rate (%)	High Grades (%)
A Level	97.21	36.13
BTEC/CTEC	98	52
UAL	100	60
Level 2	97	7
Level 1	100	22

CURRENT AND FUTURE DEVELOPMENTS AND PERFORMANCE (continued)

Curriculum Developments

The College's core business is the delivery of a range of full time 16-19 courses, primarily but not exclusively at level 3. The College offers a mixture of academic A level qualifications as well as Applied General Diplomas. At Level 2, vocational qualifications are supplemented by GCSE provision in English and maths. Level 1 learners follow a Foundation Learning Programme centred on Business, complemented by functional skills or GCSE English/maths and a qualification in personal and social development.

A number of new level 3 courses introduced since 2019 are now fully embedded in the College's curriculum provision (L3 Diplomas in Criminology, BTEC Law and Applied Psychology). All have recruited well, with Criminology proving to be extremely popular.

During the 2021/22 academic year, the College was making preparations for the launch of the Management and Administration T level in September 2022 and Education and Childcare and Accounting in 2023. Exploiting T Level opportunities would seem to be prudent given the government review of Applied General Qualifications and the leaning towards a system which favours a binary system of A levels and T levels.

Payment Performance

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1 November 1998, requires colleges, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. During the accounting period from 1 August 2021 to 31 July 2022, the College paid 96% of its invoices within 30 days (2020/21 – 96%). The College incurred £nil interest charge in respect of late payment for this period (2020/21 – £nil).

Staff and Student Involvement

The College considers good communication with its staff to be very important and to this end it publishes termly newsletters and regular updates. In addition, a full staff briefing is held on a weekly basis, and all key information is available in the staff area of the College extranet. Staff wellbeing is a key focus for the College and as part of the wellbeing strategy the staff voice is sought each half term via a short "pulse" survey. The College is currently seeking to be accredited for the work it is doing on staff wellbeing through the Optimus Awards. Furthermore, the SMT holds regular meetings with the teaching associations and unions via the Local Consultation Committee (LCC committee)

The College also encourages staff and student involvement through membership of formal committees. In order to ensure the College is responsive to the 'learners' voice' a member of staff has been given responsibility for this area to ensure it is audited, monitored and acted upon. Both Learner Voice and the staff experience are reported to governors through the Curriculum, Standards and Quality Committee.

Taxation

The majority of the College's activities are outside the scope of corporation tax.

Future developments

The college will continue to offer a broad and contemporary curriculum which takes account of the skills needs in Greater London and beyond. To this end, the college will engage with local skills improvement plans as set out by Business LDN, the designated employer regional body.

St Francis Xavier 6th Form College

CURRENT AND FUTURE DEVELOPMENTS AND PERFORMANCE (continued)

Future developments (continued)

In September 2022, the College opened a new Business Hub to support its delivery of the management and administration T level. It is currently repurposing an area of the college estate to provide the required facilities to offer the education and childcare and Accounting T Levels which will be launched in September 2023.

The Skills and Post-16 Education Act 2022 provided the statutory framework for Catholic Sixth Form Colleges to academise. Whilst the legal framework is still being finalised, the governing body has committed to keep the option of academisation on the agenda and to liaise with all the necessary stakeholders such as the Roman Catholic Archdiocese of Southwark to whom the College is in trust.

As set out in the Strategic Plan 2022-2025, the College is committed to working towards Net Zero. Consequently, the College is undertaking a full and comprehensive review of the College estate with respect to making it more energy efficient and sustainable.

RESOURCES

The College continues to invest in its building and facilities to ensure students have the most up to date learning environment. Nevertheless, the College's most valuable resource remains its teaching and support staff. The College's policy is to ensure that its staff resource is of the highest quality so that our students receive the very best post-16 provision, however, this does mean (even allowing for the fact that the College does not outsource activities such as cleaning or payroll) that our staff costs are above average for the sector. We are mindful therefore that should the number of enrolments fall below that forecast, there may be a need to downsize the staffing complement (primarily in support staff functions) to make appropriate savings. This is a strategy that the college has invoked previously with some success.

2014/15 135 FTE staff (72 teaching FTE)
2015/16 131 FTE staff (74 teaching FTE)
2016/17 126 FTE Staff (70 teaching FTE)
2017/18 119 FTE Staff (66 teaching FTE)
2018/19 111 FTE Staff (66 teaching FTE)
2019/20 109 FTE Staff (64 teaching FTE)
2020/21 107 FTE Staff (62 teaching FTE)
2021/22 114 FTE Staff (67 teaching FTE)

Financial

The College has £11m (2020/21 - £6m) of net assets after deducting the £1,102k pension liability (2020/21 - £6m).

People

The College employs 114 people (expressed as full-time equivalents), of whom 67 are teaching staff.

Reputation

The College retains a good reputation locally and nationally, which is confirmed by the January 2018 Ofsted grade and the increase in student numbers since September 2020. Maintaining a quality brand is essential for the College's success in attracting students and sustaining external relationships.

PRINCIPAL RISKS AND UNCERTAINTIES

The College continues to develop and embed a system of internal control, including financial, operational and risk management, which is designed to protect the College's assets and reputation. As a measure of good practice an FMCE (Financial Management and Control Evaluation) is completed annually.

Based on the strategic plan and Board Assurance Framework, the Risk Management Group undertakes a comprehensive review of the risks to which the College is exposed. They identify systems and procedures, including specific preventable actions which should mitigate any potential impact on the College. The internal controls are then implemented and the subsequent year's appraisal will review their effectiveness and progress against risk mitigation actions. In addition to the annual review, the Risk Management Group will also consider any risks which may arise as a result of a new area of work being undertaken by the College.

A risk register is maintained at the College level which is reviewed at every meeting by the Governors' Audit Committee and more frequently where necessary. Each committee of the Governing Body has a standing agenda item to identify new / emerging risks. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the College and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system.

This process is supported by strategies to raise awareness of risk throughout the College.

Outlined below is a description of the principal risk factors that may affect the College. Not all the factors are within the College's control. Other factors besides those listed below may also adversely affect the College.

1. Changes in levels of student recruitment

The College operates in an increasingly competitive market place and is acutely conscious of the need to maintain effective recruitment and marketing strategies. Prior to September 2017, the College had always met its student recruitment targets and had followed a steady pathway of growth since 2009. Between 2017 and 2019, however, 16-19 recruitment numbers fell short of targets and the College was having to operate with a reduction in anticipated funding. Since September 2020 the numbers have steadily increased once again and the College is aiming to grow to a roll of 1,440 by 2026 (approx 15%).

2. Changes to levels of Government funding

Since 2010 the government programme of austerity has hit sixth form college's hard with a reduction in funding in real terms of 16%. The changes in funding methodology have continued to impact on the level of ESFA grants and recurrent funding. In the past, the College has pursued a range of strategies to mitigate these reductions including growth in lagged numbers, curriculum reorganisation and the development of alternative income streams. Through reimagining the College's marketing strategy, largely through the use of social media platforms, the loss of funding due to under-enrolment has been reversed by attracting a larger number of prospective students but we are very mindful that the anticipated demographic upturn in 16-18 year olds has not been as steep as predicted (other London colleges are reporting significant under-enrolment).

3. COVID 19 Pandemic

The uncertainty surrounding the COVID-19 pandemic with respect to student recruitment, staff and student health, the interruption of learning and the distortion of learning habits suggests that there is significant risk to the College in carrying out its "mission". The College has put in place a wide range of measures to safeguard against the impact of COVID-19 and we are confident that we can manage any further periods of lockdown.

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

4. Safeguarding

Safeguarding has risen up the risk register, largely in response to the Covid-19 pandemic. This is particularly in relation to the challenges of keeping stringent safeguarding procedures and providing the necessary support during the COVID-19 pandemic, especially during periods of lockdown. Additional safeguarding concerns emerging from the pandemic include heightened risk of emotional instability amongst students and staff, risk of digital safeguarding incidents and the effect Covid-19 will have on the economy.

5. Quality

Despite the achievement of "Good" (2) for Overall Effectiveness, the OfSTED outcome (March 2018) indicates the importance of maintaining & improving achievement rates and value added outcomes further in specific courses. Outcomes since (2018 and 2019), have demonstrated improvement in all measures, particularly, achievement, retention and value added. Quality remains on the risk register though, as in a highly competitive market the quality of provision is a significant determining factor for students when selecting a school/college. In September 2020 the new position of Director of Learning and Teaching was introduced to ensure the continued improvement.

STAKEHOLDER RELATIONSHIPS

In line with other colleges St Francis Xavier 6th Form College has many stakeholders. These include:

- ◆ Students
- ◆ Parents/Guardians
- ◆ ESFA (DFE)
- ◆ Sixth Form /FE Commissioner
- ◆ Staff
- ◆ Partner schools
- ◆ Other Schools from which SFX recruits students
- ◆ Universities/ Higher education bodies
- ◆ Employers
- ◆ Local Authorities
- ◆ Government Offices/ Regional Development Agencies; and
- ◆ The Archdiocese of Southwark.

The College recognises the importance of these relationships and engages in regular communication with them through the College website, written communications and by meetings.

Disability Statement

The College considers all applications for employment from applicants with a disability, bearing in mind the aptitudes of the individuals concerned. Where an existing employee becomes disabled, every effort is made to ensure that employment with the College continues. The College's policy is to provide training, career development and opportunities for promotion for such staff members that are, as far as possible, identical to those for other employees.

The College seeks to fulfil the objectives set down in the Equality Act 2010 and will give priority of access to staff and students with specific learning needs and/or physical or mental disabilities. The College has a close link with Oak Lodge School for the Deaf and, as appropriate, students may progress from there to undertake full-time mainstream courses at the College.

- i. As part of the redevelopment of the buildings the College has installed lifts and ramps so that most of the facilities allow access to people with a physical disability;

STAKEHOLDER RELATIONSHIPS (continued)

Disability Statement (continued)

- ii. There is a list of specialist equipment, such as lighting for audio facilities and electronic readers for examinations, which the College can make available for use by students with specific needs. All of these measures, as well as educational support for students, is co-ordinated by the Additional Learning Support Department.

The admissions policy for all students is described in the College prospectus and in a policy published on the College website. Appeals against a decision to decline admission are dealt with under the complaints process policy;

- iii. The College has made a significant investment in the appointment of specialist tutors to support students with learning difficulties and/or disabilities. There are a number of student support assistants who can provide a variety of support for learning. There is a continuing programme of staff development to ensure the provision of a high level of appropriate support for students who have learning difficulties and/or disabilities. The College works with representatives of the 14 local authorities from which learners are drawn in terms of securing appropriate levels of ALS funding for high needs learners;
- iv. Specialist programmes are described in programme information guides, and achievements and destinations are recorded and published in the standard College format; and
- v. Counselling, bursary and welfare services are described in the Student Handbook.

Trade union facility time

The Trade Union (Facility Time Publication Requirements) Regulations 2017 require the College to publish information on facility time arrangements for trade union officials at the College.

Relevant union officials

Number of employees who were relevant union officials during the period	Full-time equivalent employee number
4	
	111.35

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	0
1% - 50%	4
51% - 99%	0
100%	0

St Francis Xavier 6th Form College

STAKEHOLDER RELATIONSHIPS (continued)

Trade union facility time

Percentage of pay bill spent on facility time

Total cost of facility time	£5,381
Total pay bill	£6,602,603
Percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.08%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (Total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	None

St Francis Xavier 6th Form College Equality Plan (now contained within Diversity, Inclusion and Dignity at Work [Equal Opportunities / Equality Duty])

Our Commitment

St Francis Xavier 6th Form College affirms that individuals from minority ethnic groups are entitled to the same equal rights, responsibilities and opportunities as the majority population. The College strives to ensure that, whatever the heritage and origins of the members of the College community, everyone is equally valued and treats one another with respect. This commitment is an essential expression of “the Christian values that are the inspiration of the College”.

This policy statement reflects our equal opportunities policy and reminds us that diversity in our society is a strength and we must ensure equality and equity having regard to issues of gender, age, race, religion, disability and culture.

We will work towards the elimination of racism whether overt, covert or by omission, and we will ensure that individuals and communities have equal access to the curriculum and College facilities.

The College believes that its profile of learners and staff is testimony to the fulfilment of these objectives.

The Ethnic breakdown for 2021/22 is as follows:

STAKEHOLDER RELATIONSHIPS (continued)

Student Population 2021/22

Ethnicity	Students	Total
Asian	79	6.2%
Black African	431	33.7%
Black Caribbean	267	20.8%
Black Other	51	4.0%
Chinese	4	0.3%
Mixed	448	35.0%

The figures given in this table cover the whole student body (year 12 – year 14). The pattern of ethnic diversity is similar across both new students (year 12) and returning students (year 13 & year 14).

Staff Recruitment 2021/22 (including internal appointments)

Ethnicity	Overall No's	% of total	2020/21 Recruitment	% of new
White	168	41.7%	30	61.2%
Mixed	28	6.9%	4	8.2%
Asian or Asian British	45	11.2%	2	4.1%
Other Asian	7	1.7%	0	0%
Black & Black British	112	27.8%	12	24.5%
Chinese or Other Ethnic Group	27	6.7%	1	2.0%
Not known *	16	4%	0	0%
Total Black & Ethnic Minorities	219	54.3%	19	38.8%
Overall Total	403	100%	49	100%

* Applicants from Agencies where ethnicity not given.

DISCLOSURE OF INFORMATION TO AUDITOR

The Governors who held office at the date of approval of this report confirm that, so far as they are each aware, there is no relevant audit information of which the College's auditor is unaware; and each Governor has taken all the steps that he or she ought to have taken to be aware of any relevant audit information and to establish that the College's auditor is aware of that information.

Approved by order of the Governing Body on 8.12.2022 and signed on its behalf by:

- Chair



N Sheta

St Francis Xavier 6th Form College

Key Management Personnel, Governing Body and Professional advisers

Key management personnel

Key management personnel are defined as members of the College Leadership Team and were represented by the following in 2021/22:

Graham Thompson Principal and CEO; Accounting Officer
Ciaran Graham; Associate Principal Ethos & Student Welfare
Karen Foan; Associate Principal Curriculum

Governing Body

A full list of Governors is given on pages 18 to 20 of these financial statements.

Eleanor Lewis acted as Clerk to the Governing Body throughout the period.

Professional Advisers

Financial Statements and Regularity

Auditor:

Buzzacott LLP
130 Wood Street
London
EC2V 6DL

Bankers:

Barclays Plc
1 Churchill Place
London
E14 5HP

Internal Auditors:

RSM Risk Assurance Services
25 Farringdon Street
London
EC4A 4AB

Solicitors:

Irwin Mitchell
40 Holborn Viaduct
London
EC1N 2PZ

Year Ended 31 July 2022

Statement of Corporate Governance and Internal Control

Corporate Governance

The following statement is provided to enable readers of the annual report and accounts of the College to obtain a better understanding of its governance and legal structure.

The College endeavours to conduct its business:

- i) in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership);
- ii) having due regard to the UK Corporate Governance Code ("the Code") insofar as it is applicable to the further education sector.
- iii) having due regard for the DfE Governance Guide (June 2022)

The Governing Body is committed to exhibiting best practice in all aspects of corporate governance. We have not adopted and therefore do not apply the UK Corporate Governance Code. However, we have reported on our Corporate Governance arrangements by drawing upon the best practice available, including those aspects of the UK Corporate Governance Code we consider to be relevant to the further education sector and best practice.

The Governing Body is an exempt charity within the meaning of Part 3 of the Charities Act 2011. The Governors, who are also the Trustees for the purposes of the Charities Act 2011, confirm that they have due regard for the Charity Commission's guidance on public benefit and that the required statements appear elsewhere in these financial statements.

St Francis Xavier 6th Form College

The Governing Body

The Governors who served on the Board during the year and up to the date of signature of this report were as follows:

	<i>Date of appointment</i>	<i>Term of office</i>	<i>Date of resignation</i>	<i>Status of appointment</i>	<i>Committees Served</i>	<i>Full Board Attendance</i>
Ms K Bainbridge	01/01/2022	4 years		Co-opted Governor	Curriculum, Standards & Quality (CSQ) Safeguarding link	100% (2/2)
Mr P Barber	01/07/2000	4 years Re-appointed 19/09/2020		Foundation Governor		50% (2/4)
Mr M Belfourd	10/06/2009	4 years Re-appointed 10/06/2021		Foundation Governor	Chair, Finance & Resources (F&R) Governance Vice-Chair of Governors	100% (4/4)
Ms R Clark	05/12/2019	4 years	05/07/2022	Staff Governor (teaching)	Finance & Resources (F&R)	75% (3/4)
Mr S Ebele	15/01/2018	4 years Re-appointed 15/01/2022		Foundation Governor	Curriculum Standards & Quality (CSQ) Audit Remuneration (Chair)	75% (3/4)
Mr D Freeman	20/10/2020	4 years	10/11/2022	Foundation Governor	Finance & Resources (F&R) Curriculum Standards & Quality (CSQ)	50% (2/4)

St Francis Xavier 6th Form College

The Governing Body (continued)

	<i>Date of appointment</i>	<i>Term of office</i>	<i>Date of resignation</i>	<i>Status of appointment</i>	<i>Committees Served</i>	<i>Full Board Attendance</i>
Mr R Lagnado	06/07/2021	1 year	31/07/2022	Student Governor		25% (1/4)
Mr J Manduvi	05/07/2022	1 year		Student Governor		100% (1/1)
Mrs B Meier	21/12/2018	4 years		Foundation Governor	Audit Curriculum Standards & Quality (CSQ)	50% (2/4)
Mr D Navarro	07/01/2021	4 years		Foundation Governor	Audit Curriculum Standards & Quality (CSQ) PMG (Project Management Group)	100% (4/4)
Ms D Ohiwerek	07/05/2021	4 years	31/08/2021	Foundation Governor	Curriculum Standards & Quality	0% (0/0)
Mr T Posnic-Boyce	05/07/2022	1 year		Student Governor		100% (1/1)
Mrs E Preece	17/03/2020	4 years		Staff Governor (non-teaching)		100% (4/4)
Ms J Quartey	06/07/2021	1 year	31/07/2022	Student Governor		25% (1/4)
Ms P Rowe	08/12/2011	4 years Re-appointed 05/12/2019		Co-opted (LA nomination) Governor	Chair, Curriculum Standards & Quality (CSQ) Remuneration Governance	75% (3/4)

St Francis Xavier 6th Form College

The Governing Body (continued)

	<i>Date of appointment</i>	<i>Term of office</i>	<i>Date of resignation</i>	<i>Status of appointment</i>	<i>Committees Served</i>	<i>Full Board Attendance</i>
Mr N Sheta	17/05/2016	4 years Re-appointed 16/05/2020		Foundation Governor	Chair of Governors from 01/01/2021 Chair, Audit to 17/11/2020 Finance & Resources (F&R), Vice Chair from 26/01/2021 Remuneration Governance	100% (4/4)
Mrs K Taylor	21/12/2018	4 years	06/05/2022	Foundation Governor	Finance & Resources (F&R) Curriculum Standards & Quality (CSQ)	66% (2/3)
Mr K Thomas	11/05/ 2021	4 years		Foundation Governor	Curriculum Standards & Quality	100% (4/4)
Mr G Thompson	24/08/2020	Ex officio		Principal	Finance & Resources (F&R) Curriculum Standards & Quality (CSQ) Governance	100% (4/4)
Mr Chukwuweta Uraih	13/07/2022	4 years		Foundation Governor	Curriculum Standards & Quality (CSQ) Audit	n/a
Mr R Vianello	28/10/2010	4 years Re-appointed 28/10/2018	27/10/2022	Foundation Governor	Chair, Audit Curriculum Standards & Quality (CSQ) Governance	75% (3/4)

Mrs E Lewis Cert. ICSA acts as Clerk to the Governing Body.

It is the Governing Body's responsibility to bring independent judgement to bear on issues of strategy, performance, resources and standards of conduct.

The Governing Body is provided with regular and timely information on the overall financial performance of the College together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel related matters such as health and safety and environmental issues. The Governing Body meets on a termly basis.

St Francis Xavier 6th Form College

The Governing Body (continued)

The Governing Body conducts its business through a number of committees. Each committee has terms of reference, which have been approved by the Governing Body. These committees are Audit, Finance and Resources (F&R), Remuneration, Curriculum Standards and Quality (CSQ), Governance and Appeals.

Full minutes of all meetings are available to download from the College website <https://www.sfx.ac.uk/the-governing-body> or from the Clerk to the Governors at:

St Francis Xavier 6th Form College
10 Malwood Road
London
SW12 8EN

The Clerk to the Governing Body maintains a register of financial and personal interests of the Governors. The register is available for inspection at the above address.

All Governors are able to take independent professional advice in furtherance of their duties at the College's expense and have access to the Clerk to the Governors, who is responsible to the Governing Body for ensuring compliance with all applicable procedures and regulations. The appointment, evaluation and removal of the Clerk are matters for the Governing Body as a whole.

Formal agendas, papers and reports are supplied to Governors in a timely manner, prior to Board meetings. Briefings are also provided on an ad-hoc basis.

The Governing Body has a strong and independent non-executive element and no individual or group (although Foundation Governors are always in the majority by three governors) dominates its decision making process. The Governing Body considers that each of its non-executive members is independent of management and free from any business or other relationship, which could materially interfere with the exercise of their independent judgement.

There is a clear division of responsibility in that the roles of the Chair and Accounting Officer are separate.

Appointments to the Governing Body

Any new appointments and re-appointments to the Board of Foundation Governors are a matter for the consideration of the Archbishop of Southwark. All administration is carried out in accordance with a published process by the Education Commission serving the Roman Catholic Archdiocese of Southwark. Enhanced DBS clearance is obtained by the college. The Governing Body is responsible for ensuring that appropriate training is provided as required.

Staff, parent and student governors are appointed following regulations set out in the Conduct of Business (Standing Orders). Co-opted governors are recommended for appointment by the Governance Committee. The Governing Body has determined that the local authority (Wandsworth) should nominate a governor with suitable skills and expertise to be appointed as one of the two co-opted governor members.

The Governors are appointed for a term of office not exceeding four years.

The Principal of the college is an ex-Officio member of the Governing Body.

St Francis Xavier 6th Form College

Corporation performance

A process of reflective self-evaluation of the effectiveness of governance in the year 2021-22 was launched on 8th October 2022 at a focus morning for all Governors. Each committee completed a questionnaire reviewing its membership, skills and effectiveness. At the direction of the Governing Body, the effectiveness of financial planning and internal control has been evaluated for 2021-22 using a FMCE questionnaire template provided by the SFCA (Sixth Form Colleges' Association) based on the pro-forma (formerly an annual mandatory requirement of the funding body). That self-assessment exercise produced a 'Good' grade for financial management and control.

Governors and the Clerk have undertaken a broad range of training provided internally (including Safeguarding & Prevent) and externally - including participation in SFCA (Sixth Form Colleges Association) Governance Webinars (live and recorded); Archdiocese of Southwark sessions on Catholic Mission, Academisation, collective worship and briefings delivered by professional organisations. The Clerk has attended sector conferences; governance webinars; AoC governance professionals network meetings and sits on the SFCA Governance Policy Committee.

Remuneration Committee

Throughout the year ended 31st July 2022, the Governors' Remuneration Committee comprised three Governors. The committee's responsibilities include making recommendations to the Board on the remuneration, terms, conditions and benefits of the Accounting Officer (Principal) and the Clerk to the Governors (and any other senior post holders) based on report and formal review of performance.

Terms of reference for the Remuneration Committee are published on the college website and were updated in July 2021. The committee operates with due regard for the key elements of setting the pay of the Principal and other Senior Post Holders set out in the voluntary AoC College's Senior Staff Remuneration Code (December 2018). The Committee is chaired by the Vice Chair of the Audit Committee.

Details of senior post holders' remuneration for the year ended 31st July 2022 are set out in note 6 to the financial statements.

Audit Committee

The Audit Committee comprises a Chair and up to four other members with a minimum of three (the majority of whom should be members of the Governing Body). The committee operates in accordance with written terms of reference approved by the Governing Body.

The Audit Committee met three times in the year 2021 - 2022 with an average 83% attendance by each member of the committee. It provided a forum for reporting by the College's internal and financial statements auditors, who have access to the Committee for independent discussion, without the presence of College management. The Committee also receives and considers reports from the main FE funding bodies as they affect the College's business.

The Audit Committee is guided by the agreed Board Assurance Framework, mapped against the risk register, in terms of the approach it takes to internal audit.

The College's internal auditors review the systems of internal control, risk management controls and governance processes in accordance with an agreed plan of input and report their findings to management and the Audit Committee.

Management is responsible for the implementation of agreed recommendations and the internal auditors have undertaken periodic follow up reviews to ensure that such recommendations have been implemented.

Audit Committee (continued)

Based upon reports made to it, the Audit Committee monitors the adequacy and the effectiveness of the internal control system and counter-fraud culture and reports to the Governing Body. The Audit Committee also advises the Governing Body on the performance and appointment of internal, regularity and financial statements auditors and their remuneration for both audit and non-audit work as well as reporting annually to the Governing Body.

Internal Control

Scope of responsibility

The Governing Body is ultimately responsible for the College's system of internal control and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable, not absolute assurance, against material misstatement or loss.

The Governing Body has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the College's policies, aims and objectives, whilst safeguarding the public funds and assets for which they are personally responsible, in accordance with the responsibilities assigned to them in Conditions of Funding Agreement between St Francis Xavier 6th Form College and the ESFA. The Principal is also responsible for reporting to the Governing Body any material weaknesses, or breakdowns in internal control.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on the agreed Board Assurance framework which is an ongoing process designed to identify and prioritise the risks to achievement of College policies, aims and objectives. It considers the likelihood of those risks being realised, impact should they be realised, and looks at ways to manage them efficiently, effectively and economically. The system of internal control has been in place in St Francis Xavier 6th Form College for the year ended 31 July 2022 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Governing Body has reviewed the risks to which the College is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the College's significant risks that has been in place for the period ended 31 July 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

Internal Control (continued)

The risk and control framework

The system of internal control is based on a framework of regular management information and administrative procedures including the segregation of duties, and a system of delegation and accountability. In particular, it includes:

- ◆ comprehensive budgeting systems with an annual budget, which is reviewed and agreed by the Governing Body;
- ◆ regular reviews by the Governing Body of periodic and annual financial reports which indicate financial performance against forecasts;
- ◆ setting targets to measure financial and other performance;
- ◆ clearly defined capital investment control guidelines; and
- ◆ the adoption of formal project management disciplines, where appropriate.

St Francis Xavier 6th Form College engages an internal audit service, which operates in accordance with the requirements of the ESFA *Post 16 Audit Code of Practice*. This engagement ended on 31st July 2022. The internal audit assignments are informed by an analysis of the risks to which the College is exposed, and annual internal audit plans are designed based on this analysis and the assurance framework agreed with the Governing Body. The analysis of risks and the internal audit plans are endorsed by the College's Governing Body on the advice and recommendation of the Audit Committee. As a minimum and on an annual basis up to 31st July 2022, the Head of Internal Audit (HIA) provides the Governing Body with a report on internal audit activity in the College. The report includes the HIA's independent opinion on the adequacy and effectiveness of the College's system of internal control, risk management controls and governance processes and covers several of those risk and internal control areas which would formerly have been an integral part of overall assurance and the annual opinion of the audit service.

Review of effectiveness

As Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. His review of the effectiveness of the system of internal control is informed by:

- ◆ the work of the internal auditors;
- ◆ the work of the executive managers within the College who have responsibility for the development and maintenance of the internal control framework; and
- ◆ comments made by the College's external auditors in their management letters and other reports.

The Accounting Officer has been advised on the implications of the result of the review of the effectiveness of the system of internal control by the Audit Committee, which oversees the work of the internal auditor and other sources of assurance, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Review of effectiveness (continued)

The senior management team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The senior management team and the Audit Committee also receive regular reports from the internal auditors, which include recommendations for improvement. The Audit Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Governing Body's agenda includes a regular item for consideration of risk and control and receives reports therein from the senior management team and the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its autumn term meeting on the 8th December 2022 the Governing Body carried out the annual assessment for the year ended 31 July 2022 by considering documentation from the senior management team and internal audit, and taking account of events since 31 July 2022.

Based on the advice of the Audit Committee and the Accounting Officer, the Governing Body is of the opinion that the College has an adequate and effective framework for governance, risk management and control, and has fulfilled its statutory responsibility for *"the effective and efficient use of resources, the solvency of the College and safeguarding of its assets"*.

Going Concern

After making appropriate enquiries, the Governing Body considers that the College has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

The College will continue to monitor its financial health closely and has updated its financial plan accordingly.

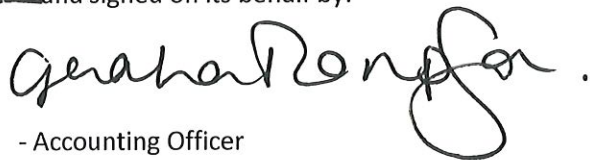
Accordingly the College has a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future, in spite of the financial impact of Covid, and for this reason will continue to adopt the going concern basis in the preparation of its financial statements.

Approved by order of the Governing Body on ~~8.12.2022~~ and signed on its behalf by:



- Chair

N Sheta



- Accounting Officer

G Thompson

St Francis Xavier 6th Form College

Year Ended 31 July 2022

Statement of Regularity, Propriety and Compliance

The Governing Body has considered its responsibility to notify the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of funding, under the College's funding agreement. As part of our consideration we have had due regard to the requirements of the Conditions of Funding Agreement.

We confirm, on behalf of the Governing Body, that after due enquiry, and to the best of our knowledge, we are able to identify any material irregular or improper use of funds by the College, or material non-compliance with the terms and conditions of funding under the College's funding agreement.

We confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the ESFA.



- Accounting Officer

Date: 08/12/2022

G Thompson



- Chair of Governors

Date: 08/12/22

N Sheta

St Francis Xavier 6th Form College

Year Ended 31 July 2022

Statement of Responsibilities of the Governing Body

The Governing Body is required to present audited financial statements for each financial year.

Within the terms and conditions of the College's funding agreement with the ESFA, the Governing Body, through its Accounting Officer, is required to prepare financial statements for each financial year in accordance with the *2019 Statement of Recommended Practice – Accounting for Further and Higher Education* and with the *College Accounts Direction 2021 to 2022* issued by the ESFA, and which give a true and fair view of the state of affairs of the College and the result for that year.

In preparing the financial statements, the Governing Body is required to:

- ◆ select suitable accounting policies and apply them consistently;
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare financial statements on the going concern basis, unless it is inappropriate to assume that the College will continue in operation.

The Governing Body is also required to prepare a Governors' Report which describes what it is trying to do and how it is going about it, including the legal and administrative status of the College.

The Governing Body is responsible for keeping proper accounting records, which disclose with reasonable accuracy, at any time, the financial position of the College, and which enable it to ensure that the financial statements are prepared in accordance with the relevant legislation and other relevant accounting standards. It is responsible for taking steps that are reasonably open to it in order to safeguard the assets of the College and to prevent and detect fraud and other irregularities.

The maintenance and integrity of the College website is the responsibility of the Governing Body of the College; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

St Francis Xavier 6th Form College

Year Ended 31 July 2022

Statement of Responsibilities of the Governing Body

Governors are responsible for ensuring that expenditure and income are applied for the purposes intended by Parliament and that the financial transactions conform to the authorities that govern them. In addition, they are responsible for ensuring that funds from the ESFA are used only in accordance with the Conditions of Funding Agreement with the ESFA and any other conditions that may be prescribed from time to time. Governors must ensure that there are appropriate financial and management controls in place in order to safeguard public and other funds and to ensure they are used properly. In addition, the Governing Body is responsible for securing economical, efficient and effective management of the College's resources and expenditure, so that the benefits that should be derived from the application of public funds by the ESFA are not put at risk.

Approved by order of the Governing Body on **8.12.2022** and signed on its behalf by:



- Chair

N Sheta

St Francis Xavier 6th Form College

Year Ended 31 July 2022

**Independent Auditor's Report to the Governing Body of St Francis
Xavier 6th Form College**

Opinion

We have audited the financial statements of St Francis Xavier 6th Form College (the 'parent college') and its subsidiary (the 'group') for the year ended 31 July 2022 which comprise the group and parent statement of comprehensive income, the group and parent statement of changes in reserves, the balance sheets, the group statement of cash flows, the principal accounting policies, and the notes to the financial statements. 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent college's affairs as at 31 July 2022 and of its deficit for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Basis for opinion

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

In auditing the financial statements, we have concluded that the Governing Body's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the College's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Governing Body with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Governing Body are responsible for the other information contained within the annual report. 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.

Other information (continued)

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Post 16 Code of Practice issued by the Education and Skills Funding Agency requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the parent college; or
- the parent college financial statements are not in agreement with the accounting records and returns; or
- all the information and explanations required for the audit were not received.

Responsibilities of the Governing Body

As explained more fully in the statement of responsibilities of the Governing Body, the members of the Governing Body are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members of the Governing Body 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 members of the Governing Body are responsible for assessing the College'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 members of the Governing Body either intend to liquidate the College or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the College through discussions with management, and from our knowledge and experience of the sector;

Auditor's responsibilities for the audit of the financial statements (continued)

- ◆ we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the College, including the Further and Higher Education Act 1992, funding agreements with the ESFA and associated funding rules, ESFA regulations, data protection legislation, anti-bribery, safeguarding, employment, health and safety legislation;
- ◆ we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- ◆ identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the College's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions; and
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias;

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reading the minutes of Governing Body meetings;
- ◆ enquiring of management as to actual and potential litigation and claims; and
- ◆ reviewing any available correspondence with HMRC and the College's legal advisors (although none was noted as being received by the College).

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Governing Body and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

St Francis Xavier 6th Form College

Use of our report

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



Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 14 December 2022

St Francis Xavier 6th Form College

Year Ended 31 July 2022

Reporting Accountant's Assurance Report on Regularity

To: The Governing Body of St Francis Xavier 6th Form College and the Secretary of State for Education acting through the Department for Education ("the Department")

In accordance with the terms of our engagement letter dated 14 September 2020, and further to the requirements of the funding agreement with Education and Skills Funding Agency, we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest that in all material respects the expenditure disbursed and income received by St Francis Xavier 6th Form College during the period 1 August 2021 to 31 July 2022 have not been applied to the purposes identified by Parliament and the financial transactions do not conform to the authorities which govern them.

The framework that has been applied is set out in the Post 16 Audit Code of Practice ("the Code") issued by the Department. In line with this framework, our work has specifically not considered income received from the main funding grants generated through the Individualised Learner Record (ILR) returns, for which the Department has other assurance arrangements in place.

This report is made solely to the Governing Body of St Francis Xavier 6th Form College and the Department in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Governing Body of St Francis Xavier 6th Form College and the Department matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Governing Body of St Francis Xavier 6th Form College and Department for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of St Francis Xavier 6th Form College and the reporting accountant

The Governing Body of St Francis Xavier 6th Form College is responsible, under the requirements of the Further & Higher Education Act 1992, subsequent legislation and related regulations and guidance, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Code. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 August 2021 to 31 July 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Code issued by the Department. We performed a limited assurance engagement as defined in that framework.

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

Approach (continued)

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

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

The work undertaken to draw to our conclusion includes:

- ◆ An assessment of the risk of material irregularity and impropriety across all of the College's activities;
- ◆ Further testing and review of self-assessment questionnaire including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- ◆ Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 August 2021 to 31 July 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Buzzacott LLP
Reporting Accountants
130 Wood Street
London
EC2V 6DL

Date: 14 December 2022

St Francis Xavier 6th Form College
Consolidated and College Statements of Comprehensive Income and Expenditure

		Year ended 31 July 2022		Year ended 31 July 2021	
	Notes	Group £000	College £000	Group (restated) £000	College (restated) £000
Income					
Funding body grants	2	8,131	8,131	7,353	7,353
Other income	3	859	770	778	729
Donations	5	-	50	-	26
Investment income	4	2	2	5	5
Total income		8,992	8,953	8,136	8,113
Expenditure					
Staff costs	6	7,130	7,099	6,708	6,690
Other operating expenses	7	1,802	1,794	1,630	1,625
Depreciation	9	520	520	522	522
Total expenditure		9,452	9,413	8,860	8,837
Deficit before other gains and losses		(460)	(460)	(724)	(724)
Loss on disposal of assets		(38)	(38)	-	-
Deficit before tax		(498)	(498)	(724)	(724)
Taxation	8	-	-	-	-
Deficit for the year		(498)	(498)	(724)	(724)
Actuarial gain (loss) in respect of pensions scheme	18	5,484	5,484	209	209
Total comprehensive expenditure for the year		4,986	4,986	(515)	(515)
Represented by:					
Restricted comprehensive income		-	-	-	-
Unrestricted comprehensive expenditure		4,986	4,986	(515)	(515)

St Francis Xavier 6th Form College
Consolidated and College Statement of Changes in Reserves

	Restricted reserves	Income and expenditure account	Total
	£000	£000	£000
Group			
Balance at 1 August 2020	1	6,514	6,515
Deficit from the income and expenditure account	(1)	(724)	(725)
Other comprehensive income	-	209	209
	<u>(1)</u>	<u>(515)</u>	<u>(516)</u>
Balance at 31 July 2021	-	5,999	5,999
Deficit from the income and expenditure account	-	(498)	(498)
Other comprehensive income	-	5,484	5,484
Total comprehensive expenditure for the year	<u>-</u>	<u>4,986</u>	<u>4,986</u>
Balance at 31 July 2022	<u>-</u>	<u>10,985</u>	<u>10,985</u>
 College			
Balance at 1 August 2020	1	6,514	6,515
Deficit from the income and expenditure account	(1)	(724)	(725)
Other comprehensive income	-	209	209
	<u>(1)</u>	<u>(515)</u>	<u>(516)</u>
Balance at 31 July 2021	-	5,999	5,999
Deficit from the income and expenditure account	-	(498)	(498)
Other comprehensive income	-	5,484	5,484
Total comprehensive expenditure for the year	<u>-</u>	<u>4,986</u>	<u>4,986</u>
Balance at 31 July 2022	<u>-</u>	<u>10,985</u>	<u>10,985</u>

St Francis Xavier 6th Form College
Consolidated and College Balance Sheets as at 31 July 2022

	Notes	Group	College	Group	College
		2022 £000	2022 £000	2021 £000	2021 £000
Non current assets					
Tangible fixed assets	9	14,829	14,829	13,500	13,500
		14,829	14,829	13,500	13,500
Current assets					
Trade and other receivables	11	301	381	404	448
Short term deposits		1,064	1,064	700	700
Cash and cash equivalents		1,324	1,232	1,872	1,822
		2,689	2,677	2,976	2,970
Creditors – amounts falling due within one year	12	(702)	(690)	(761)	(755)
Net current assets		1,987	1,987	2,215	2,215
Total assets less current liabilities		16,816	16,816	15,715	15,715
Creditors: amounts falling due after one year	13	(4,809)	(4,809)	(3,829)	(3,829)
Provisions					
Defined benefit obligations	14	(1,012)	(1,012)	(5,877)	(5,877)
Other provisions	14	(10)	(10)	(10)	(10)
Total Net Assets		10,985	10,985	5,999	5,999
Restricted Reserves		-	-	-	-
Unrestricted Reserves					
Income and expenditure account		10,985	10,985	5,999	5,999
Total Reserves		10,985	10,985	5,999	5,999

The financial statements on pages 35 to 57 were approved by the Governing Body on 8th December 2022



N Sheta - Chair



G Thompson - Accounting Officer

St Francis Xavier 6th Form College
Consolidated Statement of Cash Flows

	Notes	Group 2022 £'000	Group 2021 £'000
Cash flow from operating activities			
Deficit for the year		(498)	(724)
Adjustment for non-cash items			
Depreciation		520	522
Decrease (increase) in debtors		103	(126)
(Decrease) increase in creditors due within one year		(59)	108
Increase (decrease) in creditors due after one year		980	(255)
Pension costs less contributions payable		619	546
Net interest cost on pension scheme		92	73
Adjustment for investing or financing activities			
Investment income		(2)	(5)
Interest payable		-	-
Net cash inflow from operating activities		<u>1,755</u>	<u>139</u>
Cash flows from investing activities			
Investment income		2	5
Loss on disposal of fixed assets		38	-
Payments made to acquire fixed assets		<u>(1,996)</u>	<u>(265)</u>
		(1,956)	(260)
Cash flows from financing activities			
Interest paid		-	-
New unsecured loans		17	-
Repayments of amounts borrowed		<u>-</u>	<u>-</u>
		17	-
Decrease in cash and cash equivalents in the year		<u>(184)</u>	<u>(121)</u>
Cash and cash equivalents at beginning of the year	15	2,572	2,693
Cash and cash equivalents at end of the year	15	2,388	2,572

St Francis Xavier 6th Form College

Year Ended 31 July 2022

Notes to the Financial Statements

1 Accounting Policies

Statement of accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of preparation

These financial statements have been prepared in accordance with the *Statement of Recommended Practice: Accounting for Further and Higher Education 2019* (the FE HE SORP), the *College Accounts Direction for 2021 to 2022* and in accordance with Financial Reporting Standard 102 – “*The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland*” (FRS 102). The College is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the College's accounting policies.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention modified by the revaluation of certain fixed assets and in accordance with applicable United Kingdom Accounting Standards.

Basis of consolidation

The consolidated financial statements include the College and its subsidiary, SFX Corporate Services Limited (Company registration number 09413077). Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All financial statements are made up to 31 July 2022.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires to exercise judgement in applying the College's accounting policies.

Going Concern

The activities of the College, together with the factors likely to affect its future development and performance are set out in the Report of the Governing Body. The financial position of the College, its cash flow, liquidity and borrowings are described in the financial statements and accompanying notes.

Accordingly the College has a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future, and for this reason will continue to adopt the going concern basis in the preparation of its financial statements. In making this assessment the College has given consideration to the effects of the COVID-19 pandemic.

St Francis Xavier 6th Form College
Year Ended 31 July 2022
Notes to the Financial Statements

Recognition of income

Revenue grant funding

Government revenue grants include funding body recurrent grants and other grants and are accounted for under the accrual model as permitted by FRS 102.

Funding body recurrent grants are recognised in line with best estimates for the period of what is receivable and depend on the particular income stream involved. Any under or over achievement for the adult learner responsive funding element is normally adjusted for in year and reflected in the level of recurrent grant recognised in the income and expenditure account. The final grant income is normally determined with the conclusion of the year end reconciliation process with the funding body at the end of November following the year end. 16-18 learner-responsive funding is not normally subject to a reconciliation and is therefore not subject to contract adjustments.

Income from grants, contracts and other services rendered is included to the extent the conditions of the funding have been met or the extent of the completion of the contract or service concerned. All income from short-term deposits is credited to the income and expenditure account in the period in which it is earned.

Grants from non-government sources are recognised in income when the College is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the balance sheet and released to income as the conditions are met.

Capital grant funding

Government capital grants are capitalised, held as deferred income and recognised in income over the expected useful life of the asset, under the accrual model as permitted by FRS 102.

Other, non-governmental, capital grants are recognised in income when the College is entitled to the funds subject to any performance related conditions being met.

Fee income

Income from tuition fees is recognised in the period for which it is received and includes all fees payable by students or their sponsors.

St Francis Xavier 6th Form College
Year Ended 31 July 2022
Notes to the Financial Statements

Accounting for post-employment benefits

Post-employment benefits to employees of the College are principally provided by the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). These are defined benefit plans, which are externally funded and contracted out of the State Second Pension.

Teachers' Pension Scheme (TPS)

The TPS is an unfunded scheme. Contributions to the TPS are calculated so as to spread the cost of pensions over employees' working lives with the College in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of valuations using a prospective benefit method.

The TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution plan and the contributions recognised as an expense in the income statement in the periods during which services are rendered by employees.

Local Government Pension Scheme (LGPS)

The LGPS is a funded scheme. The assets of the LGPS are measured using closing fair values. LGPS liabilities are measured using the projected unit credit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred.

Net interest on the net defined benefit liability/asset is also recognised in the Statement of Comprehensive Income and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in interest and other finance costs.

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

Enhanced Pensions

The actual cost of any enhanced ongoing pension to a former member of staff is paid by the College annually. An estimate of the expected future cost of any enhancement to the ongoing pension of a former member of staff is charged in full to the College's income and expenditure account in the year that the member of staff retires. In subsequent years a charge is made to provisions in the balance sheet using the enhanced pension spreadsheet provided by the funding bodies.

Non-current assets – Tangible fixed assets

Tangible fixed assets are stated at deemed cost less accumulated depreciation and accumulated impairment losses

St Francis Xavier 6th Form College

Year Ended 31 July 2022

Notes to the Financial Statements

Non-current assets – Tangible fixed assets (continued)

Land and buildings

Where land and buildings are acquired with the aid of specific grants, they are capitalised and depreciated over their expected useful economic life to the College of between 20 and 50 years. The related grants are credited to a deferred income account with creditors, and are released to the income and expenditure account over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of any fixed asset may not be recoverable.

On adoption of FRS 102, the College followed the transitional provision to retain the book value of land and buildings as deemed cost but not to adopt a policy of revaluations of these properties in the future.

Subsequent expenditure on existing fixed assets

Where significant expenditure is incurred on tangible fixed assets it is charged to the income and expenditure account in the period it is incurred, unless it increases the future benefits to the College, in which case it is capitalised and depreciated on the relevant basis.

Land and buildings owned by third parties

Where the College enjoys the use of an asset which it does not own and for which no rental or a nominal rental is paid, if practicable, a value is attributed to this benefit and capitalised, with a corresponding credit to the general reserve for the land element and deferred capital grants for the building element which are subsequently released to the income and expenditure account over the useful economic life of the asset at the same rate as the depreciation charge on the related assets.

Equipment

Equipment costing less than £1,000 per individual item is written off to the income and expenditure account in the period of acquisition. All other equipment is capitalised at cost.

Equipment is depreciated over its useful economic life as follows:

Furniture, catering equipment, office equipment	10% per year
General education equipment	12% per year
Audio-visual equipment, major building adaptation	12% to 20% per year
Computer and ancillary equipment	33% per year

Assets under construction

Assets under construction are capitalised at cost but are not depreciated until they are brought into use, at which point they are transferred to the appropriate asset class and depreciated at the applicable rate.

St Francis Xavier 6th Form College

Year Ended 31 July 2022

Notes to the Financial Statements

Prepayment construction costs

Construction costs are accounted for at cost, based on the value of architects' certificates and other direct costs, incurred to 31 July. They are transferred from debtors to fixed assets when they are brought in to use and then depreciated.

Borrowing costs

Borrowing costs are recognised as expenditure in the period in which they are incurred.

Leased assets

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Any lease premiums or incentives relating to leases signed after 1 August 2014 are spread over the minimum lease term. The College has taken advantage of the transitional exemptions in FRS 102 and has retained the policy of spreading lease premiums and incentives to the date of the first market rent review for leases signed before 1 August 2014. Leasing agreements which transfer to the College substantially all the benefits and risks of ownership of an asset are treated as finance leases.

Assets held under finance leases are recognised initially at the fair value of the leased asset (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Assets held under finance leases are included in tangible fixed assets and depreciated and assessed for impairment losses in the same way as owned assets. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charges are allocated over the period of the lease in proportion to the capital element outstanding

Cash and cash equivalents

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value. An investment qualifies as a cash equivalent when it has maturity of 3 months or less from the date of acquisition.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

All loans, investments and short term deposits held by the Group are classified as basic financial instruments in accordance with FRS 102. These instruments are initially recorded at the transaction price less any transaction costs (historical cost). FRS 102 requires that basic financial instruments are subsequently measured at amortised cost, however the College has calculated that the difference between the historical cost and amortised cost basis is not material and so these financial instruments are stated on the balance sheet at historical cost. Loans and investments that are payable or receivable within one year are not discounted.

St Francis Xavier 6th Form College
Year Ended 31 July 2022
Notes to the Financial Statements

Taxation

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

The College receives no similar exemption in respect of Value Added Tax.

Provisions and contingent liabilities

Provisions are recognised when

- the College has a present legal or constructive obligation as a result of a past event
- it is probable that a transfer of economic benefit will be required to settle the obligation, and
- a reliable estimate can be made of the amount of the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in the statement of comprehensive income in the period it arises.

A contingent liability arises from a past event that gives the College a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the College. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the balance sheet but are disclosed in the notes to the financial statements.

Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, management have made the following judgements:

- ◆ Determine whether leases entered into by the College either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- ◆ Determine whether there are indicators of impairment of the College's tangible fixed assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

St Francis Xavier 6th Form College
Year Ended 31 July 2022
Notes to the Financial Statements

Judgements in applying accounting policies and key sources of estimation uncertainty (continued)

Other key sources of estimation uncertainty

◆ **Tangible fixed assets**

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

◆ **Local Government Pension Scheme**

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18 will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 July 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Prior year restatement

The College restated its funding income and operating expenditure for the year ended 31 July 2021 in these accounts to decrease both by £141,000, reflecting the treatment of that amount of 16-18 bursaries correctly as an agency arrangement. This restatement in the comparative had £nil effect on the College's total comprehensive expenditure for the year ended 31 July 2021.

St Francis Xavier 6th Form College
Year Ended 31 July 2022
Notes to the Financial Statements

2 Funding body grants

	Year ended 31 July		Year ended 31 July	
	2022	2022	2021	2021
	Group	College	Group	College
	£000	£000	(restated)	(restated)
Recurrent grants				
Education and Skills Funding Agency - 16-18	7,601	7,601	6,870	6,870
SEN Funding	338	338	282	282
Specific grants				
Releases of government capital grants	192	192	201	201
	8,131	8,131	7,353	7,353

3 Other Income

	Year ended 31 July		Year ended 31 July	
	2022	2022	2021	2021
	Group	College	Group	College
	£000	£000	£000	£000
Other income generating activities	337	248	258	209
Other grant income	522	522	520	520
	859	770	778	729

4 Investment Income

	Year ended 31 July		Year ended 31 July	
	2022	2022	2021	2021
	Group	College	Group	College
	£000	£000	£000	£000
Bank interest receivable	2	2	5	5
	2	2	5	5

5 Donations

	Year ended 31 July		Year ended 31 July	
	2022	2022	2021	2021
	Group	College	Group	College
	£000	£000	£000	£000
Gift-aided donation from trading subsidiary	-	50	-	26
	-	50	-	26

St Francis Xavier 6th Form College
Year Ended 31 July 2022
Notes to the Financial Statements

6 Staff Costs - Group and College

The average number of persons (including senior post-holders) employed by the Group and College during the year, expressed as headcount, was:

	2022 Number	2021 Number
Teaching staff	84	80
Non teaching staff	52	52
	<u>136</u>	<u>132</u>

Staff costs for the above persons:

	Year ended 31 July		Year ended 31 July	
	2022 Group £000	2022 College £000	2021 Group £000	2021 College £000
Wages and salaries	5,141	5,110	4,807	4,789
Social security costs	524	524	481	481
Other pension costs (note 18)	1,451	1,451	1,368	1,368
Payroll sub total	7,116	7,085	6,656	6,638
Severance payments - contractual	-	-	-	-
- non-contractual	14	14	52	52
Total staff costs	7,130	7,099	6,708	6,690

Severance payments made in the year were approved by the Governing Body.

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College and are represented by the College Leadership Team which comprises the Principal, the Associate Principals and the Strategic Director.

Emoluments of key management personnel, Accounting Officer and other higher paid staff

	2022 No.	2021 No.
The number of key management personnel including the Accounting Officer was:	<u>3</u>	<u>4</u>

The number of key management personnel and other staff who received annual emoluments, excluding pension contributions and employer's national insurance but including benefits in kind, in the following ranges was:

	Key management personnel		Other Staff	
	2022 No.	2021 No.	2022 No.	2021 No.
£ 5,001 to £ 10,000	-	-	-	1
£ 15,001 to £ 20,000	-	1	-	-
£ 55,001 to £ 60,000	-	-	1	-
£ 60,001 to £ 65,000	-	-	2	2
£ 65,001 to £ 70,000	1	1	2	1
£ 75,001 to £ 80,000	-	-	-	-
£ 80,001 to £ 85,000	1	1	-	-
£ 110,001 to £ 115,000	-	1	-	-
£ 115,001 to £ 120,000	1	-	-	-
	<u>3</u>	<u>4</u>	<u>5</u>	<u>4</u>

St Francis Xavier 6th Form College
Year Ended 31 July 2022
Notes to the Financial Statements

6 Staff Costs - Group and College (continued)

Key management personnel emoluments are made up as follows:

	2022 £000	2021 £000
Salaries	274	273
National Insurance	35	34
Benefits in kind	2	5
	<u>311</u>	<u>312</u>
Pension contributions	35	65
Total emoluments	<u>346</u>	<u>377</u>

There were no amounts due to key management personnel that were waived in the year, nor any salary sacrifice arrangements in place.

The above emoluments include amounts payable to the Accounting Officer (who is also the highest paid officer) of:

	2022 £000	2021 £000
Salary	118	113
Benefits in kind	1	1
	<u>119</u>	<u>114</u>
Pension contributions	<u>28</u>	<u>27</u>

The pension contributions in respect of the Accounting Officer and key management personnel are in respect of employer's contributions to the Teachers' Pension Scheme and the Local Government Pension Scheme and are paid at the same rate as for other employees.

The Governing Body other than the Accounting Officer and the staff governors did not receive any payment from the College other than the reimbursement of travel and subsistence expenses incurred in the course of their duties.

Key management personnel, including the Accounting Officer and other higher paid staff received around a 1 % pay increase as agreed by the Remuneration Committee. No bonuses or other salary enhancements were awarded to senior post holders or other higher paid staff.

The governing body has adopted AoC's Senior Staff Remuneration Code in July 2020 and will assess pay in line with its principles in future.

The Governing Body works to an agreed process of reviewing the remuneration of senior post holders based on review against agreed performance targets. The Remuneration Committee receives reports directly from the Chair of Governors who, together with one other foundation governor, undertakes a formal, documented annual performance (appraisal) review with the two senior post holders (Principal and the Clerk to the Governors). The Remuneration Committee evaluates the performance reviews and agrees recommendations to be made, via the Chair of the Finance & Resources Committee to the full Governing Body, for any changes in remuneration based on performance and benchmarked workforce surveys, published compiled by relevant membership organisations e.g. SFCA; AoC. The principles of fairness, independence, justification and transparency are delivered through the agreed procedure and reporting process.

Relationship of Principal/Chief Executive pay and remuneration expressed as a multiple:

Principal and CEO's basic salary as a multiple of the median of all staff	3.84
Principal and CEO's total remuneration as a multiple of the median of all staff	3.93

St Francis Xavier 6th Form College
Year Ended 31 July 2022
Notes to the Financial Statements

7 Other Operating Expenses

	2022 Group £'000	2022 College £'000	2021 Group (restated) £'000	2021 College (restated) £'000
Teaching costs	568	568	415	415
Non teaching costs	716	708	742	737
Premises costs	425	425	399	399
Pension finance costs (note 18)	93	93	74	74
Total	1,802	1,794	1,630	1,625

Other operating expenses include:

	2022 £000	2021 £000
Auditors' remuneration:		
- financial statements audit (including regularity and TPA audit) *	23	22
- internal audit **	10	6
- other services	2	2
Operating leases	30	28

* includes £21,000 in respect of the College (2020/21 £20,000)

** includes £10,000 in respect of the College (2020/21 £6,000)

8 Taxation - Group only

	2022 £'000	2021 £'000
United Kingdom corporation tax at an effective rate of 19% per cent	-	-
Total	-	-

St Francis Xavier 6th Form College
Year Ended 31 July 2022
Notes to the Financial Statements

9 Tangible Fixed Assets (Group and College)

	Land and Buildings				Assets in the course of construction	Total
	Freehold	Long Leasehold	Owned by third party	Equipment		
	£000	£000	£000	£000	£000	£000
Cost						
At 1 August 2021	11,684	16	7,000	3,163	-	21,863
Additions	57	-	-	258	1,681	1,996
Disposals	(281)	-	-	(13)	-	(294)
At 31 July 2022	11,460	16	7,000	3,408	1,681	23,565
Depreciation						
At 1 August 2021	4,148	16	1,365	2,834	-	8,363
Charge for year	289	-	65	166	-	520
Eliminated in respect of disposals	(136)	-	-	(11)	-	(147)
At 31 July 2022	4,301	16	1,430	2,989	-	8,736
Net book value						
At 31 July 2022	7,159	-	5,570	419	1,681	14,829
Net book value						
At 31 July 2021	7,536	-	5,635	329	-	13,500

Freehold and long leasehold land and buildings

Land and buildings were valued in 1996 at depreciated replacement cost by a firm of independent chartered surveyors. Other tangible fixed assets inherited from the LEA at incorporation have been valued by the College on a depreciated replacement cost basis with the assistance of independent professional advice.

Land and buildings owned by a third party

Land and buildings owned by the Diocese of Southwark were valued on a depreciated replacement cost basis as at 1 April 2001 by a firm of independent chartered surveyors.

On adoption of FRS 102, the College followed the transitional provision to retain the book value of land and buildings, which were valued at the aforementioned dates, as deemed cost but not to adopt a policy of revaluations of these properties in the future.

St Francis Xavier 6th Form College
Year Ended 31 July 2022
Notes to the Financial Statements

10 Non current Investments

	2022	2021
	£1	£1

Investments in subsidiary company

The College owns 100 per cent of the issued ordinary £1 shares in SFX Corporate Services Limited, which was incorporated on 29 January 2015 in England and Wales (company registration number: 09413077). The principal activity of SFX Corporate Services Limited is that of a service company.

11 Trade and other receivables

	Group	College	Group	College
	2022	2022	2021	2021
	£'000	£'000	£'000	£'000
Amounts falling due within one year				
Trade receivables	17	12	4	4
Amounts owed by subsidiary undertaking	-	85	-	44
Prepayments and accrued income	284	284	400	400
	301	381	404	448

12 Creditors: Amounts Falling Due Within One Year

	Group	College	Group	College
	2022	2022	2021	2021
	£'000	£'000	£'000	£'000
Payments received in advance	110	110	140	140
Trade creditors	107	107	185	185
Other creditors	48	48	14	13
Other taxation and social security	1	1	-	-
Accruals	175	163	177	172
Deferred income - government capital grants	261	261	245	245
	702	690	761	755

13 Creditors: Amounts Falling Due After More Than One Year

	Group	College	Group	College
	2022	2022	2021	2021
	£'000	£'000	£'000	£'000
SALIX Loan	17	17	-	-
Deferred income - government capital grants	4,792	4,792	3,829	3,829
	4,809	4,809	3,829	3,829

St Francis Xavier 6th Form College
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Notes to the Financial Statements

14 Provisions (Group and College)

	Defined benefit obligations £000	Enhanced pensions £000	Total £000
At 1 August 2021	(5,877)	(10)	(5,887)
Expenditure in the period	4,645	(1)	4,644
Additions in the period	220	1	221
At 31 July 2022	<u>(1,012)</u>	<u>(10)</u>	<u>(1,022)</u>

Defined benefit obligations relate to the liabilities under the College's membership of the Local Government Pension Scheme. Further details are given in Note 19.

The enhanced pension provision relates to the cost of staff who have already left the College's employ and commitments for reorganisation costs from which the College cannot reasonably withdraw at the balance sheet date. This provision has been recalculated in accordance with guidance issued by the funding bodies.

15 Cash and cash equivalents (Group)

	At 1 August 2021 £'000	Cash flows £'000	At 31 July 2022 £'000
Cash and cash equivalents	2,572	(184)	2,388
Total	<u>2,572</u>	<u>(184)</u>	<u>2,388</u>

16 Capital and other commitments

	Group and College 2022 £'000	2021 £'000
Commitments contracted for at 31 July	<u>823</u>	<u>585</u>
	823	585

A CIF Bid was successful in July 2022 in relation to Fire Door Improvements. Work started in August 2022 and is due to be completed in October 2022. A T-Level bid was also successful for the refurbishment of the ground floor of Xavier. Work is commencing in October 2022 and is scheduled to be completed by March 2023.

17 Lease Obligations

At 31 July the College had minimum lease payments under non-cancellable operating leases as follows:

	Group and College 2022 £'000	2021 £'000
Future minimum lease payments due		
Land and Buildings		
Not later than one year	-	4
Later than one year and not later than five years	-	-
Later than five years	-	-
	<u>-</u>	<u>4</u>

St Francis Xavier 6th Form College

Year Ended 31 July 2022

Notes to the Financial Statements

18 Pension and similar obligations

The College's employees belong to two principal pension schemes, the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Barnett Waddingham. Both are defined-benefit schemes.

Total pension cost for the year	2022 £000	2021 £000
Teachers Pension Scheme: contributions paid	695	654
Local Government Pension Scheme:		
Contributions paid	220	225
FRS102 (28) charge	536	489
Charge to the General Reserve (Staff costs)	756	714
Total pension cost for the year	1,451	1,368

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial formal valuation of the TPS was 31 March 2016 and of the LGPS, 31 March 2016.

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

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools, colleges and other educational establishments. Membership is automatic for teachers and lecturers at eligible institutions. Teachers and lecturers are able to opt out of the TPS.

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

Under the definitions set out in FRS 102 (28.11), the TPS is a multi-employer pension plan. The Academy Trust is unable to identify its share of the underlying assets and liabilities of the plan.

Accordingly, the College has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined-contribution plan. The College has set out above the information available on the plan and the implications for the College in terms of the anticipated contribution rates.

The valuation of the TPS is carried out in line with regulations made under the Public Service Pension Act 2013.

Valuations credit the teachers' pension account with a real rate of return assuming funds are invested in notional investments that produce that real rate of return.

The latest actuarial review of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education (DfE) in April 2019. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196 billion, giving a notional past service deficit of £22 billion.

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/19). The Department for Education has agreed to pay a teacher pension employer contribution grant to cover the additional costs during the 2019/20 academic year.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website.

St Francis Xavier 6th Form College

Year Ended 31 July 2022

Notes to the Financial Statements

18 Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

The pension costs paid to TPS in the year amounted to £695,000 (2020: £654,000).

FRS 102 (28)

Under the definitions set out in FRS 102 (28.11), the TPS is a multi-employer pension plan. The College is unable to identify its share of the underlying assets and liabilities of the plan.

Accordingly, the College has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined-contribution plan. The College has set out above the information available on the plan and the implications for the College in terms of the anticipated contribution rates.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee administered funds. The total contribution made for the year ended 31 July 2022 was £299,000 (2021- £301,000) of which employers' contributions totalled £217,000 (2021 - £218,000) and employees' contributions totalled £82,000 (2021 - £83,000). The agreed contribution rates are 17.3% from April 2020, for employers and 5.5% - 8.5% for employees.

Principle Actuarial Assumptions

The following information is based upon a full actuarial valuation of the Fund at 31 March 2016 updated to 31 July 2022 by a qualified independent actuary.

	At 31 July 2022	At 31 July 2021
Inflation assumption (CPI)	2.80%	2.55%
Rate of increase in salaries	3.80%	3.85%
Rate of increase for pensions in payment/inflation	2.80%	2.85%
Discount rate for liabilities	3.40%	1.60%

Due to high periods of inflation up to 31 July 2022, an adjustment has been made to the year end valuation to account for the estimated impact on the Pension Order Increase due to be implemented from 1 April 2023. The estimated impact of the defined benefit obligation has been recognised as an experience loss, with the charge having been made within the actuarial movement for the year, however is not directly reflected within the listed actuarial assumptions above.

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

	At 31 July 2022	At 31 July 2021
Current pensioners		
. Males	21.2	21.1
. Females	24.8	24.7
Future pensioners		
. Males	21.8	21.7
. Females	25.6	25.6

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

	Approximate increase / (decrease) to to defined benefit obligation (%)	Approximate monetary amount £000
Discount rate -0.1%	2.3%	248
Discount rate +0.1%	-2.2%	-232
Long term salary increase -0.1%	-0.2%	-21
Long term salary increase +0.1%	0.2%	21
Pensions increases and deferred revaluation -0.1%	-2.0%	-212
Pensions increases and deferred revaluation +0.1%	2.0%	217
Life expectancy assumptions -1 year	-3.4%	-367
Life expectancy assumptions +1 year	3.6%	381

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18 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

The College's assets in the scheme were:

	Value at 31 July 2022 £000	Value at 31 July 2021 £000
Equities	5,499	4,993
Target Return Portfolio	2,104	1,948
Infrastructure	1,019	798
Property	951	752
Cash	117	351
Total Market Value of assets	9,690	8,842

The amount included in the balance sheet in respect of the defined benefit pension plan and enhanced pensions benefits is as follows:

	Year ended 31 July 2022 £000	Year ended 31 July 2021 £000
Estimated employer assets	9,690	8,842
Present value of scheme liabilities	(10,702)	(14,719)
Net pensions liability	(1,012)	(5,877)

Amounts recognised in the Statement of Comprehensive Income in respect of the plan are as follows:

	2022 £000	2021 £000
Amounts included in staff costs		
Current service costs	736	701
Total	736	701

Amounts included in investment income

Net interest income	92	73
	92	73

Amount recognised in Other Comprehensive Income

Return on pension plan assets	575	822
Changes in assumptions underlying the present value of plan liabilities	5,697	(1,015)
Changes in demographic assumptions	-	166
Experience gain on defined benefit obligation	(788)	236
Amount recognised in Other Comprehensive Income	5,484	209

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18 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

	2022 £000	2021 £000
Movement in net defined liability during year		
Net defined liability in scheme at 1 August	(5,877)	(5,527)
Movement in year:		
Current service cost	(736)	(701)
Employer contributions	220	225
Net interest on the defined liability	(92)	(73)
Administration expenses	(11)	(10)
Amount recognised in other comprehensive income	5,484	209
Net defined liability in scheme at 31 July	(1,012)	(5,877)

Asset and Liability Reconciliation

	2022 £000	2021 £000
Changes in the present value of defined benefit obligations		
Defined benefit obligation at 1 August	14,719	13,449
Current service cost	736	701
Interest cost	235	180
Contributions by Scheme participants	82	85
Changes in financial assumptions	(5,697)	1,015
Changes in demographic assumptions	-	(166)
Experience gain on defined benefit obligation	788	(236)
Estimated benefits paid	(161)	(309)
Defined benefit obligation at 31 July	10,702	14,719

Reconciliation of assets

	2022 £000	2021 £000
Changes in fair value of plan assets at 1 August	8,842	7,922
Interest on plan assets	143	107
Return on plan assets	575	822
Administration expenses	(11)	(10)
Employer contributions	220	225
Contributions by Scheme participants	82	85
Estimated benefits paid	(161)	(309)
Changes in fair value of plan assets at 31 July	9,690	8,842

St Francis Xavier 6th Form College

Year Ended 31 July 2022

Notes to the Financial Statements

19 Related Party Transactions

Owing to the nature of the College's operations and the composition of the Governing Body being drawn from local public and private sector organisations it is inevitable that transactions will take place with organisations in which a member of the Governing Body may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the College's financial regulations and normal procurement procedures.

The total expenses paid to or on behalf of the Governors

No Governor received any remuneration or waived payments from the College or its subsidiary during the year (2021: none).

20 Amounts disbursed as agent - Learner Support Funds

	2022	2021
	£000	(restated) £000
16-18 bursary grants	147	164
Disbursed to students	(141)	(157)
Administration costs	(6)	(7)
Unspent balance as at 31 July	-	-

Funding body grants are available solely for students. In the majority of instances, the college only acts as a paying agent. In these circumstances, the grants and related disbursements are therefore excluded from the Statement of Comprehensive Income.

21 Events after the reporting period

On 29 November 2022, the Office for National Statistics reclassified all college corporations to Central Government sector with immediate effect. This will mean that colleges will now be subject to the framework for financial management set out in Managing Public Money (MPM) and the Department for Education will introduce new rules for colleges, some of which will take effect immediately.

