

Registered number: 07696989

ST THOMAS MORE HIGH SCHOOL

GOVERNORS REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 AUGUST 2012

**ST THOMAS MORE HIGH SCHOOL
(A Company Limited by Guarantee)**

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The following pages do not form part of the statutory financial statements:

ST THOMAS MORE HIGH SCHOOL
(A Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS
FOR THE PERIOD ENDED 31 AUGUST 2012**

Governors	<p>Mr P Travis, Principal (appointed 7 July 2011, resigned 10 June 2012)³ Mr M Barry, Chair of Governors (appointed 7 July 2011)^{1,3} Mr D Patterson, Vice Chair of Governors (appointed 17 August 2011)^{1,3} Mrs G Ackred, Acting Principal (appointed 7 July 2011)³ Mr V Copeland, Foundation Governor (appointed 9 November 2011)¹ Mr M D'Souza, Foundation Governor (appointed 17 August 2011)¹ Mrs M Foyster, Foundation Governor (appointed 17 August 2011) Father K Hale, Foundation Governor (appointed 17 August 2011) Mr S Ince, Foundation Governor (appointed 7 July 2011)^{1,3} Mr M Lambert, Foundation Governor (appointed 14 November 2011)¹ Mr D Micklewright, Foundation Governor (appointed 17 August 2011)^{1,3} Mr J O'Brien, Foundation Governor (appointed 2 November 2011)¹ Mr J Parsad, Foundation Governor (appointed 7 July 2011)^{1,4} Mrs K Mackenzie, Parent Governor (appointed 1 September 2011)¹ Mrs L Worricker, Parent Governor (appointed 17 August 2011) Mrs C Gradwell, Community Governor (appointed 17 August 2011)³ Mrs L Mason, Teacher Governor (appointed 1 October 2011) Mr K Seaby, Staff Governor (appointed 17 August 2011)³ Mr G Prior, Clerk to the Governors (appointed 7 July 2011)^{2,3} Mrs V Taylor, Community Governor (appointed 19 September 2011, resigned 10 May 2012) Mrs C Duvall, Foundation Governor (appointed 17 August 2011, resigned 8 November 2011) Rt Reverend T McMahon⁴ The Brentwood Diocesan Trust⁴</p> <p>¹ Director of Academy ² Secretary of Academy ³ Member of Finance and General Purpose Committee ⁴ Member / Trustee</p>
Company registered number	07696989
Registered office	Kenilworth Gardens Westcliff On Sea Essex SS0 0BW
Company secretary	Mr G Prior
Chief executive officer	Mrs G Ackred
Auditors	Price Bailey LLP Chartered Accountants Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT

**ST THOMAS MORE HIGH SCHOOL
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FOR THE PERIOD ENDED 31 AUGUST 2012

Advisers (continued)

Bankers

Lloyds TSB
77 High Street
Southend on sea
Essex
SS1 1HT

ST THOMAS MORE HIGH SCHOOL
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GOVERNORS' REPORT
FOR THE PERIOD ENDED 31 AUGUST 2012

The governors present their annual report together with the financial statements and auditors' report for the period ended 31 August 2012. The governors confirm that the annual report and financial statements comply with the current statutory requirements, the requirements of the company's governing document, the Education Funding Agency accounts guidance and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy is a charitable company limited by guarantee and was set up by a Memorandum of Association on 7 July 2011. The Academy converted on 17 August 2011.

St Thomas More High School Academy (the "Charitable Company" or the "Academy") is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are its primary governing documents.

The governors act as the trustees for the charitable activities of the Academy and are also the directors for the purposes of company law.

Member's liability

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

Governors' Indemnities

Governors are covered by indemnity insurance purchased at the Academy's expense to cover the liability of the governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy. Such indemnity will not apply to any act or omission which the governors knew to be a breach of trust or breach of duty or which was committed by the governors in reckless disregard to whether it was a breach of trust or breach of duty or not; nor will such indemnity extend to the costs of any unsuccessful defence to a criminal prosecution brought against the governors in their capacity as directors of the academy trust.

Method's, policies and procedures for recruitment, appointment, induction and training of new governors

Governors are appointed for a fixed term. The Principal is an ex officio member of the governing body. Parent governors and the staff governors are elected to office or appointed if there are insufficient candidates offering themselves for election.

New governors are required to attend a training programme. The induction programme would involve a tour of the school, meetings with students and staff and provision of policy and procedures documents that are appropriate to the role they undertake as governors with particular emphasis on the committee work that they will undertake.

ST THOMAS MORE HIGH SCHOOL
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GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2012

Organisational Structure

The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments. The Leadership Team consists of:

Mr P Travis	The Principal (resigned June 2012)
Mrs G Ackred	Interim Principal (appointed June 2012)
Mr G Mason	Assistant Head Teacher
Mr J Hollingsworth	Assistant Head Teacher
Mr H Hardiman	Assistant Head Teacher
Mrs E Genovese	Acting Assistant Head Teacher (appointed July 2012)
Mrs L Mason	Acting Assistant Head Teacher (appointed July 2012)
Mr G Prior	Director of Finance and Operations

The team control the Academy at an executive level implementing policies and reporting to the Governing Body. The Leadership Team is responsible for the day to day operation of the Academy, in particular organising staff, resources and children. They are responsible for the authorisation of spending within agreed budgets and for the appointment of staff following vetting and safeguarding recruitment process. The Principal is the Accounting Officer.

The full governing body delegates certain of its functions to five committees: The Finance, & General Management Committee, The Every Child Matters Committee, The Personnel Committee, The Pay Committee, and The Health & Safety Committee. These meetings are also attended by members of the Academy's Senior Leadership Team (SLT).

Risk management

The Academy maintains a risk register identifying the major risks to which the Academy is exposed, and identifying actions and procedures to mitigate those risks. This register is approved and monitored by the Finance & General Management Committee. The principal risks facing the Academy at a contextual level are outlined below in the principal risks and uncertainties section; those facing the Academy at an operational level are addressed by its systems and by internal financial and other controls.

The trustees report that the Academy's financial and internal controls conform to guidelines issued by the EFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

Related Parties

Owing to the nature of the Academy's operations and the composition of the board of governors being drawn from local public and private sector organisations, it is inevitable that from time to time transactions will take place with organisations in which a member of the board of governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procedures. The Register of Interests is maintained to identify any potential conflicts which may arise in the execution and management of school business.

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GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2012

OBJECTIVES AND ACTIVITIES

Objects and aims

As set out in the Articles of Association, the academy's object is to advance for the public benefit education in the United Kingdom.

- to establish high quality teaching, learning and assessment;
- to provide a full and diverse curriculum and other activities;
- to provide an environment where every child and every member of staff matters;
- the provision of community facilities.

The governors confirm they have referred to the guidance contained in the Charity Commission's guidance on public benefit.

The governing body had the following main objectives for the period ended 31 August 2012:

- To ensure that, by the dissemination of Gospel values throughout all aspects of school life, pupils will learn the true meaning and value of their spiritual development in the Catholic faith,
- To ensure that each pupil will achieve his or her true potential and attain the highest levels of success of which he/ she is capable and thereby maintain and build upon its good reputation in the community, to the advantage of every pupil,
- To continue the development of all pupils qualities of responsibility, reliability, initiative, loyalty and adventure, and their understanding of the importance of service to others,
- To ensure that pupils will develop an enjoyment of learning for its own sake,
- To provide and develop the opportunities that pupils will be given, and will take, to develop the cultural, intellectual and recreational dimensions of their lives, through continual review and improvement of the curriculum and organisational structure by complying with all statutory requirements and thereby improving the effectiveness of the Academy,
- To ensure that pupils will feel pride in the academy and have a lasting sense of the value and pleasure of their years here,
- To ensure that the academy is a living witness to Christian family values in a materialistic and secular society,
- To maintain close links with parents, Governors, local industry and commerce so that teachers and other staff will find this a stimulating and fulfilling place to work, with a sense of real partnership and involvement,
- To provide value for money for the funds expended.
- To conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.
- To consolidate the Academy's newly acquired academy status and enjoy a smooth transition to new systems and a new compliance framework

**ST THOMAS MORE HIGH SCHOOL
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**GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2012**

ACHIEVEMENTS AND PERFORMANCE

Achievements and performance

The academy measures its success partly through a series of performance indicators. These indicators comprise:

- Academy popularity/admissions
- Examination results and other indicators of student progress
- Staff and department performance monitoring
- Financial Health
- Stakeholder survey outcomes

The Academy converted from Voluntary Aided school status in August 2011 and is one of the most oversubscribed schools in Southend. The academy has a full complement of pupils in Year 7 – 10 with waiting lists for Years 7 – 9.

Examination results for 2012 were very pleasing:

- A record 64% of students achieved 5 GCSE grades A* C including English & Maths; this represents a 3.29% improvement on our 2011 results
- 87% of students achieved 5 GCSE grades A C; this was our highest ever result; this represents a 13.39% improvement on our 2011 results
- 98.13% of Sixth Form students achieved A2's at A* - E; 63.75% achieving grades A* - C.

To ensure standards are continually raised, the Academy:

- Operates a programme of observations of lessons
- Operates a programme of performance reviews
- Tracks and tackles underachievement as indicated by a number of measures (for example, by subject, class, student)
- Consults with an External Adviser (a School Support Partner)

One of the Academy's objectives for the period was to construct a proposal and business case which would persuade the EFA to approve its bid for replacement windows. We are delighted that this bid has now been approved by the EFA.

Going concern

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

FINANCIAL REVIEW

Financial Review

The principal source of funding for the academy is the General Annual Grant (GAG) funding that it receives from the EFA. For the period ended 31 August 2012 the academy received £5,304,850 in GAG funding. A high percentage of this funding is spent on wages and salaries and support costs to deliver the academy's primary objective of the provision of education.

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GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2012

Principal risks and uncertainty

The Academy maintains a risk register identifying the major risks to which the Academy is exposed, and identifying actions and procedures to mitigate those risks. This register is approved and monitored by the Finance, Premises and Staffing Committee. The principal risks facing the Academy at a contextual level are outlined below in the principal risks and uncertainties section; those facing the Academy at an operational level are addressed by its systems and by internal financial and other controls.

The governors report that the Academy's financial and internal controls conform to guidelines issued by the Education Funding Agency (EFA), and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

The governors assess the principal risks and uncertainties facing the Academy as follows:

- **Staff retention:** possibly the biggest single risk to the Academy would lie in its failure to retain key staff – in particular, the principal. However, it is not felt that there are any immediate threats in this regard, and that recent and current developments such as the conversion to academy status and the development of a sixth form will aid retention.
- **Material decrease in income affecting provision:** highly unlikely. The budget for 2011-12 is sound, and the longer-term financial plan shows considerable contingency against unwelcome future developments.
- **Falling rolls:** highly unlikely. Initial response to the conversion to academy status has showed no diminution in student and parental enthusiasm. The school/Academy has been oversubscribed for many years and there is every sign of this continuing. In fact the Academy's increased control over its admissions is leading to efficiencies and optimization of its roll.
- **Staff recruitment:** conversion to academy status has not affected the attractiveness of the Academy to potential new staff, with each vacancy having received a multiple of oversubscribed applications.
- **Bank balances & investments:** there is no significant risk other than an institution ceasing to trade. The Academy is therefore seeking to spread its investment over a number of solid and government backed institutions
- **Debtors:** there are no material debtors.
- **The Academy's cash flow is healthy and long-term financial planning predicts it will remain so.**

Reserves policy

The governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The governors have determined that the appropriate level of free reserves should be equivalent to one month's expenditure (approximately £460k). The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

The restricted pension fund is materially in deficit and plans to eliminate the liability on the Defined Benefit Pension Scheme are set out in note 26 based on the period end actuarial valuation.

Investment policy

The Academy has a policy of investing its cash balances with a view to maximising returns, but where greater weight is assigned to the safety of the investment. The policy aims to invest cash in a mixture of liquid and longer term investments, such that its cash balances and liquid investments at least equal the figure outlined in the reserves policy. Amounts over this figure may be invested in longer term investments. However, it is not envisaged that the Academy should invest in any investment with a redemption period exceeding 8 weeks.

The Academy cash balance at 31 August 2012 exceeded the above level, since the governors had considered certain investment opportunities and decided to seek expert advice before committing to any particular course of action.

In the 2012 13 financial year and following years this policy will be reviewed in line with budget projections..

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GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2012

PLANS FOR FUTURE PERIODS

Plans for the future

The Academy will continue striving to improve the levels of performance of its students at all levels, and will attempt to maintain its recent progress in ensuring the number of students on roll properly reflects the demand for places

The governors intend to enhance and expand facilities in pursuance of the school's commitment to ensure that all students achieve their potential. It is recognised that students with differing abilities and aptitudes will have differing curriculum requirements and that a greater diversity of learning environments will be required to deliver these.

PROVISION OF INFORMATION TO AUDITORS

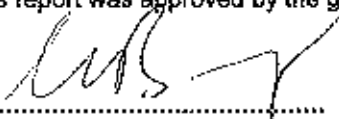
Each of the persons who are governors at the time when this Governors' Report is approved has confirmed that:

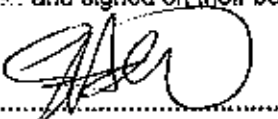
- so far as that governor is aware, there is no relevant audit information of which the Charitable Company's auditors are unaware, and
- that governor has taken all the steps that ought to have been taken as a governor in order to be aware of any information needed by the Charitable Company's auditors in connection with preparing their report and to establish that the Charitable Company's auditors are aware of that information.

AUDITORS

The auditors, Price Bailey LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

This report was approved by the governors on 7/12/2012 and signed on their behalf, by:


.....
Mr M Barry, Chair of Governors


.....
Mrs G Ackred, Principal

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The governing body has delegated the day-to-day responsibility to the Principal, as Accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between St Thomas More High School and the Secretary of State for Education. They are also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Governors' Report and in the Governors' Responsibilities Statement. The governing body has formally met 4 times during the year. Attendance during the year at meetings of the governing body was as follows:

Governor	Meetings attended	Out of a possible
Mr P Travis, Principal	3	3
Mr M Barry, Chair of Governors	4	4
Mr D Patterson, Vice Chair of Governors	3	4
Mrs G Ackred, Acting Principal	4	4
Mr V Copeland, Foundation Governor	3	3
Mr M D'Souza, Foundation Governor	2	4
Mrs M Foyster, Foundation Governor	3	4
Father K Hale, Foundation Governor	3	4
Mr S Ince, Foundation Governor	2	4
Mr M Lambert, Foundation Governor	3	3
Mr D Mickiewright, Foundation Governor	3	4
Mr J O'Brien, Foundation Governor	1	3
Mr J Parsad, Foundation Governor	2	4
Mrs K Mackenzie, Parent Governor	4	4
Mrs L Worricker, Parent Governor	4	4
Mrs C Gradwell, Community Governor	3	4
Mrs L Mason, Teacher Governor	3	3
Mr K Seaby, Staff Governor	4	4
Mr G Prior, Clerk to the Governors	4	4
Mrs V Taylor, Community Governor	3	3
Mrs C Duvall, Foundation Governor	1	2
Rt Reverend T McMahon	0	0
The Brentwood Diocesan Trust	0	0

There was a change of head in April 2012 when Mr P Travis was replaced by an interim head Mrs G Ackred.

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GOVERNANCE STATEMENT (continued)

The **Finance and General Management Committee** is a sub-committee of the main governing body. Its purpose is to address financial matters.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Mr P Travis, Head Teacher	2	2
Mr M Barry, Chair of Governors	3	3
Mr D Patterson, Vice Chair of Governors	2	3
Mrs G Ackred, Acting Head Teacher	1	1
Mr S Ince, Foundation Governor	1	3
Mr D Micklewright, Foundation Governor	2	3
Mrs C Gradwell, Community Governor	3	3
Mr K Seaby, Staff Governor	3	3
Mr G Prior, Clerk to the Governors	3	3

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in St Thomas More High School for the period ended 31 August 2012 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The governing body has reviewed the key risks to which the academy 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 academy's significant risks that has been in place for the period ending 31 August 2012 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governing body.

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the governing body;
- regular reviews by the Finance and General Management Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The governing body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed an external Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. On a quarterly basis, the RO reports to the governing body on the operation of the systems of control and on the discharge of the governing body's financial responsibilities.

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GOVERNANCE STATEMENT (continued)

REVIEW OF EFFECTIVENESS

As Accounting officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

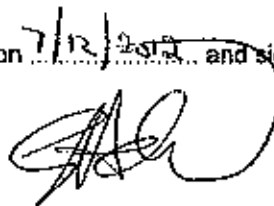
- the work of the RO;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.
- The work of the finance committee.
- The work of the full Governing body.

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

Approved by order of the members of the governing body on 7/12/2012 and signed on their behalf, by:



Mr M Barry, Chair of Governors



Mrs G Ackred, Principal

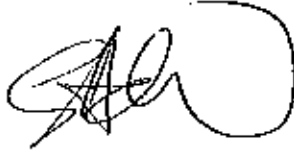
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting officer of St Thomas More High School I have considered my responsibility to notify the academy governing body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.

A handwritten signature in black ink, appearing to be 'G Ackred', written over a horizontal line.

Mrs G Ackred, Principal

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GOVERNORS' RESPONSIBILITIES STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2012

The Governors (who act as trustees for charitable activities of St Thomas More High School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with the Annual Accounts Requirements issued by the EFA, United Kingdom Accounting Standards (UKGAAP) and applicable law and regulations.

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Governors are required to:

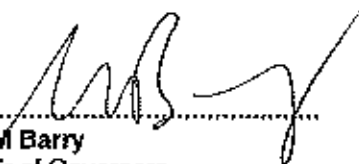
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities Statement of Recommended Practice (SORP);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UKGAAP Accounting Standards have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

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

The Governors are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/Department for Education have been applied for the purposes intended.

The Governors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the governing body on 7/12/2012 and signed on its behalf by:


.....
Mr M Barry
Chair of Governors

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST THOMAS MORE HIGH SCHOOL

We have audited the financial statements of St Thomas More High School for the period ended 31 August 2012 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2011/12 issued by the Education Funding Agency.

This report is made solely to the academy's members, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the academy's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITORS

As explained more fully in the Governors' Responsibilities Statement, the Governors (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

The Governors have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditors under section 144 of the Charities Act 2011 and report to you in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the academy's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Governors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Governors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2012 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Annual Accounts Direction 2011/12 issued by the Education Funding Agency.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST THOMAS MORE HIGH SCHOOL

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Governors' Report is inconsistent in any material respect with the financial statements; or
- the academy has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.



Mr Gary Miller (Senior statutory Auditor)

for and on behalf of
Price Bailey LLP

Chartered Accountants
Statutory Auditors

Causeway House
1 Dane Street
Bishop's Stortford
Hertfordshire
CM23 3BT

Date: 20/12/2012

Price Bailey LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

ST THOMAS MORE HIGH SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' ASSURANCE REPORT ON REGULARITY TO ST THOMAS MORE HIGH SCHOOL AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 17 October 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies: Accounts Direction 2011/12, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St Thomas More High School during the period 7 July 2011 to 31 August 2012 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to St Thomas More High School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to St Thomas More High School and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than St Thomas More High School and the EFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF ST THOMAS MORE HIGH SCHOOL'S ACCOUNTING OFFICER AND THE AUDITORS

The Accounting officer is responsible, under the requirements of St Thomas More High School's funding agreement with the Secretary of State for Education dated 17 August 2011, and the Academies Financial Handbook as published by DfES in 2012, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies: Accounts Direction 2011/12. The Governors have elected for the financial statements not to be audited in accordance with the Companies Act 2006. Accordingly 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 7 July 2011 to 31 August 2012 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies: Accounts Direction 2011/12 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

ST THOMAS MORE HIGH SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' ASSURANCE REPORT ON REGULARITY TO ST THOMAS MORE HIGH
SCHOOL AND THE EDUCATION FUNDING AGENCY (continued)**

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 7 July 2011 to 31 August 2012 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Price Bailey LLP

Chartered Accountants
Statutory Auditors

Causeway House
1 Dane Street
Bishop's Stortford
Hertfordshire
CM23 3BT

Date: 21/12/12

ST THOMAS MORE HIGH SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account and Statement of Recognised Gains and Losses)
FOR THE PERIOD ENDED 31 AUGUST 2012

	Note	Unrestricted funds 2012 £	Restricted funds 2012 £	Restricted fixed asset funds 2012 £	Total funds 2012 £
INCOMING RESOURCES					
Incoming resources from generated funds:					
Assets transferred on conversion to Academy	3	601,477	(1,351,267)	305,051	(444,739)
Other voluntary income	3	122,984	213,267	-	336,251
Activities for generating funds	4	248,418	286,822	-	535,240
Incoming resources from charitable activities	5	-	5,635,259	18,344	5,653,603
Other incoming resources	6	11,119	18,181	-	29,300
TOTAL INCOMING RESOURCES		983,998	4,802,262	323,395	6,109,655
RESOURCES EXPENDED					
Charitable activities	11	233,745	5,873,365	78,766	6,185,876
Governance costs	7	-	22,147	-	22,147
TOTAL RESOURCES EXPENDED	10	233,745	5,895,512	78,766	6,208,023
NET INCOMING RESOURCES / (RESOURCES EXPENDED) BEFORE REVALUATIONS		750,253	(1,093,250)	244,629	(98,368)
Actuarial gains and losses on defined benefit pension schemes		-	(276,000)	-	(276,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		750,253	(1,369,250)	244,629	(374,368)
Total funds at 7 July 2011		-	-	-	-
TOTAL FUNDS AT 31 AUGUST 2012		750,253	(1,369,250)	244,629	(374,368)

All activities relate to continuing operations.

The Statement of Financial Activities includes all gains and losses recognised in the period.

The notes on pages 21 to 37 form part of these financial statements.

ST THOMAS MORE HIGH SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07696989


BALANCE SHEET
AS AT 31 AUGUST 2012

	Note	£	2012 £
FIXED ASSETS			
Tangible assets	17		244,629
CURRENT ASSETS			
Debtors	18	29,710	
Cash at bank and in hand		863,266	
		892,976	
CREDITORS: amounts falling due within one year	19	(43,973)	
NET CURRENT ASSETS			849,003
TOTAL ASSETS LESS CURRENT LIABILITIES			1,093,632
Defined benefit pension scheme liability	25		(1,468,000)
NET LIABILITIES INCLUDING PENSION SCHEME LIABILITIES			(374,368)
FUNDS OF THE ACADEMY			
Restricted funds:			
Restricted funds	20	98,750	
Restricted fixed asset funds	20	244,629	
		343,379	
Restricted funds excluding pension liability			
Pension reserve		(1,468,000)	
Total restricted funds			(1,124,621)
Unrestricted funds	20		750,253
TOTAL DEFICIT			(374,368)

The Governors consider that the academy is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the academy to obtain an audit for the period in question in accordance with section 476 of the Act. However, an audit is required in accordance with section 144 of the Charities Act 2011.

The Governors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The financial statements were approved by the Governors, and authorised for issue, on 7/12/2012 and are signed on their behalf, by:



 Mr M Barry, Chair of Governors



 Mrs G Ackred, Principal

The notes on pages 21 to 37 form part of these financial statements.

ST THOMAS MORE HIGH SCHOOL
(A Company Limited by Guarantee)

CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2012

	Note	Period ended 31 August 2012 £
Net cash flow from operating activities	22	881,610
Capital expenditure and financial investment		(18,344)
INCREASE IN CASH IN THE PERIOD		<u>863,266</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE PERIOD ENDED 31 AUGUST 2012

	Period ended 31 August 2012 £
Increase in cash in the period	<u>863,266</u>
MOVEMENT IN NET FUNDS IN THE PERIOD	<u>863,266</u>
NET FUNDS AT 31 AUGUST 2012	<u>863,266</u>

The notes on pages 21 to 37 form part of these financial statements.

ST THOMAS MORE HIGH SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction issued by the EFA, applicable accounting standards and the Companies Act 2006.

1.2 Company status

The academy is a company limited by guarantee. Those members who are governors are noted on page 1. In the event of the academy being wound up, the liability in respect of the guarantee is limited to £10 per member of the academy.

1.3 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy at the discretion of the Governors.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the DfE where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the DfE.

1.4 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the academy is legally entitled to the income and the amount can be quantified with reasonable accuracy.

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

The value of donated services and gifts in kind provided to the academy are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy's policies.

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

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

ST THOMAS MORE HIGH SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012

1. ACCOUNTING POLICIES (continued)

1.5 Resources expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities are costs incurred in the furtherance of the academy's primary objectives..

Governance costs include the costs attributable to the academy's compliance with constitutional and statutory requirements, including audit, strategic management and Governors' meetings and reimbursed expenses.

Where an expense is deemed to be for business purposes i.e. not in relation to the academy's charitable purpose, the expenditure this relates to will include irrecoverable VAT.

1.6 Going concern

The Governors assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The Governors make this assessment in respect of a period of 12 months from the date of approval of the financial statements.

1.7 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and are carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy's depreciation policy.

The policy with respect to impairment reviews of fixed assets is ...

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures and fittings	-	10 years straight line
Kitchen equipment	-	3 years straight line
Computer equipment	-	3 years straight line

1.8 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

ST THOMAS MORE HIGH SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012

1. ACCOUNTING POLICIES (continued)

1.9 Taxation

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

1.10 Pensions

Retirement benefits to employees of the academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ("SERPS"), and the assets are held separately from those of the academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 25, the TPS is a multi-employer scheme and the academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on the settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

ST THOMAS MORE HIGH SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012

2. GENERAL ANNUAL GRANT (GAG)

	2012 £
Result and carry forward for the year	
GAG allocation for current year	5,321,886
Total GAG available to spend	5,321,886
Recurrent expenditure from GAG	(5,200,990)
GAG carried forward to next year	120,896
Maximum permitted GAG carried forward at end of current year (12% allocation for current year)	(638,626)
GAG to surrender to DfE	(517,730)
(12% rule breached if result is positive)	No breach

3. OTHER VOLUNTARY INCOME

	Unrestricted funds 2012 £	Restricted funds 2012 £	Total funds 2012 £
Assets transferred on conversion to Academy	601,477	(1,046,216)	(444,739)
Donations	122,984	213,267	336,251
Voluntary income	724,461	(832,949)	(108,488)

4. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2012 £	Restricted funds 2012 £	Total funds 2012 £
Lettings	20,203	-	20,203
Catering	205,782	-	205,782
Educational Income	-	286,822	286,822
Other non-trading income	22,433	-	22,433
	248,418	286,822	535,240

ST THOMAS MORE HIGH SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2012 £	Restricted funds 2012 £	Total funds 2012 £
Provision of Education	-	5,653,603	5,653,603
	<u> </u>	<u> </u>	<u> </u>

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2012 £	Restricted funds 2012 £	Total funds 2012 £
DfE/EFA revenue grant			
General Annual Grant (GAG)	-	5,304,850	5,304,850
Other DfE / EFA Grants	-	86,687	86,687
Local Authority Grants	-	262,066	262,066
	<u> </u>	<u> </u>	<u> </u>
	-	5,653,603	5,653,603
	<u> </u>	<u> </u>	<u> </u>

6. OTHER INCOMING RESOURCES

	Unrestricted funds 2012 £	Restricted funds 2012 £	Total funds 2012 £
Other income	11,119	18,181	29,300
	<u> </u>	<u> </u>	<u> </u>

7. GOVERNANCE COSTS

	Unrestricted funds 2012 £	Restricted funds 2012 £	Total funds 2012 £
Governance Auditors' remuneration	-	9,250	9,250
Governance Auditors' non audit costs	-	500	500
Governance Professional fees	-	12,397	12,397
	<u> </u>	<u> </u>	<u> </u>
	-	22,147	22,147
	<u> </u>	<u> </u>	<u> </u>

ST THOMAS MORE HIGH SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012

8. DIRECT COSTS

	Total 2012 £
Pension income	58,000
Educational Supplies	379,714
Staff Development	25,451
Catering	86,232
Other costs	181,012
Wages and salaries	2,285,627
National insurance	184,957
Pension cost	277,035
	3,478,028
Subtotal	3,478,028
Other direct costs	(1)
	3,478,027

9. SUPPORT COSTS

	Total 2012 £
Educational supplies	175,503
Examination fees	117,489
Staff development	4,189
Maintenance of premises & equipment	430,016
Occupancy costs	309,136
Catering	126,390
Professional fees	33,061
Printing, postage and stationery	37,172
Other costs	146,148
Recruitment costs	21,006
Vehicle costs	12,005
Teaching and educational support services	1,011,241
National insurance	87,649
Pension cost	138,079
Depreciation	78,766
	2,707,848
Subtotal	2,707,848
Other support costs	1
	2,707,849

ST THOMAS MORE HIGH SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012

10. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2012 £	Depreciation 2012 £	Other costs 2012 £	Total 2012 £
Provision of Education	3,964,588	78,766	2,142,522	6,185,876
Governance	-	-	22,147	22,147
	<u>3,964,588</u>	<u>78,766</u>	<u>2,164,669</u>	<u>6,208,023</u>

11. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly 2012 £	Support costs 2012 £	Total 2012 £
Provision of Education	<u>3,478,027</u>	<u>2,707,849</u>	<u>6,185,876</u>

12. NET INCOMING RESOURCES / (RESOURCES EXPENDED)

This is stated after charging:

	Period ended 31 August 2012 £
Depreciation of tangible fixed assets:	
- owned by the charity	78,766
Auditors' remuneration	9,250
Governance Internal audit costs	-
	<u> </u>

During the period, no Governors received any benefits in kind.

During the period, no Governors received any reimbursement of expenses.

ST THOMAS MORE HIGH SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012

13. STAFF COSTS

Staff costs were as follows:

	Period ended 31 August 2012 £
Wages and salaries	3,296,868
Social security costs	252,606
Other pension costs (Note 25)	415,114
	3,964,588
	3,964,588

The average number of persons (including the senior management team) employed by the academy during the period expressed as full time equivalents was as follows:

	Period ended 31 August 2012 No.
Teaching	53
Administration & Support	85
Management	6
	144
	144

The number of employees whose emoluments fell within the following bands was:

	Period ended 31 August 2012 No.
In the band £70,001 - £80,000	1
In the band £80,001 - £90,000	2
In the band £100,001 - £200,000	1
	4
	4

14. GOVERNORS' REMUNERATION

The academy is following the guidance in the EFA's note 'Disclosure in Academy Trusts 2011/12 Financial Statements of remuneration of Trustees who are Staff Governors – October 2012', where disclosure of the remuneration paid to staff governors who are not trustees is not required. For the purposes of this disclosure trustees are those governors who are signatories to the Memorandum of Association.

In the period ended 31 August 2012 the Chief Executive Officer's remuneration was £102,208 (this amount includes the Academy's contribution to the Teachers Pension Scheme).

ST THOMAS MORE HIGH SCHOOL
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012**

15. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the period ended 31 August 2012 was £686.

The cost of this insurance is included in the total insurance cost.

16. OTHER FINANCE INCOME

	Period ended 31 August 2012 £
Expected return on pension scheme assets	28,000
Interest on pension scheme liabilities	(86,000)
	(58,000)

17. TANGIBLE FIXED ASSETS

	Freehold land £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
Additions	-	3,644	14,700	18,344
Transfers intra group	213,267	28,204	63,580	305,051
At 31 August 2012	213,267	31,848	78,280	323,395
Depreciation				
Charge for the period	30,467	11,996	36,303	78,766
At 31 August 2012	30,467	11,996	36,303	78,766
Net book value				
At 31 August 2012	182,800	19,852	41,977	244,629

The school owns 5 acres of land, which has been included in the accounts at nil value.

The land and buildings have been included in the accounts based on the valuation provided by the governors using depreciated replacement cost. Governors do not believe that the cost of obtaining a more detailed valuation outweighs the benefit.

The land and buildings at Kenilworth Gardens where the school is based are owned by the Diocese of Brentwood and have not been included in the fixed asset valuation.

ST THOMAS MORE HIGH SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012

18. DEBTORS

	2012 £
Other debtors	29,710
	29,710

19. CREDITORS:
Amounts falling due within one year

	2012 £
Trade creditors	2,535
Other creditors	12,060
Accruals and deferred income	29,378
	43,973
Deferred income	£
Formula capital income	12,059
	12,059

20. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds					
Unrestricted donations income	-	122,984	(122,984)	-	-
Unrestricted music income	-	3,695	(3,695)	-	-
Unrestricted lettings income	-	20,203	(20,203)	-	-
Unrestricted catering income	-	205,782	(205,782)	-	-
Unrestricted investment income	-	1,033	(1,033)	-	-
Other unrestricted income	-	630,301	97,805	-	728,106
Other General funds	-	-	22,147	-	22,147
	-	983,998	(233,745)	-	750,253

ST THOMAS MORE HIGH SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012

20. STATEMENT OF FUNDS (continued)

Restricted funds

	Brought Forward £	Incoming resources £	Resources Expended £	Gains/ (Losses) £	Carried Forward £
General Annual Grant (GAG)	-	5,321,887	(5,200,990)	-	120,897
Restricted trip donations	-	286,822	(286,822)	-	-
Other government grants	-	68,687	(68,687)	-	-
Special Educational Needs (SEN)	-	101,853	(101,853)	-	-
Pupil premium funding	-	41,026	(41,026)	-	-
Other restricted	-	119,987	(119,987)	-	-
Pension reserve	-	(1,138,000)	(54,000)	(276,000)	(1,468,000)
Other Restricted funds	-	-	(22,147)	-	(22,147)
	<u>-</u>	<u>4,802,262</u>	<u>(5,895,512)</u>	<u>(276,000)</u>	<u>(1,369,250)</u>

Restricted fixed asset funds

Restricted Fixed Asset Funds - all funds	-	305,051	(60,422)	-	244,629
Capital grant	-	18,344	(18,344)	-	-
	<u>-</u>	<u>323,395</u>	<u>(78,766)</u>	<u>-</u>	<u>244,629</u>
Total restricted funds	<u>-</u>	<u>5,125,657</u>	<u>(5,974,278)</u>	<u>(276,000)</u>	<u>(1,124,621)</u>
Total of funds	<u>-</u>	<u>6,109,655</u>	<u>(6,208,023)</u>	<u>(276,000)</u>	<u>(374,368)</u>

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Gains/ (Losses) £	Carried Forward £
General funds	-	983,998	(233,745)	-	750,253
Restricted funds	-	4,802,262	(5,895,512)	(276,000)	(1,369,250)
Restricted fixed asset funds	-	323,395	(78,766)	-	244,629
	<u>-</u>	<u>6,109,655</u>	<u>(6,208,023)</u>	<u>(276,000)</u>	<u>(374,368)</u>

ST THOMAS MORE HIGH SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2012 £	Restricted funds 2012 £	Restricted fixed asset funds 2012 £	Total funds 2012 £
Tangible fixed assets	-	-	244,629	244,629
Current assets	728,106	164,870	-	892,976
Creditors due within one year	-	(43,973)	-	(43,973)
Provisions for liabilities and charges	-	(1,468,000)	-	(1,468,000)
Difference	22,147	(22,147)	-	-
	<u>750,253</u>	<u>(1,369,250)</u>	<u>244,629</u>	<u>(374,368)</u>

22. NET CASH FLOW FROM OPERATING ACTIVITIES

	Period ended 31 August 2012 £
Net incoming resources before revaluations	(98,368)
Net assets transferred on conversion	(305,051)
Depreciation of tangible fixed assets	78,766
Increase in debtors	(29,710)
Increase in creditors	43,973
FRS 17 adjustments	1,192,000
Net cash inflow from operations	<u>881,610</u>
	Period ended 31 August 2012 £
Capital expenditure and financial investment	
Purchase of tangible fixed assets	<u>(18,344)</u>

23. ANALYSIS OF CHANGES IN NET DEBT

	7 July 2011 £	Cash flow £	Other non-cash changes £	31 August 2012 £
Cash at bank and in hand:	-	863,266	-	863,266
Net funds	<u>-</u>	<u>863,266</u>	<u>-</u>	<u>863,266</u>

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24. CONVERSION TO AN ACADEMY TRUST

On 1 August 2011 St Thomas More High School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to St Thomas More High School from Essex County Council for £Nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate headings with a corresponding net amount recognised in the Statement of Financial Activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
- Other tangible fixed assets	-	-	91,784	91,784
Budget surplus/(deficit) on LA funds	601,477	-	-	601,477
LGPS pension surplus/(deficit)	-	(1,138,000)	-	(1,138,000)
Net assets/(liabilities)	601,477	(1,138,000)	91,784	(444,739)

The above net assets include £601,477 that were transferred as cash.

25. PENSION COMMITMENTS

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS 31 March 2010.

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

Teachers' Pension Scheme

The Teachers' Pension Scheme ("TPS") is a statutory, contributory, defined benefit scheme. The regulations under which the TPS operates are the Teachers' Pensions Regulations 2010.

Although teachers and lecturers are employed by various bodies, their retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament. Under the unfunded TPS, teachers' contributions on a 'pay as you go' basis, and employers' contributions are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account has been credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in

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25. PENSION COMMITMENTS (continued)

notional investments that produce that real rate of return.

The Government Actuary ('GA'), using normal actuarial principles, conducts formal actuarial reviews of the TPS. The aim of the reviews is to specify the level of future contributions.

The contribution rate paid into the TPS is assessed in two parts. First, a standard contribution rate ('SCR') is determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial investigation, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

The last valuation of the TPS related to the period 1 April 2001 - 31 March 2004. The GA's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £166,500 millions. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 millions. The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 1.5%. The assumed gross rate of return is 6.5%.

As from 1 January 2007, and as part of the cost sharing agreement between employers' and teachers' representatives, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable. The cost-sharing agreement also introduced - effective for the first time for the 2008 valuation - a 14% cap on employer contributions payable.

From 1 April 2012 to 31 March 2013, the employee contribution rate will range between 6.4% and 8.8%, depending on a member's Full Time Equivalent salary. Further changes to the employee contribution rate will be applied in 2013-14 and 2014-15.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. Many of these are being discussed in the context of the design for a reformed TPS and scheme valuations are, therefore, currently suspended. The Government, however, has set out a future process for determining the employer contribution rate under the new scheme, and this process will involve a full actuarial valuation.

Under the definitions set out in Financial Reporting Standard (FRS17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme and the implications for the academy in terms of the anticipated contribution rates.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2012 was £174,000, of which employer's contributions totalled £135,000. The agreed contribution rate for future years are 12.3% for employers and 5.5-7.5% for employees.

As described in note 24 the LGPS obligation relates to the employees of the academy, who were the

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25. PENSION COMMITMENTS (continued)

employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy at the balance sheet date.

The amounts recognised in the Balance Sheet are as follows:

	Period ended 31 August 2012 £
Present value of funded obligations	(2,012,000)
Fair value of scheme assets	544,000
	(1,468,000)
Net liability	(1,468,000)

The amounts recognised in the Statement of Financial Activities are as follows:

	Period ended 31 August 2012 £
Current service cost	(131,000)
Interest on obligation	(86,000)
Expected return on scheme assets	28,000
	(189,000)
Total	(189,000)
Actual return on scheme assets	33,000

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

	Period ended 31 August 2012 £
Current service cost	131,000
Interest cost	86,000
Contributions by scheme participants	39,000
Actuarial Losses	281,000
Benefits paid	(12,000)
Present value of defined benefit obligation on conversion	1,487,000
	2,012,000
Closing defined benefit obligation	2,012,000

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25. PENSION COMMITMENTS (continued)

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

	Period ended 31 August 2012 £
Expected return on assets	28,000
Actuarial gains and (losses)	5,000
Contributions by employer	135,000
Contributions by employees	39,000
Benefits paid	(12,000)
Fair value of scheme assets on conversion	349,000
	544,000

The cumulative amount of actuarial gains and losses recognised in the Statement of Total Recognised Gains and Losses was £276,000 loss.

The academy expects to contribute £138,000 to its Defined Benefit Pension Scheme in 2013.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2012
Equities	68.00 %
Gifts	6.00 %
Other bonds	9.00 %
Property	13.00 %
Cash	4.00 %

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	2012
Discount rate for scheme liabilities	3.90 %
Expected return on scheme assets at 31 August	5.20 %
Rate of increase in salaries	3.70 %
Rate of increase for pensions in payment / inflation	1.90 %
Inflation assumption (CPI)	1.90 %
Inflation assumption (RPI)	2.70 %

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

	2012
Retiring today	
Males	22.7
Females	25.3
Retiring in 20 years	
Males	24.1
Females	26.8

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25. PENSION COMMITMENTS (continued)

Amounts for the current period are as follows:

Defined benefit pension schemes

	2012 £
Defined benefit obligation	(2,012,000)
Scheme assets	544,000
	(1,468,000)
Deficit	(1,468,000)
Experience adjustments on scheme assets	5,000

26. OPERATING LEASE COMMITMENTS

At 31 August 2012 the academy had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2012 £	Other 2012 £
Expiry date:		
Within 1 year	-	9,744
Between 2 and 5 years	-	60,000
	-	69,744

27. RELATED PARTY TRANSACTIONS

During the year the company made payments of £5,905 to D W Micklewright, a foundation governor.

The amount due from them at the year end was £ NIL.

The premises that the Academy uses to fulfil its charitable objectives is owned by the Brentwood Roman Catholic Diocese a member of the Academy. The Academy has not entered into a long term lease and does not pay rent for the use of land and buildings. A gift in kind in relation to this arrangement has not been recognised in the Statement of Financial Activities as the governors do not consider that the benefit can be reasonably quantified or measured.

28. CONTROLLING PARTY

The academy is under the control of the board of governors.

