

**ST THOMAS MORE HIGH SCHOOL**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2016**

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

**CONTENTS**

	Page
<b>Reference and Administrative Details</b>	1 - 2
<b>Trustees' Report</b>	3 - 8
<b>Governance Statement</b>	9 - 12
<b>Statement on Regularity, Propriety and Compliance</b>	13
<b>Statement of Trustees' Responsibilities</b>	14
<b>Independent Auditors' Report on the Financial Statements</b>	15 - 16
<b>Independent Reporting Accountant's Assurance Report on Regularity</b>	17 - 18
<b>Statement of Financial Activities Incorporating Income and Expenditure Account</b>	19
<b>Balance Sheet</b>	20
<b>Statement of Cash Flows</b>	21
<b>Notes to the Financial Statements</b>	22 - 37

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

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS, TRUSTEES AND  
ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2016**

<b>Members</b>	Mr M Barry Rt. Reverend A Williams The Brentwood Diocesan Trust
<b>Trustees</b>	Mr M Barry, Chair of Governors (resigned 31 October 2015) Mr J Foster, Chair of Governors Mrs G Ackred, Principal Mr V Copeland, Foundation Governor (resigned 15 November 2015) Mr D Micklewright, Foundation Governor Mr J O'Brien, Foundation Governor Mr J Parsad, Foundation Governor Fr J Woolnough, Foundation Governor Mr A Juniper, Foundation Governor (appointed 25 June 2015) Mr S Mason, Foundation Governor (appointed 25 June 2015) Mr F Keenan, Foundation Governor Ms S Jones, Parent Governor Mrs A Kwasnica, Parent Governor (appointed 1 November 2014) Mrs C Gradwell, Community Governor Ms S Turrell, Staff Governor Rt. Reverend A Williams The Brentwood Diocesan Trust Mr A Crowley, Foundation Governor (appointed 21 September 2015) Mrs N Cashell, Foundation Governor (appointed 29 September 2016)
<b>Company registered number</b>	07696989
<b>Company name</b>	St Thomas More High School
<b>Registered and principal office</b>	Kenilworth Gardens Westcliff On Sea Essex SS0 0BW
<b>Company Secretary</b>	Mr G Prior (Clerk to the Governors)
<b>Chief Executive Officer</b>	Mrs G Ackred
<b>Senior Leadership Team</b>	Mrs G. Ackred, Headteacher Mr P. Maxfield, Deputy Headteacher Ms E. Corr, Director of Learning i/c of 6th Form Mr M. Hardiman, Director of Learning i/c of Pupil Achievement Mr J. Hollingsworth, Director of Learning i/c of Teaching & Learning Mr G. Mason, Director of Learning i/c of Behaviour & Safety Mr G. Prior, Director of Finance & Operations Mrs C. Webb, Director of Religious life
<b>Independent Auditors</b>	Price Bailey LLP Chartered Accountants Statutory Auditors Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT

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

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**Advisers (continued)**

**Bankers**

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

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

**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

The Trustees present their Annual Report together with the financial statements and Auditor's Report of St Thomas More High School (The Charitable Company, the Academy, or the Trust) for the year ended 31 August 2016. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Trust operates an Academy School for pupils aged 11 to 18 It has a pupil capacity of 1,050 and had a roll of 1,027 in the 2016 school census.

**Structure, Governance and Management**

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 Trustees of The Charitable Company are also the Directors for the purposes of company law. The terms Trustee, Director and Governor are interchangeable. The Charitable Company is known as St Thomas More High School (the School).

Details of the Trustees who served during the year are included in the Reference and Administrative Details section.

**Members' Liability**

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

**Trustees and Officers' Indemnities**

The Academy Trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and Officers indemnity element from the overall cost of the RPA scheme.

**Method of Recruitment and Appointment or Election of Trustees**

The arrangements are as set out in the Articles and Funding Agreement.

Trustees are appointed for a fixed term. The Headteacher is an ex officio member of the Governing Body. Parent Trustees and the staff Trustees are elected to office or appointed if there are insufficient candidates offering themselves for election. The Articles of Association make provision for 17 Trustees comprising of; 11 Foundation; 2 Parents; 2 Community; 1 Staff plus the Headteacher.

**Method of recruitment and appointment or election of Trustees**

- Parent Trustees are appointed by election of parents of students attending the Academy.
- Foundation Trustees are appointed by the Diocesan Bishop.
- Staff Trustees are appointed by election of staff employed by the Academy.
- Community (as per Article 51 of the Articles of Association) Trustees are appointed by the Board of Trustees.
- Co Opted Trustees may be appointed by those Trustees who are not themselves co opted Trustees.
- The Headteacher automatically becomes an ex officio Trustee.
- Further Trustees may be appointed by the Secretary of State.

**Policies and Procedures adopted for the induction and training of Trustees**

As there are only normally a handful (one or two) new Trustees in a year and as the backgrounds of individual Trustees differs hugely, induction is via external formal training sessions plus informal induction tailored to the needs of the individual. Where necessary, training will be provided on educational legal and financial matters. All new Trustees will be given a tour of the School and the chance to meet with staff and students.

All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees.

**Organisational Structure**

The governance of the Academy is defined in the Memorandum and Articles of Association together with the funding agreement with the Department of Education.

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

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

The Board of Trustees, which meets on at least 3 occasions per year, is responsible for the strategic direction of the Academy. The Board of Trustees reviews progress towards educational objectives and results. They also approve major expenditure requests, set the budget for the following year, and set the organisational staffing structure, agree the performance objectives of the Headteacher with the School Improvement Partner, and reviews them.

The Headteacher is the designated Accounting Officer of the Academy and has overall responsibility for the day to day financial management of the Charitable Company. The Headteacher has delegated responsibility for low values of expenditure to specific budget holders who are each responsible for managing their own departments within the constraints of their allocated budgets. A system of financial controls is in place to manage this process.

The Headteacher manages the Academy on a daily basis supported by a Senior Leadership Team (SLT). The SLT meets frequently to discuss emerging matters and to help to develop strategies for future development to be put to the Headteacher and the Board of Trustees as required for approval. Each member of the SLT has specific responsibilities to assist the Headteacher to manage certain aspects of the Academy.

**Connected Organisations and Related Parties**

Owing to the nature of the Academy's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a Trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures. Any transactions where the Trustee has a pecuniary interest is only undertaken in accordance with the 'at cost' principle stated in the Academies Financial Handbook.

**Arrangements for setting pay and remuneration of key management personnel**

Pay and remuneration of key management personnel is decided by a variety of contributory factors, such as the school group size, ISR, the pay scales for each role and the level of experience of each staff member. In addition, pay levels may be affected by nationally agreed pay awards, the ability to recruit and retain in post, all of which are in accordance with the Trust's appointment and pay policies.

All amendments to key management's pay and remuneration is approved by the appropriate sub-committee of Trustees.

**Related Parties and other Connected Charities and Organisations**

Owing to the nature of the Trust's operations and the composition of the Board of Trustees 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 members of the Board 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. Any transaction where the Trustee may have a pecuniary interest is only undertaken in accordance with the 'at cost' principle described in the Academies Financial Handbook.

The Trust does not have a formal sponsor.

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

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**Objectives and Activities**

**Objects and Aims**

The principal object and aim of the Charitable Company is the operation of the School to provide free education and care for pupils of different abilities between the ages of 11 and 18.

The Governing Body had the following main objectives for the period ended 31 August 2016:

- 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 their true potential and attain the highest levels of success of which they are capable and thereby maintain and build upon our 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 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; and
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

**Objectives, Strategies and Activities**

During the year the School has worked towards these aims by:

- ensuring that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- emphasising the dissemination Gospel values in all aspects of school life;
- raising the standard of educational progress and attainment of all pupils;
- emphasising the importance of good order, self-discipline, achievement and a proper sense of commitment and purpose;
- encouraging in all pupils a sense of pride in being a member of the school community as well as in the development of their own individual identity;
- making clear its expectations of pupils, staff and parents;
- providing a stimulating and enjoyable range of experiences both curricular and extra curricular;
- providing all staff with training opportunities, especially teaching staff;
- using a careers advisory service to help students obtain employment or move on to higher education;
- improving the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review;
- providing value for money for the funds expended;
- complying with all appropriate statutory and curriculum requirements; and
- conducting the academy's business in accordance with the highest standards of integrity purpose;

Our success in fulfilling our aims can be measured by:

- the popularity of the Academy for admissions in all year groups;
- our examination results and other indicators of student progress;
- staff and department performance monitoring;
- financial Health; and
- stakeholder survey outcomes.

**Public Benefit**

The Trustees believe that by working towards the objects and aims of the School as detailed above, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

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

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**Strategic Report**

**Achievements and Performance**

The Trust continued its mission to ensure that students achieved their potential in public examinations; encouraged a wide range of extra-curricular activities; developed and retained suitable staff and guided students in suitable progression when they left the School.

Specific achievements were as follows:

% achieving 5 or more A\* - C including English and Maths is 62.5%, which we expect to be at about the national average for boys.

Average Capped Point score (Best 8 subjects) is 334.32, which we expect to be at about the national average for boys.

We expect our value added measure of 1016.629 this year to once again be above the national average when compared like for like (boys vs boys).

When compared to the national average our students achieve good results in English and Maths, especially when compared to the achievement of boys nationally.

	2016 National (2015)	National boys only (2015)	St Thomas More boys (2015)
English A* - C %	60.2 (65.4)	52.3 (57.7)	59.6 (76.4)
Maths A* - C %	61 (63.3)	61.3 (63.9)	80.5 (90.3)
Overall A* - C %	66.9	62.4	75.1

**Key Performance Indicators**

The Trustees receive regular information at each committee meeting to enable them to monitor the performance of the School compared to aims, strategies and financial budgets.

As funding is based on pupil numbers this is a key performance indicator. Pupil numbers for 2016 were 1027 against a forecast of 1030.

Another key financial performance indicator is staffing costs as a percentage of total income. For 2015/16 this was 77.2% against expected of 78.7% The Board of Trustees is confident that staffing levels are closely monitored to agreed Full Time Equivalent and staffing structures all approved by the Board.

The Finance and Premises Committee also monitor premises costs to General Annual Grant (GAG) income, capitation spend for curriculum departments to GAG income, total income less grants and cash flow on a regular basis to ensure that the budget is set and managed appropriately. All of the above KPI's were within the parameters set by the Board.

**Going Concern**

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the 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**

The principal source of funding for the Trust is the GAG and other grants that it receives from the Education Funding agency (EFA). For the year ended 31 August 2016 the Trust received £5,156,474 of GAG and other funding. A high percentage of this income is spent on wages and salaries and support costs to deliver the Academy's primary objective of the provision of education. During the year the Trust spent £6,004,949 and transferred £14,768 to support capital new build and improvement projects on the School site. The Academy brought forward from 14/15, £Nil restricted funds and £737,746 unrestricted funding. The carry forward for 15/16 is £Nil restricted funding and £920,528 unrestricted funding.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Academy is recognising a significant pension fund deficit of £2,577,000. This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.



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

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**Reserves Policy**

The Trustees are aware of the requirement to balance current and future needs and always aim to set a balanced budget with annual income balancing annual expenditure. The Trustees monitor estimated year-end carry forward figures via the monthly reports from the Business Manager. The budget plan identifies how any carry forward will be allocated in the plan for the following academic year, including the identification of any funds earmarked for a specific project or purpose.

The Academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £920,528. This has been built up from a mixture of locally raised income and balances transferred from the predecessor school.

The Trust's balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2016 was £920,528.

The cash balance of the Academy has been very healthy all year, ending the year with a balance of £1,077,187. A significant proportion of this cash is held against specific projects and is not available to meet normal recurring expenditure. The Trustees monitor cash flow as part of the committee Business Manager reports and attempt to hold a minimum of £500,000 equivalent to approximately one month's expenditure to cover short term cash flow variances.

**Investment Policy**

An Investment Policy was approved by the Board of Trustees in December 2012.

The aim of the policy is to ensure funds that the Academy does not immediately need to cover anticipated expenditure are invested to maximise the Academy's income but with minimal risk. The aim is to research where funds may be deposited applying prudence in ensuring there is minimum risk. The Trustees do not consider the investment of surplus funds as a primary activity, rather as good stewardship and as and when circumstances allow.

**Principal Risks and Uncertainties**

The Trustees maintain a risk register identifying the major risks to which the Academy is exposed, and identifying actions and procedures to mitigate those risks. A formal review of the risk register process is undertaken on an annual basis and the internal control systems and the exposure to said risks are monitored on behalf of the Trustees at each Finance Committee meeting. The principal risks facing the Trust are outlined below; 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 Trust'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.

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

As an academy school, the level of financial risk is low. Cash flows can be reliably forecast, monitored and reported. Staff costs make up the majority of expenditure and are relatively stable with contingencies in place to cover such items as sickness and maternity.

The Trustees assess the other principal risks and uncertainties facing the Trust as follows:

- the Academy has considerable reliance on continued Government funding through the EFA and there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms;
- failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks;
- reputational - the continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student progress and outcomes are closely monitored and reviewed;
- safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline;

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

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

- staffing - the success of the Academy is reliant on the quality of its staff and the Trustees monitor and review policies and procedures and recruitment to ensure continued development and training of staff as well as ensuring there is clear succession planning;
- fraud and mismanagement of funds - The Academy has appointed Mr Alan Juniper to carry out independent and external checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep up to date with financial practice requirements and develop their skills in this area;
- financial instruments – the Academy only deals with bank balances, cash and trade creditors, with limited trade (and other) debtors. The risk in this area is considered to be low; and
- defined benefit pension liability – as the Government has agreed to meet the defined benefit pension liability of any school ceasing to exist the main risk to the Academy is an annual cash flow funding of part of the deficit. Trustees take these payments into account when setting the annual budget plan.

The Academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness.

**Plans for Future Periods**

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 local area is expected to have a lack of school places in the next few years and the Academy will work within the local area plans, in conjunction with the local authority, to help cope with this by increasing the year 7 intake numbers.

Following reviews of the current and past financial results it has been decided to continue to adopt a challenging approach to staffing levels and costs in order to meet the decline in funding. This approach in the year 2015/16 has significantly reduced costs and resulted in an in-year surplus.

**Funds Held as Custodian Trustee on Behalf of Others**

No funds are held as custodian trustee.

**Auditor**

Insofar as the Trustees are aware:

- there is no relevant audit information of which the Charitable Company's Auditor is unaware, and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditor is aware of that information.

The Trustees' Report, incorporating a Strategic Report, was approved by the Board of Trustees on 2 December 2016 and signed on the Board's behalf by:

**Mr J Foster**  
**Chair of Governors**

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

**GOVERNANCE STATEMENT**

**SCOPE OF RESPONSIBILITY**

As Trustees, 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 Board of Trustees has delegated the day-to-day responsibility to the Headteacher, 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 Board of Trustees any material weaknesses or breakdowns in internal control.

**GOVERNANCE**

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

Trustee	Meetings attended	Out of a possible
Mr M Barry	0	0
Mr J Foster, Chair of Governors	4	4
Mrs G Ackred, Principal	4	4
Mr D Micklewright, Foundation Governor	3	4
Mr J O'Brien, Foundation Governor	3	4
Mr J Parsad, Foundation Governor	4	4
Fr J Woolnough, Foundation Governor	4	4
Mr A Juiniper, Foundation Governor	4	4
Mr S Mason, Foundation Governor	3	4
Mr F Keenan, Foundation Governor	3	4
Ms S Jones, Parent Governor	2	4
Mrs A Kwasnica, Parent Governor	2	4
Mrs C Gradwell, Community Governor	1	4
Ms S Turrell, Staff Governor	1	4
Rt. Reverend A Williams	0	0
The Brentwood Diocesan Trust	0	0
Mr A Crowley, Foundation Governor	3	4

During the year there were two resignations, one from a Foundation Governor and the other from a staff Governor. The Chair of Governors Mr Barry, was the Foundation Governor leaving the Board and he was replaced by Mr Foster. There are two vacancies for Foundation Governors, both in the process of being filled, a staff Governor has been appointed.

A review of Governance, the scheme of delegation our structures and their effectiveness took place in June 2015. This included annual audit of skills of each member of the Governing Body, which reviews the mix of skills on each committee and assesses the training which needs to take place during the following year. The review also results in the appointment of a new Foundation Governor to improve the breadth and depth of expertise of the board. Governors sought information from external experts on issues such as the analysis of data, finance, personnel and school improvement. For example, this included, support from the school improvement partner on auditing staff performance management and the use of an experienced independent trainer to help with the analysis of school performance data so that the Board were confident that their understanding of the School's performance was accurate.

The Trust members intend to continue their rolling programme of self-review during the year with a formal review in the Summer term 2016.

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

**GOVERNANCE STATEMENT (continued)**

In order to be kept fully up to date, all Trustees are included in the circulation of the weekly bulletin and newsletter. The information in these documents gives Trustees a clearer context of School life as a background to their meetings and visits, which helped give Governors an overview of activities and action taken, so that they are able to formulate questions on challenge the impact and outcomes of these actions. Paired Governors also attended SLT meetings according to the timetable of topics to be discussed. These items were referred to in questions and discussion at Board of Trustees. This helped to give all Governors a greater insight into the effectiveness of the School. In the review the timetable of topics will be circulated to all Governors with an open invitation to attend these meetings.

All other categories were filled.

The Board of Trustees acting in accordance with the Financial Regulations for 2013 which no longer required the Academy to have a separate Audit Committee and in the interest of effective use of Trustee resources, agreed to subsume the committee's remit into the Finance Committee.

The Finance and Premises Committee is a sub-committee of the main Board of Trustees. Its purpose is to address financial matters.

The Finance Committee & General Purposes committee is responsible for reviewing and agreeing the annual draft budget for income and expenditure in the forthcoming financial year and report the budget to the FGB for approval. Keeping under review the School's actual financial performance compared with the budgeted performance and take action as necessary; annually approve the report showing income and expenditure for the year against the delegated budget; monitor all spending and approve in advance major spending proposals; be responsible for all insurance matters determine the total expenditure on staff salaries; review and update the risk register; receive reports from internal and external auditors; and appoint internal and external auditors

The Finance & Premises committee considered various matters during the year. These included the impact on funding of the changes in Special Educational Need, 6th form funding and the general decline in central Government grants and the need to have sufficient reserves to allow for a smooth transition to lower levels of income.

The committee also considered the position of the Local Government Pension Scheme on the Academy's balance sheet. Expenditure relating to the impact on staffing resulting from the proposed 1% increase and National insurance employer contributions were discussed.

The Committee also discussed and approved the need to reduce staffing costs including the use of compulsory redundancy. Various projects aimed at improving the utilisation of the premises and improving the facilities for education were also discussed.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mrs C Gradwell, Community Governor	3	3
Mrs G Ackred, Principal	3	3
Mr J Parsad, Foundation Governor	2	3
Mr J Foster, Chair of Governors	3	3
Mr D Micklewright, Foundation Governor	2	3
Mr A Juiniper, Foundation Governor	3	3

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

**GOVERNANCE STATEMENT (continued)**

**REVIEW OF VALUE FOR MONEY**

As Accounting Officer, the Headteacher has responsibility for ensuring that the Academy delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Academy's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate.

The Accounting Officer for the Academy has delivered improved value for money during the year by:

- Continual review of permanent staffing needs & costs have resulted in a significant saving in year.
- supply staff costs reducing after implementation of new policy following review of staff utilisation.
- Premises costs being under constant review and savings found in year.

**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 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 year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

**CAPACITY TO HANDLE RISK**

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

**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 Board of Trustees;
- 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; and
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an Internal Auditor. However, the Trustees have appointed Mr Alan Juniper, a Trustee as Responsible Officer, to carry out a programme of internal checks.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a termly basis, the reviewer reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

In particular the checks carried out in the current period included a risk based review of systems and processes covering:

- insurance;
- testing of payroll systems;
- testing of purchase systems; and
- testing of control account/ bank reconciliations.

The reviewer carried out his schedule of works for the year and no material control issues were identified.

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

**GOVERNANCE STATEMENT (continued)**

**REVIEW OF EFFECTIVENESS**

As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the Responsible Officer;
- the work of the external Auditors;
- the financial management and governance self-assessment process; and
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by the Board of Trustees on 2 December 2016 and signed on their behalf, by:

**Mr J Foster**  
**Chair of Governors**

**Mrs G Ackred**  
**Accounting Officer**

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

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

As Accounting Officer of St Thomas More High School I have considered my responsibility to notify the Board of Trustees and the Education Funding Agency (EFA) of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2015.

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

**Mrs G Ackred**  
**Accounting Officer**

Date: 2 December 2016

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

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

The Trustees (who act as governors 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 Trustees' Report and the financial statements in accordance with the Annual Accounts Requirements issued by the EFA, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

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

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

Approved by the Board of Trustees on 2 December 2016 and signed on its behalf by:

**Mr J Foster**  
**Chair of Trustees**



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

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ST THOMAS MORE HIGH SCHOOL**

We have audited the financial statements of St Thomas More High School for the year ended 31 August 2016 which comprise the Statement of Financial Activities Incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows 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) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

This Report is made solely to the Academy's Members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy'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 TRUSTEES AND AUDITORS**

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (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.

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

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

**OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Trustees' Report, incorporating the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS 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 Companies Act 2006 requires us to report to you if, in our opinion:

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

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  
14 December 2016

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

**INDEPENDENT REPORTING ACCOUNTANTS' 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 20 August 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, 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 year 1 September 2015 to 31 August 2016 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 REPORTING ACCOUNTANT**

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 extant from 1 September 2015, 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 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 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 2015 to 2016 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.

The work undertaken to draw to our conclusion includes:

- Consideration and corroboration of the evidence supporting the Accounting Officers statement on regularity, propriety and compliance.
- Evaluation of the general control environment of the Academy Trust, extending the procedures required for financial statements to include regularity.
- Discussions with and representations from the Accounting Officer and other key management personnel.
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, propriety and compliance in particular checking that selected items were appropriately authorised, and appropriate.

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

**INDEPENDENT REPORTING ACCOUNTANTS' 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 year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

**Price Bailey LLP**

Chartered Accountants

14 December 2016

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

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	As restated Total funds 2015 £
<b>INCOME FROM:</b>						
Donations and capital grants	2	9,384	407,000	22,890	439,274	443,613
Charitable activities	3	204,676	5,133,584	-	5,338,260	5,492,849
Other trading activities	4	38,293	169,948	-	208,241	198,552
Other income		6,197	32,669	-	38,866	21,772
<b>TOTAL INCOME</b>		<u>258,550</u>	<u>5,743,201</u>	<u>22,890</u>	<u>6,024,641</u>	<u>6,156,786</u>
<b>EXPENDITURE ON:</b>						
Charitable activities		75,768	5,839,433	89,748	6,004,949	6,291,382
<b>TOTAL EXPENDITURE</b>	5	<u>75,768</u>	<u>5,839,433</u>	<u>89,748</u>	<u>6,004,949</u>	<u>6,291,382</u>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>						
Transfers between funds	14	182,782	(96,232)	(66,858)	19,692	(134,596)
		-	(14,768)	14,768	-	-
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>						
		182,782	(111,000)	(52,090)	19,692	(134,596)
Actuarial gains/(losses) on defined benefit pension schemes	19	-	(985,000)	-	(985,000)	71,000
<b>NET MOVEMENT IN FUNDS</b>		<u>182,782</u>	<u>(1,096,000)</u>	<u>(52,090)</u>	<u>(965,308)</u>	<u>(63,596)</u>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		737,746	(261,000)	185,589	662,335	725,931
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u><u>920,528</u></u>	<u><u>(1,357,000)</u></u>	<u><u>133,499</u></u>	<u><u>(302,973)</u></u>	<u><u>662,335</u></u>

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

**BALANCE SHEET**  
**AS AT 31 AUGUST 2016**

	Note	£	2016 £	£	2015 £
<b>FIXED ASSETS</b>					
Tangible assets	11		133,499		185,589
<b>CURRENT ASSETS</b>					
Debtors	12	1,257,793		1,256,796	
Cash at bank and in hand		1,077,187		917,785	
		<u>2,334,980</u>		<u>2,174,581</u>	
<b>CREDITORS:</b> amounts falling due within one year	13	(194,452)		(216,835)	
		<u>(194,452)</u>		<u>(216,835)</u>	
<b>NET CURRENT ASSETS</b>			<u>2,140,528</u>		<u>1,957,746</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>2,274,027</u>		<u>2,143,335</u>
Defined benefit pension scheme liability	19		(2,577,000)		(1,481,000)
			<u>(2,577,000)</u>		<u>(1,481,000)</u>
<b>NET (LIABILITIES)/ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u>(302,973)</u>		<u>662,335</u>
<b>FUNDS OF THE ACADEMY</b>					
Restricted income funds:					
Restricted funds - donation in kind	14	1,220,000		1,220,000	
Restricted fixed asset funds	14	133,499		185,589	
		<u>1,353,499</u>		<u>1,405,589</u>	
Restricted fixed asset funds		1,353,499		1,405,589	
Pension reserve		(2,577,000)		(1,481,000)	
		<u>(2,577,000)</u>		<u>(1,481,000)</u>	
Total restricted income funds			(1,223,501)		(75,411)
Unrestricted income funds	14		920,528		737,746
			<u>920,528</u>		<u>737,746</u>
<b>TOTAL (DEFICIT)/FUNDS</b>			<u>(302,973)</u>		<u>662,335</u>

The financial statements were approved by the Trustees, and authorised for issue, on 2 December 2016 and are signed on their behalf, by:

**Mr J Foster**  
**Chair of Trustees**

The notes on pages 22 to 37 form part of these financial statements.

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

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	2016 £	2015 £
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	16	172,764	(50,603)
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		1,406	2,538
Purchase of tangible fixed assets		(14,768)	(85,219)
<b>Net cash used in investing activities</b>		<b>(13,362)</b>	<b>(82,681)</b>
<b>Change in cash and cash equivalents in the year</b>			
Cash and cash equivalents brought forward		917,785	1,051,069
<b>Cash and cash equivalents carried forward</b>	17	<b>1,077,187</b>	<b>917,785</b>

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

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

**1. ACCOUNTING POLICIES**

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

**1.1 Basis of preparation of financial statements**

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

St Thomas More High School constitutes a public benefit entity as defined by FRS 102.

**First time adoption of FRS 102**

These financial statements are the first financial statements of St Thomas More High School prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of St Thomas More High School for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Reconciliations to previous UK GAAP for the comparative figures are included in note 23.

**1.2 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 Trustees.

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

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



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

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

**1. ACCOUNTING POLICIES (continued)**

**1.3 Income**

All income is recognised once the Academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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

General Annual Grant is recognised in full in the Statement of Financial Activities Incorporating Income and Expenditure Account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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

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

**1.4 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Charitable activities and governance costs are costs incurred on the Academy Trust's educational operations, including support costs and costs relating to the governance of the Academy Trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

**1.5 Going concern**

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements..

**1.6 Tangible fixed assets and depreciation**

All assets costing more than £5,000 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. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities Incorporating Income and Expenditure Account and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities Incorporating Income and Expenditure Account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

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

**1. ACCOUNTING POLICIES (continued)**

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed 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

**1.7 Operating leases**

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

**1.8 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy; this is normally upon notification of the interest paid or payable by the bank.

**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 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**1.11 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 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 quadrennial valuations using a prospective unit credit method. As stated in note 19, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

**1. ACCOUNTING POLICIES (continued)**

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities Incorporating Income and Expenditure Account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

**1.12 Critical accounting estimates and areas of judgement**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Academy Trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. 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.

**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	As restated Total funds 2015 £
Donations	9,384	-	-	9,384	15,367
Notional rent (see note 20)	-	407,000	-	407,000	407,000
Capital grants	-	-	22,890	22,890	21,246
	<u>9,384</u>	<u>407,000</u>	<u>22,890</u>	<u>439,274</u>	<u>443,613</u>
Total donations and capital grants	<u>9,384</u>	<u>407,000</u>	<u>22,890</u>	<u>439,274</u>	<u>443,613</u>

In 2015, of the total income from donations and capital grants, £15,367 was to unrestricted funds and £428,246 was to restricted funds.

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

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

**3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	As restated Total funds 2015 £
<b>DfE/EFA grants</b>				
General Annual Grant (GAG)	-	4,812,666	4,812,666	4,998,470
Other DfE / EFA grants	-	121,844	121,844	81,562
	-	4,934,510	4,934,510	5,080,032
<b>Other government grants</b>				
Local Authority grants	-	199,074	199,074	209,837
	-	199,074	199,074	209,837
<b>Other funding</b>				
Catering income	204,676	-	204,676	202,980
	204,676	-	204,676	202,980
	204,676	5,133,584	5,338,260	5,492,849

In 2015, of the total income from charitable activities, £202,980 was to unrestricted funds and £5,289,869 was to restricted funds.

**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	As restated Total funds 2015 £
Lettings	38,293	-	38,293	31,972
Educational income	-	142,438	142,438	127,417
Other non-trading income	-	27,510	27,510	39,163
	38,293	169,948	208,241	198,552

In 2015, of the total income from other trading activities, £31,972 was to unrestricted funds and £166,580 was to restricted funds.

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

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

**5. EXPENDITURE**

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	As restated Total 2015 £
Provision of Education:					
Direct costs	2,937,106	-	297,701	3,234,807	3,257,026
Support costs	1,499,627	680,604	589,911	2,770,142	3,034,356
	<u>4,436,733</u>	<u>680,604</u>	<u>887,612</u>	<u>6,004,949</u>	<u>6,291,382</u>

In 2016, of the total expenditure, £75,768 (2015 - £272,537) was to unrestricted funds and £5,929,181 (2015 - £6,018,845) was to restricted funds.

**6. CHARITABLE ACTIVITIES**

	2016 £	As restated 2015 £
Direct costs	3,234,807	3,257,026
Support costs	2,770,142	3,034,356
	<u>6,004,949</u>	<u>6,291,382</u>
Total	<u>6,004,949</u>	<u>6,291,382</u>

	2016 £	2015 £
Analysis of support costs		
Support staff costs	1,499,627	1,662,761
Depreciation	66,858	93,668
Technology costs	114,216	102,643
Premises costs (excluding depreciation)	613,746	652,922
Other costs	464,945	511,112
Governance costs	10,750	11,250
	<u>2,770,142</u>	<u>3,034,356</u>
Total	<u>2,770,142</u>	<u>3,034,356</u>

**7. NET INCOMING RESOURCES/(RESOURCES EXPENDED)**

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned or leased by the Academy Trust	66,858	93,668
Auditors' remuneration - audit	6,750	6,750
Auditors' remuneration - other services	4,000	3,600
Governance internal audit costs	-	900
	<u>77,608</u>	<u>104,918</u>

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

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

**8. STAFF COSTS**

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	3,559,239	3,684,583
Social security costs	266,656	253,474
Pension costs	566,431	500,886
	4,392,326	4,438,943
Supply teacher costs	44,407	155,626
	4,436,733	4,594,569

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

	2016 No.	2015 No.
Teaching	52	52
Administration & support	58	59
Management	8	8
	118	119

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

	2016 No.	2015 No.
In the band £ 60,001 - £ 70,000	3	3
In the band £ 70,001 - £ 80,000	1	0
In the band £ 80,001 - £ 90,000	1	1

The key management personnel of the Academy Trust comprise the Trustees and the Senior Management Team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £597,825 (2015: £614,895).

**9. TRUSTEES' REMUNERATION AND EXPENSES**

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

G Ackred (Headteacher and Accounting Officer)  
Remuneration £80,000-£85,000 (2015: £80,000-£85,000)  
Employer's pension contributions paid £10,000-£15,000 (2015: £10,000-£15,000)

M Lewis (Staff Trustee)  
Remuneration £Nil (2015: £25,000-£30,000)  
Employer's pension contributions paid £Nil (2015: £0-£5,000)

S Turrell (Staff Trustee)  
Remuneration £20,000-£25,000 (2015: £20,000-£25,000)  
Employer's pension contributions paid £0-£5,000 (2015: £0-£5,000)

During the period 31 August 2016, no Trustees received any reimbursement of expenses for their role as Trustees (2015: £Nil).

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

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

**10. TRUSTEES' AND OFFICERS' INSURANCE**

The Academy Trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and Officers indemnity element from the overall cost of the RPA scheme.

**11. TANGIBLE FIXED ASSETS**

	Freehold land £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>				
At 1 September 2015	213,267	80,358	237,843	531,468
Additions	-	-	14,768	14,768
At 31 August 2016	<u>213,267</u>	<u>80,358</u>	<u>252,611</u>	<u>546,236</u>
<b>Depreciation</b>				
At 1 September 2015	121,868	33,991	190,020	345,879
Charge for the year	30,467	5,816	30,575	66,858
At 31 August 2016	<u>152,335</u>	<u>39,807</u>	<u>220,595</u>	<u>412,737</u>
<b>Net book value</b>				
At 31 August 2016	<u>60,932</u>	<u>40,551</u>	<u>32,016</u>	<u>133,499</u>
At 31 August 2015	<u>91,399</u>	<u>46,367</u>	<u>47,823</u>	<u>185,589</u>

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

Included within freehold land is an astroturf pitch which has been included in the accounts based on the valuation provided by the Trustees using depreciated replacement cost. Trustees do not believe that the cost of obtaining a more detailed valuation outweighs the benefit.

The Academy Trust occupies land and the buildings provided to it by site the Diocesan Trustees under a license (also referred to as a Church Supplemental Agreement) which contains a two year notice period. Having considered the fact that the Academy Trust occupies the land and buildings by a license that transfers to the Academy no rights or control over the site save that of occupying it at the will of the Diocesan Trustees under the agreement, the Diocesan Trustees have concluded that the value of the land and buildings occupied by the Academy Trust will not be recognised or valued within fixed assets.

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

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

**12. DEBTORS**

	2016 £	2015 £
<b>Due after more than one year</b>		
Other debtors (see note 20)	1,220,000	813,000
<b>Due within one year</b>		
Trade debtors	10,482	-
Other debtors	27,311	443,796
	1,257,793	1,256,796

**13. CREDITORS: Amounts falling due within one year**

	2016 £	2015 £
Payments received on account	4,063	-
Trade creditors	48,060	70,403
Other creditors	142,329	146,432
	194,452	216,835
<b>Deferred income</b>		
Deferred income at 1 September 2015	89,342	93,047
Resources deferred during the year	67,728	89,342
Amounts released from previous years	(89,342)	(93,047)
Deferred income at 31 August 2016	67,728	89,342



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

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

**14. STATEMENT OF FUNDS**

	Brought forward £	Income £	Resources expended £	Transfers in/(out) £	Gains/ (losses) £	Carried forward £
<b>Unrestricted funds</b>						
Unrestricted funds	737,746	258,550	(75,768)	-	-	920,528
	<u>737,746</u>	<u>258,550</u>	<u>(75,768)</u>	<u>-</u>	<u>-</u>	<u>920,528</u>
<b>Restricted funds</b>						
	Brought forward £	Income £	Resources expended £	Transfers in/(out) £	Gains/ (losses) £	Carried forward £
General Annual Grant (GAG)	-	4,812,666	(4,797,898)	(14,768)	-	-
Other DfE/EFA	-	121,844	(121,844)	-	-	-
Restricted SEN	-	74,894	(74,894)	-	-	-
Restricted educational visits	-	119,680	(119,680)	-	-	-
Other government grants	-	142,438	(142,438)	-	-	-
Other government grants	-	4,500	(4,500)	-	-	-
Other restricted	-	60,179	(60,179)	-	-	-
Donation in kind (see note 20)	1,220,000	407,000	(407,000)	-	-	1,220,000
Pension fund	(1,481,000)	-	(111,000)	-	(985,000)	(2,577,000)
	<u>(261,000)</u>	<u>5,743,201</u>	<u>(5,839,433)</u>	<u>(14,768)</u>	<u>(985,000)</u>	<u>(1,357,000)</u>
<b>Restricted fixed asset funds</b>						
Restricted fixed asset fund	185,589	-	(66,858)	14,768	-	133,499
Devolved formula capital grant	-	22,890	(22,890)	-	-	-
	<u>185,589</u>	<u>22,890</u>	<u>(89,748)</u>	<u>14,768</u>	<u>-</u>	<u>133,499</u>
Total restricted funds	<u>(75,411)</u>	<u>5,766,091</u>	<u>(5,929,181)</u>	<u>-</u>	<u>(985,000)</u>	<u>(1,223,501)</u>
Total of funds	<u><u>662,335</u></u>	<u><u>6,024,641</u></u>	<u><u>(6,004,949)</u></u>	<u><u>-</u></u>	<u><u>(985,000)</u></u>	<u><u>(302,973)</u></u>

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

**General Annual Grant (GAG)**

This represents funding from the EFA to cover the costs of recurrent expenditure.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

**Special Educational Needs (SEN)**

This represents allocated funding for special educational needs pupils.

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

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

**14. STATEMENT OF FUNDS (continued)**

**Pupil Premium**

This funding is to be used to raise achievement and improve outcomes for pupils from low-income families who are eligible for free school meals, looked after children and those from families with parents in the Armed Forces.

**Educational visits**

This represents contributions made by parents to the running of educational visits for the pupils of The School and the associated costs of running the visits.

**Other government grants / Other restricted**

This represents income received from additional bodies for a specific purpose.

**Restricted exam fees income**

This represents income received from students to pay for resits of examinations that they have requested.

**Restricted music income**

This represents income received from students to pay for music lessons provided by an outside provider.

**Pension fund**

This fund represents the Trust's share of the deficit on the Local Government Pension Scheme (LGPS) transferred to it on conversion from a state controlled school.

**Donation in kind**

This represents the rent free occupation of the land and buildings from the Diocese of Brentwood.

**Restricted Fixed Asset Funds**

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.

**15. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
	-	-	-	-	185,589
Tangible fixed assets	-	-	133,499	133,499	-
Debtors due after more than 1 year	-	1,220,000	-	1,220,000	813,000
Current assets	922,842	192,138	-	1,114,980	1,361,581
Creditors due within one year	(2,314)	(192,138)	-	(194,452)	(216,835)
Provisions for liabilities and charges	-	(2,577,000)	-	(2,577,000)	(1,481,000)
	<u>920,528</u>	<u>(1,357,000)</u>	<u>133,499</u>	<u>(302,973)</u>	<u>662,335</u>

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

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

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

	2016 £	2015 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	19,692	(134,596)
<b>Adjustment for:</b>		
Depreciation charges	66,858	93,668
Interest received	(1,406)	(2,538)
(Increase)/decrease in debtors	(997)	30,391
Decrease in creditors	(22,383)	(145,528)
Pension adjustment	111,000	108,000
	172,764	(50,603)
<b>Net cash provided by/(used in) operating activities</b>	<b>172,764</b>	<b>(50,603)</b>

**17. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2016 £	2015 £
Cash in hand	1,077,187	917,785
Total	1,077,187	917,785

**18. MEMBERS' LIABILITY**

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

**19. 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 Multi-Employer Defined Benefit Pension Schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £Nil were payable to the schemes at 31 August 2016 (2015 - £5,545) and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

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

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

**19. PENSION COMMITMENTS (continued)**

**Valuation of the Teachers' Pension Scheme**

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million;
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations; and
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £329,985 (2015 - £296,207).

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £236,000 (2015 - £222,000), of which employer's contributions totalled £188,000 (2015 - £169,000) and employees' contributions totalled £48,000 (2015 - £53,000). The agreed contribution rates for future years are 12.5% for employers and 5.5-7.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Principal actuarial assumptions:

	2016	2015
Discount rate for scheme liabilities	2.20 %	4.00 %
Rate of increase in salaries	4.10 %	4.40 %
Rate of increase for pensions in payment / inflation	2.30 %	2.60 %
Inflation assumption (CPI)	2.30 %	2.60 %
Inflation assumption (RPI)	3.20 %	3.50 %

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

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

**19. PENSION COMMITMENTS (continued)**

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

	2016	2015
Retiring today		
Males	22.9	22.8
Females	25.3	25.2
Retiring in 20 years		
Males	25.2	25.1
Females	27.7	27.6

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	1,107,000	823,000
Property	179,000	146,000
Other bonds & other managed funds	151,000	123,000
Alternative assets	72,000	91,000
Cash	49,000	31,000
Gilts	58,000	51,000
	<u>1,616,000</u>	<u>1,265,000</u>
Total market value of assets	<u>1,616,000</u>	<u>1,265,000</u>

The actual return on scheme assets was £202,000 (2015 - £55,000).

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

	2016 £	2015 £
Current service cost (net of employee contributions)	(209,000)	(219,000)
Net interest cost	(56,000)	(57,000)
Past service cost	(33,000)	-
Administration expenses	(1,000)	(1,000)
	<u>(299,000)</u>	<u>(277,000)</u>
Total	<u>(299,000)</u>	<u>(277,000)</u>
Actual return on scheme assets	<u>202,000</u>	<u>55,000</u>

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

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

**19. PENSION COMMITMENTS (continued)**

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

	2016 £	2015 £
Opening defined benefit obligation	2,746,000	2,443,000
Current service cost	209,000	219,000
Interest cost	110,000	100,000
Contributions by employees	48,000	53,000
Actuarial losses/(gains)	1,133,000	(59,000)
Past service costs	33,000	-
Benefits paid	(86,000)	(10,000)
	<u>4,193,000</u>	<u>2,746,000</u>
Closing defined benefit obligation	<u>4,193,000</u>	<u>2,746,000</u>

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

	2016 £	2015 £
Opening fair value of scheme assets	1,265,000	999,000
Interest income	54,000	43,000
Actuarial gains and (losses)	148,000	12,000
Contributions by employer	188,000	169,000
Contributions by employees	48,000	53,000
Benefits paid	(86,000)	(10,000)
Administration expenses	(1,000)	(1,000)
	<u>1,616,000</u>	<u>1,265,000</u>
Closing fair value of scheme assets	<u>1,616,000</u>	<u>1,265,000</u>

**20. OPERATING LEASE COMMITMENTS**

At 31 August 2016 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £	2015 £
<b>Amounts payable:</b>		
Within 1 year	9,744	9,744
Between 1 and 5 years	9,744	19,488
	<u>19,488</u>	<u>29,232</u>
Total	<u>19,488</u>	<u>29,232</u>

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

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

**21. RELATED PARTY TRANSACTIONS**

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

Any transactions where the Trustee has a pecuniary interest is only undertaken in accordance with the 'at cost' principle stated in the Academies Financial Handbook.

The Academy operates from land and buildings provided rent free by the Diocese of Brentwood. Under an agreement between the Dioceses, the Academy and the Secretary of State the Diocese would be required to give 24 months notice from the year end if it wished to terminate this agreement. No such notice had been given at the year end and the Diocese is therefore committed to providing the land and buildings rent free for a further 36 months from the year end. The Trustees estimate that the cost of renting equivalent buildings would be £407,000 per annum, on this basis a donation from the Diocese of £407,000 is shown in the accounts together with a notional expense of the same amount. In addition, included within debtors is a donation in kind receivable of £1,220,000 representing the commitment by the Diocese to provide the land and buildings rent free for a further 36 months.

There were no other related party transactions in the year.

**22. CONTROLLING PARTY**

The Academy is under the control of the Brentwood Diocesan Bishop.

**23. FIRST TIME ADOPTION OF FRS 102**

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

The policies applied under the Academy's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure.