

Registered number: 07696989

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

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

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

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017

Members	Mr J Foster Rt. Reverend A Williams The Brentwood Diocesan Trust
Trustees	Mr J Foster, Chair of Governors Mrs G Ackred, Principal 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 Mr S Mason, Foundation Governor Mr F Keenan, Foundation Governor (resigned 18 April 2017) Ms S Jones, Foundation Governor Mrs A Kwasnica, Parent Governor Mrs C Gradwell, Community Governor (resigned 31 August 2017) Ms S Turrell, Staff Governor (resigned 31 August 2016) Mr A Crowley, Foundation Governor Mrs N Kelsey-Cashell, Foundation Governor (appointed 29 September 2016) Mr R Shorten, Staff Governor (appointed 5 October 2016) Mrs C Mupati, Parent Governor (appointed 1 March 2017)
Company number	registered 07696989
Company name	St Thomas More High School
Principal and registered office	Kenilworth Gardens Westcliff on Sea Essex SS0 0BW
Company secretary	Mr G Prior
Chief executive officer	Mrs G Ackred
Senior management team	Mrs G Ackred, Headteacher Mr P Maxfield, Deputy Headteacher Mr G Prior, Director of Finance and Operations Mr G Mason, Director of Learning Mr J Hollingsworth, Director of Learning Mr M Hardiman, Director of Learning Ms E Corr, Director of Learning Mrs C Webb, Director of Religious Life Mrs M Westpfel, Director of Finance and Operations

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2017**

Advisers (continued)

Independent auditor MHA MacIntyre Hudson
Chartered Accountants
New Bridge Street House
30-34 New Bridge Street
London
EC4V 6BJ

Bankers Lloyds TSB
77 High Street
Southend-on-Sea
Essex
SS1 1HT

ST THOMAS MORE HIGH SCHOOL
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017

The Trustees present their annual report together with the financial statements and auditors' reports of the charitable company for the period 1 September 2016 to 31 August 2017. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The Trust operates an Academy for pupils aged 11 to 18. It has a pupil capacity of 1,050 and had a roll of 992 in the Academy census on January 2017.

Structure, governance and management

a. CONSTITUTION

The Academy Trust ("The Academy") is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the academy trust.

The Trustees of St Thomas More High School are also the directors of the charitable company for the purpose of company law.

Details of the Trustees who served during the year are included in the Reference and administrative details on page 1.

b. 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.

c. TRUSTEES' INDEMNITIES

The Academy Trust has opted into the Department for Education's risk protection arrangement (RPA) an alternative to the insurance where UK government funds cover losses that arise. The scheme protects the 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.

d. 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 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 Parent, 2 Community, 1 Staff and the Headteacher.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

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.

e. 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 differ 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 Academy 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.

f. 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.

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 Academy 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. The Senior Leadership Team 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 Senior Leadership Team has specific responsibilities to assist the Headteacher to manage certain aspects of the Academy.

g. PAY POLICY FOR KEY MANAGEMENT PERSONNEL

Pay and remuneration of key management personnel is decided by a variety of contributory factors, such as the Academy 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.

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FOR THE YEAR ENDED 31 AUGUST 2017

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

h. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

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 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.

Objectives and Activities

a. OBJECTS AND AIMS

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

The Governing Body had the following main objectives for the period ended 31 August 2017:

- ♦ 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;

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- ♦ To provide value for money for the funds expended;
- ♦ To conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

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

- ensuring that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- increasing the participation of pupils and opportunities for leadership in collective worship, School Council and the House system, emphasising the dissemination of Gospel values in all aspects of school life and 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;
- using regular assessment, recording and reporting of student progress and achievement which has developed action plans for students, departments and the strategic leadership teams to raise the standard of educational progress and attainment of all pupils;
- regular reporting from middle and senior leaders to Governors analysing and responding to data which emphasises the importance of good order, self-discipline, achievement and a proper sense of commitment and purpose;
- making clear its expectations of pupils, staff and parents with regular and varied opportunities for stakeholders to meet and receive information both within and beyond the school day;
- 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;
- 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
- Stakeholder survey outcomes

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c. PUBLIC BENEFIT

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

Strategic report

Achievements and performance

a. KEY PERFORMANCE INDICATORS

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 Academy.

Specific achievements were as follows:

GCSE Results	% Year 11 STM Pupils	Approximate % National
9-7 in English	25.7	19
9-5 in English	68.8	55
9-4 in English	85.4	72
9-7 in Maths	23.6	19
9-5 in Maths	68.1	48
9-4 in Maths	79.9	69
9-7 in English & Maths	10.4	Roughly in line with last year
9-5 in English & Maths	57.6	
9-4 in English & Maths (Basics)	75	
1 or more GCSE passes	100	

4 Year A2/Level Attainment Trend					
	2013	2014	2015	2016	2017
A* - B	29.9%	32.9%	40.5%	32%	45%
A* - C	64.6%	66.2%	71%	71%	78%
A* - E	98.2%	99.4%	99.7%	93%	100%
Value added	-0.12	-0.19	0.11	-0.15	Approx. 0.20 – 0.47 (SISRA) 0.26 (Oxford Analytics)21

Our annual audit of skills of each member of the Governing Body, took place in June 2017. This enables us to review the mix of skills of each of the committee and assess the training which needs to take place during the following year. The review also resulted in changes to committee membership and informed the recruitment and appointment of a new parent Governor to improve the breadth and depth of expertise of the board. Governors sought information from external experts such as the analysis of data, finance and personnel and Academy improvement. For example, this included local authority audits on our Health and Safety and safeguarding practices and commissioning the use of an experienced independent trainer to help with the analysis of Academy performance data so that the board were confident that their understanding of the Academy's performance was accurate.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

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 Academy life as a background to their meetings and visits, which help give Governors an overview of activities and action taken, so that they are able to formulate questions to challenge leaders about the impact and outcomes of these actions. Governors also attended senior leadership team meetings according to the planned 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 Academy. In the self-review of effectiveness in July 2017, the timetable of topics will now be circulated to all Governors with an open invitation to attend these meetings in the academic year 2017/2018.

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

As funding is based on pupil numbers this is a key performance indicator. Pupil numbers for 2017 were 992 against a forecast of 1,050.

Another key financial performance indicator is staffing costs as a percentage of total income. For 2016/2017 this was 74.9% 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 KPIs were within the parameters set by the Board.

b. GOING CONCERN

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

Financial review

The principal source of funding for the Trust is the GAG and other grants that it receives from the Education and Skills Funding agency (ESFA). For the year ended 31 August 2017 the Trust received total income of £6,218,573. A high percentage of this income is spent on wages and salaries to deliver the Academy's primary objective of the provision of education. During the year the Trust spent £42,256 on capital expenditure. The Academy brought forward from 15/16, £(1,223,501) restricted funds and £920,528 unrestricted funds. The carry forward for 16/17 is £(847,569) restricted funds and £1,119,667 unrestricted funds.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Academy is recognising a significant pension fund deficit of £2,164,000 (2016 - £2,577,000), included within restricted funds above. 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.

a. 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.

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The Academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £1,119,677. This has been built up from locally raised income.

The Trust's balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2017 was £2,339,677.

The cash balance of the Academy has been very healthy all year, ending the year with a balance of £1,349,372. 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 approx. one month's expenditure to cover short term cash flow variances.

At 31 August 2017 the total funds comprised:

Unrestricted	£1,119,677
Restricted:	
Fixed asset funds	£96,431
Pension reserve	£(2,164,000)
Other	£1,220,000
	£272,108

b. MATERIAL INVESTMENTS 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 Academy does not consider the investment of surplus funds as a primary activity, rather as good stewardship and as and when circumstances allow.

c. 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 ESFA, 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.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

As an Academy, 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 ESFA 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;
- 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 Academy 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

a. FUTURE DEVELOPMENTS

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 Academy 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 2016/2017 has significantly reduced costs and resulted in an in year net surplus on general restricted and unrestricted reserves.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

FUNDS HELD AS CUSTODIAN

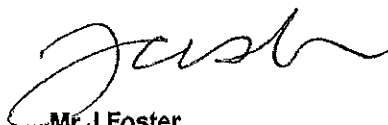
No funds are held as custodian Trustee.

DISCLOSURE OF INFORMATION TO AUDITOR

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 7 December 2017 and signed on its behalf by:



Mr J Foster
Chair of Governors

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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 3 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 J Foster, Chair of Governors	3	3
Mrs G Ackred, Headteacher	3	3
Mr D Micklewright, Foundation Governor	3	3
Mr J O'Brien, Foundation Governor	3	3
Mr J Parsad, Foundation Governor	1	3
Fr J Woolnough, Foundation Governor	2	3
Mr A Juniper, Foundation Governor	3	3
Mr S Mason, Foundation Governor	1	3
Mr F Keenan, Foundation Governor	2	2
Ms S Jones, Foundation Governor	2	3
Mrs A Kwasnica, Parent Governor	3	3
Mrs C Gradwell, Community Governor	3	3
Mr A Crowley, Foundation Governor	3	3
Mrs N Kelsey-Cashell, Foundation Governor	2	3
Mr R Shorten, Staff Governor	3	3
Mrs C Mupati, Parent Governor	2	2

At the end of the last year the Staff Governor retired and during the year there was one resignation from a Foundation Governor. Two Foundation Governors were appointed along with one Staff Governor.

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 of each of the committee and assess 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 such as the analysis of data, finance and personnel and Academy improvement. For example, this included, support from the Academy improvement partner on auditing staff performance management and the use of an experienced independent trainer to help with the analysis of Academy performance data so that the board were confident that their understanding of the Academy's performance was accurate.

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GOVERNANCE STATEMENT (continued)

The Trust members intend to continue their rolling programme of self-review during the year with a formal review in the summer term of 2017.

In order to be kept fully up to date, all Governors are included in the circulation of the weekly bulletin and newsletter. The information in these documents gives Governors a clearer context of Academy 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 and 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 Academy. 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 Committee is a sub-committee of the main Board of Trustees. Its purpose is to address financial matters.

The Committee considered various matters during the year. These included the impact of funding of the due to the introduction of the National Funding Formula and the need to have sufficient reserves to allow for a smooth transition to lower levels of income

The Finance Committee is responsible for: reviewing and agreeing the annual draft budget for income and expenditure in the forthcoming financial year and reporting the budget to the FGB for approval; keeping under review the Academy'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 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 along with the increased costs due to the rise in employer contributions for the Local Government Pension Scheme.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mrs C Gradwell, Community Governor	2	3
Mrs G Ackred, Headteacher	3	3
Mr J Foster, Chair of Governors	3	3
Mr J Parsad, Foundation Governor	2	3
Mr D Micklewright, Foundation Governor	3	3
Mr A Juniper, Foundation Governor	2	3
Mrs C Mupati, Parent Governor	1	1

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Headteacher has responsibility for ensuring that the Academy Trust 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.

GOVERNANCE STATEMENT (continued)

The Accounting Officer considers how the Academy Trust'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 Trust has delivered improved value for money during the year by:

- continual review of permanent staffing needs & costs that have resulted in significant savings in year;
- prudent approach to expenditure including reviews of contracts that has resulted in significant savings.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in St Thomas More High School for the year 1 September 2016 to 31 August 2017 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 Trust 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 Trust's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 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 Trust'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 Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The 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 A Juniper, a Trustee, 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 Trust's financial systems, on a termly basis, the reviewer reports to the Trustees on the operation of systems of control and on the discharge of the Board of Trustees financial responsibilities.

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

GOVERNANCE STATEMENT (continued)

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

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations

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

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 internal reviewer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust 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 Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 7 December 2017 and signed on their behalf, by:



Mr J Foster
Chair of Governors



Mrs G Ackred
Accounting Officer

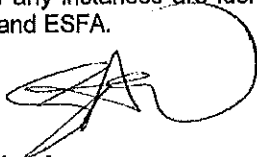
ST THOMAS MORE HIGH SCHOOL
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of St Thomas More High School I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA 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 2016.

I confirm that I and the Academy Trust 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 2016.

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 ESFA.



Mrs G Ackred
Accounting Officer

Date: 7 December 2017

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

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2017

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 Direction issued by the Education and Skills Funding Agency, 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 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 ESFA/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 order of the members of the Board of Trustees on 7 December 2017 and signed on its behalf by:



Mr J Foster
Chair of Governors

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

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ST THOMAS MORE HIGH SCHOOL

OPINION

We have audited the financial statements of St Thomas More High School for the year ended 31 August 2017 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. 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', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

This report is made solely to the Academy Trust'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 Trust's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2017 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 2016 to 2017 issued by the Education and Skills Funding Agency.

BASIS OF OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ST THOMAS MORE HIGH SCHOOL

OTHER INFORMATION

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

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report including the Strategic Report for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

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

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the Academy Trust 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, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

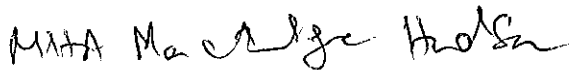
INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ST THOMAS MORE HIGH SCHOOL

In preparing the financial statements, the Trustees are responsible for assessing the Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy Trust's or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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



Rakesh Shaunak FCA (Senior Statutory Auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants

New Bridge Street House
30-34 New Bridge Street
London

EC4V 6BJ

Date: 12/12/17

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

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ST THOMAS MORE HIGH SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, 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 2016 to 31 August 2017 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 ESFA 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 ESFA 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 ESFA, 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 August 2011, and the Academies Financial Handbook extant from 1 September 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 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 2016 to 2017 issued by the ESFA. 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 Trust's income and expenditure.

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

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ST THOMAS MORE HIGH SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)

The work undertaken to draw our conclusions includes:

- reviewing the Minutes of the Governing Body and other evidence made available to us, relevant to our consideration of regularity;
- a review of the objectives and activities of the Academy Trust, with reference to the income streams and other information available to us as auditors;
- testing of a sample of payroll payments to staff;
- testing of a sample of payments to suppliers and other third parties;
- testing of a sample of grants received and other income streams; and
- evaluating the internal control procedures and reporting lines, and testing as appropriate and making appropriate enquiries of the Accounting Officer.

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 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

MHA MacIntyre Hudson

MHA MacIntyre Hudson

Chartered Accountants

New Bridge Street House
30-34 New Bridge Street
London
EC4V 6BJ

13/12/17

Date:

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 2017

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
INCOME FROM:						
Donations and capital grants	2	22,190	407,000	45,023	474,213	442,852
Charitable activities	3	256,535	5,457,498	-	5,714,033	5,529,563
Other trading activities	4	29,391	-	-	29,391	50,820
Investments	5	936	-	-	936	1,406
TOTAL INCOME		309,052	5,864,498	45,023	6,218,573	6,024,641
EXPENDITURE ON:						
Charitable activities		236,429	5,915,739	79,324	6,231,492	6,004,949
TOTAL EXPENDITURE	6	236,429	5,915,739	79,324	6,231,492	6,004,949
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	17	72,623 126,526	(51,241) (123,759)	(34,301) (2,767)	(12,919) -	19,692 -
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		199,149	(175,000)	(37,068)	(12,919)	19,692
Actuarial gains/(losses) on defined benefit pension schemes	21	-	588,000	-	588,000	(985,000)
NET MOVEMENT IN FUNDS		199,149	413,000	(37,068)	575,081	(965,308)
RECONCILIATION OF FUNDS:						
Total funds brought forward		920,528	(1,357,000)	133,499	(302,973)	662,335
TOTAL FUNDS CARRIED FORWARD		1,119,677	(944,000)	96,431	272,108	(302,973)

The notes on pages 26 to 46 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	14		96,431		133,499
CURRENT ASSETS					
Debtors	15	1,309,814		1,257,793	
Cash at bank and in hand		1,349,372		1,077,187	
		<u>2,659,186</u>		<u>2,334,980</u>	
CREDITORS: amounts falling due within one year	16	(319,509)		(194,452)	
NET CURRENT ASSETS			<u>2,339,677</u>		<u>2,140,528</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,436,108</u>		<u>2,274,027</u>
Defined benefit pension scheme liability	21		(2,164,000)		(2,577,000)
NET ASSETS/(LIABILITIES) INCLUDING PENSION SCHEME LIABILITIES			<u><u>272,108</u></u>		<u><u>(302,973)</u></u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	17	1,220,000		1,220,000	
Restricted fixed asset funds	17	96,431		133,499	
		<u>1,316,431</u>		<u>1,353,499</u>	
Restricted income funds excluding pension liability					
Pension reserve		(2,164,000)		(2,577,000)	
Total restricted income funds			<u>(847,569)</u>		<u>(1,223,501)</u>
Unrestricted income funds	17		<u>1,119,677</u>		<u>920,528</u>
TOTAL FUNDS/(DEFICIT)			<u><u>272,108</u></u>		<u><u>(302,973)</u></u>

The financial statements on pages 23 to 46 were approved by the Trustees, and authorised for issue, on 7 December 2017 and are signed on their behalf, by:


Mr J Foster
Chair of Governors

The notes on pages 26 to 46 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 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by operating activities	19	<u>268,482</u>	<u>149,874</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		936	1,406
Purchase of tangible fixed assets		(42,256)	(14,768)
Capital grants from DfE/ESFA		<u>45,023</u>	<u>22,890</u>
Net cash provided by Investing activities		<u>3,703</u>	<u>9,528</u>
Change in cash and cash equivalents in the year		272,185	159,402
Cash and cash equivalents brought forward		<u>1,077,187</u>	<u>917,785</u>
Cash and cash equivalents carried forward	20	<u><u>1,349,372</u></u>	<u><u>1,077,187</u></u>

The notes on pages 26 to 46 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgments 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 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The financial statements are prepared in sterling which is the functional currency of the Academy Trust and rounded to the nearest pound.

St Thomas More High School is a company limited by guarantee, incorporated in England. The address of the registered office and principal place of operation are detailed on page 1.

1.2 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 Trust 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.

1.3 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.4 Income

All income is recognised once the Academy Trust 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 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 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.

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where receipt is probable and it is measurable.

Donations are recognised on a receivable basis where receipt is probable 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.

1.5 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.

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

All expenditure is inclusive of irrecoverable VAT.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.6 Tangible fixed assets and depreciation

All assets costing more than £5,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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 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. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Astro turf	-	7 years straight line
Fixtures and fittings	-	10 years straight line
Kitchen equipment	-	3 years straight line
Computer equipment	-	3 years straight line

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

1.7 Debtors

Trade and other debtors are recognised at the settlement amount after any discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.8 Cash at Bank and In hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.9 Liabilities and provisions

Liabilities and provisions 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 Trust 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.10 Financial instruments

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

1.11 Taxation

The Academy Trust 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 Trust 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.

1.12 Pensions

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments Pension Scheme ("LGPS"). These are defined benefit schemes.

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 Trust 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 21, 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

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 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.

1.13 Critical accounting estimates and areas of judgment

Estimates and judgments 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 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 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. 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.

Critical areas of judgment:

The treatment of land and buildings is detailed at notes 14 and 24.

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FOR THE YEAR ENDED 31 AUGUST 2017

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	22,190	407,000	-	429,190	419,962
Grants	-	-	45,023	45,023	22,890
	<u>22,190</u>	<u>407,000</u>	<u>45,023</u>	<u>474,213</u>	<u>442,852</u>
<i>Total 2016</i>	<u>12,962</u>	<u>407,000</u>	<u>22,890</u>	<u>442,852</u>	

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	4,891,515	4,891,515	4,892,604
Pupil Premium	-	176,566	176,566	119,680
Other DfE/ESFA Grants	-	57,709	57,709	41,276
	<u>-</u>	<u>5,125,790</u>	<u>5,125,790</u>	<u>5,053,560</u>
Other government grants				
Local Authority Grants	-	109,971	109,971	80,024
	<u>-</u>	<u>109,971</u>	<u>109,971</u>	<u>80,024</u>
Other income from educational operations				
Catering Income	242,489	-	242,489	204,676
Trip Income	-	175,880	175,880	142,438
Other Income	14,046	45,857	59,903	48,865
	<u>256,535</u>	<u>221,737</u>	<u>478,272</u>	<u>395,979</u>
	<u>256,535</u>	<u>5,457,498</u>	<u>5,714,033</u>	<u>5,529,563</u>
<i>Total 2016</i>	<u>235,118</u>	<u>5,294,445</u>	<u>5,529,563</u>	

There are no unfulfilled conditions or other contingencies attached to the government grants above.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Lettings	22,615	-	22,615	38,293
Other Income	6,776	-	6,776	12,527
	<u>29,391</u>	<u>-</u>	<u>29,391</u>	<u>50,820</u>
<i>Total 2016</i>	<u>50,820</u>	<u>-</u>	<u>50,820</u>	

5. INVESTMENT INCOME

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Investment income	936	-	936	1,406
	<u>1,406</u>	<u>-</u>	<u>1,406</u>	
<i>Total 2016</i>	<u>1,406</u>	<u>-</u>	<u>1,406</u>	

6. EXPENDITURE

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Educational operations:					
Direct costs	3,120,854	-	503,327	3,624,181	3,368,228
Support costs	1,537,897	698,571	370,843	2,607,311	2,636,721
	<u>4,658,751</u>	<u>698,571</u>	<u>874,170</u>	<u>6,231,492</u>	<u>6,004,949</u>
<i>Total 2016</i>	<u>4,493,733</u>	<u>680,604</u>	<u>830,612</u>	<u>6,004,949</u>	

In 2016, of the total expenditure of £6,004,949, £75,768 was from unrestricted funds, £5,862,323 was from restricted funds and £66,858 was from restricted fixed asset funds.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

7. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2017 £	Support costs 2017 £	Total 2017 £	Total 2016 £
Educational operations	3,624,181	2,607,311	6,231,492	6,004,949
<i>Total 2016</i>	<u>3,368,228</u>	<u>2,636,721</u>	<u>6,004,949</u>	

8. SUPPORT COSTS

	Educational operations £	Total 2017 £	Total 2016 £
Pension finance cost	55,000	55,000	57,000
Technology costs	65,114	65,114	114,216
Premises costs	634,723	634,723	613,746
Other costs	278,253	278,253	274,524
Governance costs	12,000	12,000	10,750
Wages and salaries	1,482,897	1,482,897	1,499,627
Depreciation	79,324	79,324	66,858
	<u>2,607,311</u>	<u>2,607,311</u>	<u>2,636,721</u>
<i>At 31 August 2016</i>	<u>2,636,721</u>	<u>2,636,721</u>	

During the year ended 31 August 2017, the Academy Trust incurred the following Governance costs:
Total auditor's fees of £12,000 (2016 - £10,750).

9. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets: - owned by the charity	79,324	66,858
Auditor's remuneration - audit	8,750	6,750
Auditor's remuneration - other services	<u>3,250</u>	<u>4,000</u>

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NOTES TO THE FINANCIAL STATEMENTS
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10. STAFF COSTS

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	3,525,859	3,554,762
Social security costs	300,176	266,656
Operating costs of defined benefit pension schemes	627,376	570,908
	<u>4,453,411</u>	<u>4,392,326</u>
Supply teacher costs	148,457	44,407
Apprenticeship levy	1,883	-
Pension finance cost	55,000	57,000
	<u>4,658,751</u>	<u>4,493,733</u>

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

	2017 No.	2016 No.
Teaching	57	56
Administration & support	70	82
Management	8	8
	<u>135</u>	<u>146</u>

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

	2017 No.	2016 No.
In the band £60,001 - £70,000	3	3
In the band £70,001 - £80,000	0	1
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 £647,027 (2016 - £597,825).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

11. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees have been paid remuneration or has received other benefits from an employment with the Academy trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and other 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:

		2017 £	2016 £
Mrs G Ackred, Headteacher	Remuneration	85,000-90,000	80,000-85,000
	Pension contributions paid	10,000-15,000	10,000-15,000
Mr R Shorten, Staff Governor	Remuneration	40,000-45,000	
	Pension contributions paid	5,000-10,000	
Ms S Turrell, Staff Governor	Remuneration		20,000-25,000
	Pension contributions paid		0-5,000

During the year ended 31 August 2017, reimbursement of expenses for travel and subsistence totalling £295 was made to 1 Trustee (2016 - £Nil).

12. 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.

13. OTHER FINANCE INCOME

	2017 £	2016 £
Interest income on pension scheme assets	37,000	53,000
Interest on pension scheme liabilities	(92,000)	(110,000)
	<u>(55,000)</u>	<u>(57,000)</u>

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NOTES TO THE FINANCIAL STATEMENTS
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14. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 September 2016	213,267	80,358	252,611	546,236
Additions	-	-	42,256	42,256
At 31 August 2017	213,267	80,358	294,867	588,492
Depreciation				
At 1 September 2016	152,335	39,807	220,595	412,737
Charge for the year	30,467	5,816	43,041	79,324
At 31 August 2017	182,802	45,623	263,636	492,061
Net book value				
At 31 August 2017	30,465	34,735	31,231	96,431
At 31 August 2016	60,932	40,551	32,016	133,499

The Academy owns 5 acres of land, which has been included in the accounts at £Nil value.

Included within freehold land is an astro turf 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.

15. DEBTORS

	2017 £	2016 £
Due after more than one year		
Other debtors (see note 24)	1,220,000	1,220,000
Due within one year		
Trade debtors	2,243	10,482
Other debtors	18,400	13,260
Prepayments and accrued income	69,171	14,051
	<u>1,309,814</u>	<u>1,257,793</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

16. CREDITORS: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	106,213	48,060
Other taxation and social security	82,880	-
Accruals and deferred income	130,416	146,392
	<u>319,509</u>	<u>194,452</u>
	2017 £	2016 £
Deferred income		
Deferred income at 1 September 2016	67,728	89,342
Resources deferred during the year	61,401	67,728
Amounts released from previous years	(67,728)	(89,342)
	<u>61,401</u>	<u>67,728</u>
Deferred income at 31 August 2017		

At the balance sheet date the Academy was holding funds received in advance of the 2017-18 academic year in respect of educational visits.

17. STATEMENT OF FUNDS

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Unrestricted funds						
General Funds	920,528	309,052	(236,429)	126,526	-	1,119,677
Restricted funds						
	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General Annual Grant (GAG)	-	4,891,515	(4,767,756)	(123,759)	-	-
Pupil Premium	-	126,285	(126,285)	-	-	-
Other DfE/ESFA	-	69,562	(69,562)	-	-	-
Other Grants	-	109,971	(109,971)	-	-	-
Other Income	-	260,165	(260,165)	-	-	-
Donation In Kind	1,220,000	407,000	(407,000)	-	-	1,220,000
Pension Reserve	(2,577,000)	-	(175,000)	-	588,000	(2,164,000)
	<u>(1,357,000)</u>	<u>5,864,498</u>	<u>(5,915,739)</u>	<u>(123,759)</u>	<u>588,000</u>	<u>(944,000)</u>

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NOTES TO THE FINANCIAL STATEMENTS
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17. STATEMENT OF FUNDS (continued)

Restricted fixed asset funds

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Net Book Value of Fixed Assets	133,499	-	(79,324)	42,256	-	96,431
Capital Grants	-	45,023	-	(45,023)	-	-
	<u>133,499</u>	<u>45,023</u>	<u>(79,324)</u>	<u>(2,767)</u>	<u>-</u>	<u>96,431</u>
Total restricted funds	<u>(1,223,501)</u>	<u>5,909,521</u>	<u>(5,995,063)</u>	<u>(126,526)</u>	<u>588,000</u>	<u>(847,569)</u>
Total of funds	<u>(302,973)</u>	<u>6,218,573</u>	<u>(6,231,492)</u>	<u>-</u>	<u>588,000</u>	<u>272,108</u>

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
Unrestricted funds						
General 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>

Restricted funds

	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
General Annual Grant (GAG)	-	4,892,604	(4,877,836)	(14,768)	-	-
Pupil Premium	-	119,680	(119,680)	-	-	-
Other DfE/ESFA	-	41,276	(41,276)	-	-	-
Other Grants	-	80,024	(80,024)	-	-	-
Other Income	-	202,617	(202,617)	-	-	-
Donation In Kind	1,220,000	407,000	(407,000)	-	-	1,220,000
Pension Reserve	(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>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

17. STATEMENT OF FUNDS (continued)

Restricted fixed asset funds

	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
Net Book Value of Fixed Assets	185,589	-	(66,858)	14,768	-	133,499
Capital Grants	-	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>662,335</u>	<u>6,024,641</u>	<u>(6,004,949)</u>	<u>-</u>	<u>(985,000)</u>	<u>(302,973)</u>

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

The General Fund has been created to recognise the incoming and outgoing resources in respect of activities undertaken by the Academy Trust which fall outside the scope of its core activities.

The General Annual Grant (GAG) represents the core funding for the educational activities of the Academy that has been provided to the Academy Trust via the Education and Skills Funding Agency by the Department for Education. The GAG fund has been set up because the GAG must be used for the normal running costs of the Academy Trust.

The Pupil Premium fund has been established to recognise the restricted funding from the Education and Skills Funding Agency to raise the attainment of disadvantaged pupils and close the gap between them and their peers.

The Other Grants fund has been established to recognise grants from Government Bodies and Local Authority other than the DfE/ESFA that fall outside the scope of core funding.

The Other Income fund has been established to recognise all other restricted income that cannot be classified above but fall within the scope of the Academy's educational operations.

The LGPS deficit (pension reserve) fund has been created to separately identify the pension deficit inherited from the Local Authority upon conversion to Academy Trust status, and through which all the pension scheme movements are recognised.

The NBV of Fixed Assets fund has been set up to recognise the tangible assets held by the Academy Trust and is equivalent to the net book value of tangible fixed assets. Depreciation of tangible fixed assets is allocated to this fund.

The DfE/ESFA Capital grants fund has been created to recognise capital grants received for the purpose of the acquisition of tangible fixed assets. As tangible fixed assets are purchased, a transfer is made to the NBV of Fixed Assets fund.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

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NOTES TO THE FINANCIAL STATEMENTS
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18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	96,431	96,431
Debtors due after more than 1 year	-	1,220,000	-	1,220,000
Current assets	1,097,441	341,745	-	1,439,186
Creditors due within one year	22,236	(341,745)	-	(319,509)
Provisions for liabilities and charges	-	(2,164,000)	-	(2,164,000)
	<u>1,119,677</u>	<u>(944,000)</u>	<u>96,431</u>	<u>272,108</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

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

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

	2017 £	2016 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(12,919)	19,692
Adjustment for:		
Depreciation charges	79,324	66,858
Dividends, interest and rents from investments	(936)	(1,406)
Increase in debtors	(52,021)	(997)
Increase/(decrease) in creditors	125,057	(22,383)
Capital grants from DfE and other capital income	(45,023)	(22,890)
Defined benefit pension scheme cost less contributions payable	120,000	54,000
Defined benefit pension scheme finance cost	55,000	57,000
Net cash provided by operating activities	<u>268,482</u>	<u>149,874</u>

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NOTES TO THE FINANCIAL STATEMENTS
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20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash in hand	1,349,372	1,077,187
Total	<u>1,349,372</u>	<u>1,077,187</u>

21. PENSION COMMITMENTS

The Academy Trust's employees belong to two Headteacher 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 2016.

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, unfunded, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010, and the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS

The Teachers' Pension Budgeting And Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

21. PENSION COMMITMENTS (continued)

Valuation of the Teachers' Pension Scheme

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.

The latest actuarial review 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 on 9 June 2014. The key results of the valuation are:

- employer contribution rates were set at 16.4% of pensionable pay; in line with current regulations, not including the additional 0.08% employers pay for the cost of Scheme administration;
- total scheme liabilities for service to the effective date of £191.5 billion, and notional assets of £176.6 billion, giving a notional past service deficit of £15.0 billion;
- an employer cost cap of 10.9% of pensionable pay;
- actuarial assessments are undertaken in intervening years between formal valuations for financial reporting purposes, using updated membership data.

The new employer contribution rate and administration levy for the TPS were implemented in September 2015.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website at the following location:

<https://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuationreport.aspx>

Scheme Changes

Lord Hutton, who chaired the Independent Public Service Pensions Commission, published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012, and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

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FOR THE YEAR ENDED 31 AUGUST 2017

21. PENSION COMMITMENTS (continued)

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in since April 2012.

The arrangements for a reformed Teachers' Pension Scheme, in line with the remainder of the recommendations made by Lord Hutton, have now been implemented. The Career Average Revalued Earnings (CARE) scheme was implemented from 1 April 2015, whereby benefits will accrue on a career average basis and there is a normal pension age aligned to the state pension age.

The employer's pension costs paid to TPS in the period amounted to £457,376 (2016 - £329,985).

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 2017 was £214,000 (2016 - £236,000), of which employer's contributions totalled £170,000 (2016 - £188,000) and employees' contributions totalled £44,000 (2016 - £48,000). The agreed contribution rates for future years are 12.5% for employers and 5.5% to 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:

	2017	2016
Discount rate for scheme liabilities	2.60 %	2.20 %
Rate of increase in salaries	4.20 %	4.10 %
Rate of increase for pensions in payment / inflation	2.70 %	2.30 %
Inflation assumption (CPI)	2.70 %	2.30 %
Inflation assumption (RPI)	3.60 %	3.20 %

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

	2017	2016
Retiring today		
Males	22.2	22.9
Females	24.7	25.3
Retiring in 20 years		
Males	24.3	25.2
Females	27.0	27.7

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FOR THE YEAR ENDED 31 AUGUST 2017

21. PENSION COMMITMENTS (continued)

Sensitivity analysis	At 31 August 2017 £'000	At 31 August 2016 £'000
Discount rate +0.1%	(87)	-
Discount rate -0.1%	89	-
Mortality assumption - 1 year increase	138	-
Mortality assumption - 1 year decrease	(133)	-
CPI rate +0.1%	15	-
CPI rate -0.1%	(15)	-

The above table reflects the movement in the present value of total obligation. Comparative figures have not been provided by the Actuary.

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	1,268,000	1,107,000
Gilts	121,000	58,000
Other bonds	76,000	73,000
Property	188,000	179,000
Cash and other liquid assets	60,000	49,000
Alternative assets	148,000	72,000
Other managed funds	82,000	78,000
Total market value of assets	1,943,000	1,616,000

The actual return on scheme assets was £247,000 (2016 - £202,000).

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

	2017 £	2016 £
Current service cost	(290,000)	(209,000)
Interest income	37,000	53,000
Interest cost	(92,000)	(110,000)
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	(65,000)	(86,000)
Total	(410,000)	(352,000)

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21. PENSION COMMITMENTS (continued)

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

	2017 £	2016 £
Opening defined benefit obligation	4,193,000	2,746,000
Current service cost	290,000	209,000
Interest cost	92,000	110,000
Employee contributions	44,000	48,000
Actuarial (gains)/losses	(447,000)	1,133,000
Benefits paid	(65,000)	(86,000)
Past service costs	-	33,000
Closing defined benefit obligation	4,107,000	4,193,000

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

	2017 £	2016 £
Opening fair value of scheme assets	1,616,000	1,265,000
Interest income	37,000	53,000
Actuarial losses	141,000	148,000
Employer contributions	170,000	188,000
Employee contributions	44,000	48,000
Benefits paid	(65,000)	(86,000)
Closing fair value of scheme assets	1,943,000	1,616,000

22. OPERATING LEASE COMMITMENTS

At 31 August 2017 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
Amounts payable:		
Within 1 year	9,744	9,744
Between 1 and 5 years	2,436	9,744
Total	12,180	19,488

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23. 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.

24. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy Trust'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 the Trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust'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 the 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 as 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.

25. AGENCY ARRANGEMENTS

The Academy Trust administers the distributions of the discretionary support for learners, 16-19 Bursary Funds, on behalf of the ESFA. During the year, the Academy Trust received £11,853 (2016 - £12,973) and disbursed £11,924 (2016 - £12,684). £Nil (2016 - £Nil) was retained to cover administration expenses and therefore a balance of £218 (2016 - £289) was owed to the ESFA as at the balance sheet date.

26. CONTROLLING PARTY

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