

St Thomas More Roman Catholic Academy

Trustees' report and financial statements

31 August 2015

St Thomas More Roman Catholic Academy

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St Thomas More Roman Catholic Academy

Reference and administrative details of the academy, its members/ trustees and advisers Year ended 31 August 2015

Trustees	Mr F C Stimpson, Chairman Mr M Ronan, Vice Chair Mrs D Donkin, Head Teacher Mrs R Anderson (appointed 1 September 2015) Mrs S Bolton (appointed 23 October 2014) Ms H Bell (appointed 1 September 2014) Mrs J Connolly (appointed 23 October 2014) Miss C Edwards Monsignor A Faley Mr C Finlay Mrs K Gallagher (appointed 23 October 2014) Ms L Hagan Mr M Hearn (appointed 23 October 2014, resigned 12 February 2015) Mrs J Hetherington Rev C Hughes (appointed 28 September 2015) Mrs C Jeffrey Mr R Lowery Dr A Macoscar Mr C Masiwa (appointed 23 October 2014) Mrs F Stevenson Reverend P Stott (resigned 31 August 2015) Mr A Stopher (resigned 31 August 2015) Mrs J L Watt (resigned 23 January 2015)
Company registered number	07844795
Principal and registered office	Lynn Road North Shields Tyne & Wear NE29 8LF
Company secretary	A Gollings
Head Teacher	D Donkin
Senior management team	Mrs D Donkin, Head Teacher Mr D Watson, Deputy Head Teacher Mr M Henderson, Deputy Head Teacher Mr A Gollings, Director of Finance and Company Secretary Mrs K Gammack, Director of Learning Mrs S Bunyan, Assistant Headteacher Mr R Kilkenny, Assistant Headteacher Miss P Ronan, Assistant Headteacher Mrs D Hallam, Assistant Headteacher

St Thomas More Roman Catholic Academy

Reference and administrative details of the academy, its members/ trustees and advisers
Year ended 31 August 2015

Administrative details (continued)

Independent auditors	UNW LLP Chartered Accountants & Statutory Auditors Citygate St James Boulevard Newcastle upon Tyne NE1 4JE
Bankers	Lloyds TSB Bank plc 69 Bedford Street North Shields NE29 0AU
Solicitors	Muckle LLP Time Central 32 Gallowgate Newcastle upon Tyne NE1 4BF

St Thomas More Roman Catholic Academy

Trustees' report

Year ended 31 August 2015

The trustees (who are also directors of the charity for the purposes of the Companies Act and Governors of the Academy) present their annual report together with the financial statements and the auditor's report of St Thomas More Roman Catholic Academy (the academy) for the period 1 September 2014 to 31 August 2015. The annual report serves the purpose of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 11 to 18 serving a catchment area in North Tyneside. It has a pupil capacity of 1,740 and had a roll of 1,602 in the school census in October 2015.

The principal object of the academy is to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a catholic school designated as such which shall offer a broad and a balanced curriculum. The wide catchment area provides us with a well-balanced, genuinely comprehensive intake, which we believe to be one of our many strengths.

Structure, governance and management

a. Constitution

The academy is a company limited by guarantee and an exempt charity incorporated on 11 November 2011. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The governors act as the trustees for the charitable activities of St Thomas More Roman Catholic Academy and are also the directors of the charitable company for the purposes of company law. The charitable company is known as St Thomas More Roman Catholic Academy.

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. Method of recruitment and appointment or election of Trustees

The term of office for any trustee shall be four years, save that this time limit shall not apply to the Headteacher or any post held ex-officio. Subject to remaining eligible to be a particular type of trustee, any trustee may be re-appointed or re-elected.

St Thomas More Roman Catholic Academy

Trustees' report (continued) **Year ended 31 August 2015**

The Governing Body is composed as follows:

1 Headteacher

4 Parent Governors

3 Staff Governors

11 Foundation Governors appointed by the Bishop of Hexham and Newcastle

1 Governor appointed by the Governing Body

d. Policies and procedures adopted for the induction and training of Trustees

The training and induction provided for new trustees depends on their existing experience. Where necessary induction and training is provided on educational, legal and financial matters. The Academy buys into an annual Service Level Agreement for Governor Training and Support. All new trustees are given a tour of the academy and the chance to meet with staff and students. All newly appointed trustees are provided with an induction pack which contains copies of policies, procedures, minutes, they are invited to request accounts, budgets, plans and other documents that they will need to undertake in their role as a trustee. As there are normally only one or two new trustees a year, induction is undertaken formally and is tailored to the individual. A training session is provided specifically for the induction of newly appointed trustees which is recognised by a certificate at the end of the training. Every year trustees receive a personal training planner which highlights training sessions available and trustees are encouraged to attend.

e. Organisational structure

During the period the academy has operated a unified leadership structure. The structure consists of two levels: the Trustees and the Senior Leadership Team. The Leadership Team work closely with middle leaders through the link strategy, thus ensuring that 'leadership' and 'management' is devolved accordingly within the academy.

Trustees are responsible for setting general policy, adopting the annual 'Development Plan' and agreeing the budget. This also involves monitoring the academy by the use of budgets, agreeing major decisions about: the direction of the academy, capital expenditure and senior staff appointments.

The Senior Leadership team comprises the Headteacher, two Deputy Headteachers, a Director of Finance & Support Services, a Director of Learning and four Assistant Headteachers, who provide the strategic leadership for the academy implementing the policies laid down by the trustees and reporting back to them via the Headteacher and Director of Finance & Support Services. The Senior Leadership team is responsible for the day to day running of the academy, the financial management of the academy funds and the appointment of staff through interview panels that may contain a trustee(s).

f. Connected organisations, including related party relationships

The academy joined the Hexham and Newcastle Catholic partnership in 2013. The partnership is a family of 12 Catholic Secondary Schools in the Hexham & Newcastle Diocese. It offers staff continuing professional development (CPD) and student opportunities to lead and learn collaboratively. This is a voluntary collaboration that has proved rewarding to date and popular with students and staff alike.

The details of each trustee's pecuniary interests and relationships with related parties are declared and recorded annually with the requirement to declare any interest being a standing item on governing body meetings.

Objectives and Activities

St Thomas More Roman Catholic Academy

Trustees' report (continued) Year ended 31 August 2015

a. Objects and aims

The principal object and activity of the company is the operation of St Thomas More Roman Catholic Academy to provide education for students of different abilities between the ages of 11 and 19 conducted in accordance with the principles, practices and tenets of the Catholic Church.

In accordance with the articles of association the academy trust's object is specifically to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a Catholic school designated as such ("the Academy") which shall offer a broad and balanced curriculum and shall be conducted in accordance with the principles and tenets of the Catholic Church and all Catholic canon law applying thereto including any trust deed governing the use of the land used by the academy both generally and in particular in relation to arranging for religious education and daily acts of worship and having regard to any advice and following directives issued by the Diocesan Bishop.

The main objectives of the academy during the year to 31st August 2015 are summarised below:

- To raise the standard of education achievement for all students
- To achieve continuous improvement and effectiveness of the Academy by keeping the organisational structure and curriculum under constant review
- To provide value for money in the expenditure of revenue and capital funds
- To comply with all statutory requirements
- To maintain and develop links and partnerships with other educational establishments and professionals
- To conduct Academy business at all times in accordance with probity and integrity.

b. Objectives, strategies and activities

The academy's main objectives are encompassed in its mission statement:

St Thomas More is a Catholic school, and as such we attempt to follow the example of Jesus Christ in our work, worship and relationships.

Many people, especially staff and governors, have contributed to formulating aims for the Academy, which are given below. Trustees and staff are committed to working very hard to make them a reality in the daily working life of the school.

Our aims are:

- To be a prayerful community based on Christian values, notably Love, Justice, Peace, Truth and Tolerance, and to encourage individuals in their commitment to these ideals.
 - To promote awareness of Christian issues and the importance of spiritual growth to the overall development of the individual.
 - To promote sensitivity to the needs of others through faith in action.
 - To enable students to recognise and to be respectful of the beliefs and opinions of others.
 - To provide a secure, welcoming and ordered environment in which individuals learn to value and respect both themselves and others.
 - To develop a code of behaviour that balances the interests of the community with those of the individual, and to ensure an understanding of this code.
 - To encourage appropriate behaviour at all times, showing courtesy and respect for each member of the community.
 - To develop a recognition of, and respect, for the rights and property of others.
-

St Thomas More Roman Catholic Academy

Trustees' report (continued) Year ended 31 August 2015

- To promote appreciation of, and respect for, cultural diversity.
- To give individuals, the opportunities to develop their full potential as human beings, and to encourage and challenge them to do so.
- To encourage students to define problems, to ask questions, to weigh evidence and to suggest solutions.
- To develop the ability of recognising a stand point different to their own and interpreting their perspective accordingly.
- To promote the development of personal responsibility, skills and attitudes necessary for adapting to a changing world.
- To encourage everyone to strive to do their best and to strive for the highest standards in all areas of activity.
- To develop the skills of listening carefully, of following instructions precisely and of recording accurately.
- To develop the skills of literacy and numeracy necessary for the acquisition of all knowledge and information.
- To ensure access for all students to creative, physical, scientific, technological, mathematical and linguistic activities.
- To match what is taught and how it is taught to the students' abilities and aptitudes.
- To motivate, by example and encouragement, all students to do their best.
- To help students grow into confident, open, resourceful young people with a sense of responsibility and of service.
- To develop self esteem and self reliance through personal achievement and recognition.
- To develop group co-operation and an awareness of personal responsibility.
- To promote an understanding of the structure of society together with the knowledge, confidence and skills necessary to contribute to it.

c. Activities for achieving objectives

Over the year we have undertaken the following activities in order to help achieve our objectives:

Strengthening of school ethos and its expression in our life and work through:

Continuing with and further developing half-termly information postings to parents.

Responding to requests for personal tours of the school by parents of prospective students.

Producing high quality, informative, half-termly newsletters.

Developing the use of the new Virtual Learning Environment (VLE) to inform parents.

Further developing programme of Liturgy within the Religious Education curriculum which is both prepared and led by students.

Providing opportunities for students to play an active role in leading worship.

Further developing the work of the Student Council.

Hosting meetings for the local Catholic family of schools.

Providing ICT maintenance and PE Coordination and funding of basic level of Educational Psychology provision for students at an early age.

Providing an annual retreat opportunity for Governors and staff within the local Catholic family of schools.

Further developing a visit to the academy for Yr 5 students in the summer term.

Extensive participation in Diocesan Partnership events.

Improving standards and raising achievement through:

Further developing identification and tracking of underperforming students by staff at all levels, using Student performance data software (SISRA).

Developing schedule of termly Raising Achievement meetings with each Head of Department.

Focusing at all Raising Achievement meetings to be "levels of progress".

St Thomas More Roman Catholic Academy

Trustees' report (continued) Year ended 31 August 2015

Clarifying whole-school and departmental approaches to marking and assessment of student work.
Whole-school Literacy Focus: Reading; Talking for Learning; Use of the Super Six.
Raising staff awareness of implications of new Special Educational Needs Development Code of Practice and equip and empower their provision through Quality First Teaching.
Developing a new minimum Departmental teaching and learning (T&L) Monitoring Programme.
Developing a new senior leadership team Quality Assurance strategy re T&L standards.
Providing continuing professional development opportunities to further develop and share effective practice, including: Behaviours for Learning; Acting on feedback.
Whole-school focus on Behaviour for Learning including: presentation of work; equipment checks.
Reviewing KS 4 curriculum offer in light of Progress 8 accountability.
Reviewing Post 16 curriculum offer in light of changes to assessment and funding.
Supporting departments in their: preparation for new GCSE and A Level specifications – first teaching 2015; preparation for changes to the National Curriculum in KS 3.
Further developing information, advice and guidance for students in light of DfE guidance.

Further develop existing leadership and emerging leaders to impact on school improvement and succession planning through:

Supporting staff in new leadership roles.
Supporting and encouraging staff to engage with leadership development opportunities
Further developing heads of departments role in: leading continuing professional development within departments; monitoring teaching and learning.
Continuing to invest in site/facility development.
Trial use of Schools Information Management System (SIMS) for Behaviour Monitoring.
Prudent financial management to allow some capitalisation of funds for future site development.
Exploring emerging capital funding possibilities to further develop facilities.

d. Public benefit

The Academy's aims and objectives are set out within this report. The activities set out in this report have been undertaken to further the academy's charitable purposes for the public benefit. The trustees have complied with the duty under Section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Charities Commission and the Trustees have paid due regard to this guidance in deciding what activities the academy should undertake.

Strategic report

Achievements and performance

a. Review of activities

In 2015 the academy maintained very high A Level outcomes to date with a 99% pass rate, with 55% of all grades being A*-B and 33% of all entries were graded as A*/A.

At GCSE, 74% of students achieving 5+ A*-C including English and Maths, with 25% of all grades awarded being A*/A.

The Ofsted Raiseonline report for 2014 student outcomes shows that progress is significantly higher than the national average for students generally and for some groups including girls, special educational needs without

St Thomas More Roman Catholic Academy

Trustees' report (continued)

Year ended 31 August 2015

statements, and special education needs School Action Plus. Progress is higher than the national average for all other groups but not significantly so. This Raiseonline however reports on first entry only. Student outcomes reported under "best entry" were higher than first entry for St Thomas More in this year.

The academy engaged in Initial Teacher Training (ITT) partnerships with Carmel RC Academy and the following local Universities: Newcastle, Northumbria, Sunderland and Durham.

We have supported other schools within North Tyneside and further afield by:

- Delivery of continuing professional development to newly qualified teachers from across North Tyneside.
- Specialist support for Catholic Primary schools in English, Maths and PE.
- Providing Information & Communication Technology (ICT) Network support for our Catholic Primary Schools.
- Delivering Leadership Training locally.

In 2014/2015 we undertook and completed two much needed capital projects funded largely through grants from the Education Funding Agency (EFA), but supplemented with a contribution from our funds. One was in relation to an improvement to our electricity supply (including new electricity substation) and the other was in relation to new windows and doors in part of our school.

In addition to these works 2014/2015 saw substantial premises works to improve the internal presentation of buildings including: new staging, painting of classrooms, corridors and toilets; replacement of floor coverings in some classrooms and corridors, new tables and chairs in Design and Technology classrooms. Staff workroom areas have been remodelled and refurnished in English and RE. In addition we have undertaken a refresh of ICT in classrooms, replaced our school CCTV system and purchased a new school minibus.

The Academy's level of free reserves opened on 1st September 2014 at a surplus of £1,212,937 and closed at 31st August 2015 in surplus at £1,726,688. The Academy held no investments during the year.

Key performance indicators are currently under review by the board, as to the best measures to report against year on year within an ever changing environment for learning and achievement.

b. Going concern

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

Financial review

Most of the Academy's income is obtained from the Department for Education (DfE) via the Education Funding Agency (EFA), in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE/EFA during the year and the associated expenditure are shown as restricted funds in the Statement of Financial Activities (SOFA).

The Academy also receives grants for capital works from the DfE/ EFA. In accordance with the Charities Statement of recommended practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets

St Thomas More Roman Catholic Academy

Trustees' report (continued) **Year ended 31 August 2015**

concerned.

During the year total restricted fund expenditure was exceeded by recurrent grant funding from the DfE/EFA together with other incoming resources. The excess of income over expenditure for the year (before actuarial gains, and excluding restricted fixed asset funds) was £600,751.

The generation of surpluses in 2014/15 was largely the result of:

- saving on exam fees following the national introduction of linear exams.
- increased income in 2014/15 following increased delegation of (Dedicated School Grant) funds previously held centrally by the Local Authority

All of the expenditure shown in the SOFA is in furtherance of the Academy's objectives. All assets were used exclusively for providing education and the associated support services to the students of the academy.

The provisions of Financial Reporting Standard No. 17 'Retirement Benefits' (FRS17) have been applied in full, resulting in the liability recognised on the balance sheet for this item.

a. Reserves policy

The Governors review the reserves level of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Governors have determined that an appropriate level of free reserves should be equivalent to one month's operating costs, equivalent to between 7%-9% of 'total incoming resources (approximately £800,000). The reason for this is to provide sufficient working capital to cover delays between expenditure and receipt of grant income and to provide the ability to deal with potential unexpected but urgent expenditure e.g. maintenance.

In addition to the underlying target level of free reserves the Governors have determined to build additional levels of reserves in recognition of the age of the school buildings and the capital works that will be necessary to maintain the site. The Governors recognise the current capital funding arrangements for Academies are based upon a bid process that favours those bids that have an element of school contribution (amongst other factors) and have therefore determined to hold reserves for such purposes.

The level of reserves continues to be monitored closely and are not expected to rise materially from their position at 31st August 2015.

b. Investment policy

The academy has adopted a risk adverse approach to investments as it has sought to realise its target level of free reserves. The academy will invest surplus funds through its recognised banking provider using fixed term deposits. Interest rates will be reviewed prior to each investment. This will maximise investment return whilst minimising risks to the principal sum.

c. Principal risks and uncertainties

The academy is subject to a number of risks and uncertainties in common with other academies. The academy has a risk management policy and procedures place in to identify and mitigate risks.

The trustees have assessed the major risks to which the academy is exposed, in particular those relating specifically to teaching, provision of facilities and other operational areas of the academy and its finances. The trustees have implemented a number of systems to assess risks that the academy faces, especially in the

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Trustees' report (continued) **Year ended 31 August 2015**

operational areas (e.g. in relation to teaching, health and safety, safeguarding, school visits and bullying) and in relation to all areas of financial management. The academy has appropriate insurance cover in place regarding its assets and balance of risks. The academy has an effective system of internal financial controls and this is detailed further in the Governance Statement.

The academy has fully implemented the requirements of the Safer Recruitment procedures and all staff have received Child Protection training as part of an annual Safeguarding Service Level Agreement.

The principal financial risks and uncertainties are centred around the changes in the level of funding from the EFA. In addition the academy is a member of the South Tyneside Local Government Pension Scheme (LGPS), which results in the recognition of a significant deficit on the Academy balance sheet.

Plans for future periods

Whilst the academy has been successful in delivering capital projects funded through EFA grants in recent years, these projects have been relatively small in scale and there remain an increasing number of challenges with our school site, which include:

- A significant area of our school buildings date back to 1950s and as such we face increasing maintenance and running costs
- We have four mobile classrooms that were categorised in the EFA's property data survey in 2014 as being in poor condition and requiring remedial action within 1-2 years.
- Our PE changing facilities are old and too small to meet the numbers of pupils we now have.

Whilst we are maintaining the condition of these facilities to meet health and safety standards in the short term this is becoming increasingly difficult to sustain. We will therefore bid for capital grant funding from EFA's Condition Improvement Fund in December 2015 with a view to addressing these issues as soon as possible.

The academy will continue to strive to provide outstanding secondary education for the Catholic community of North Tyneside through its focus on the development of the whole person, both students and staff. It will continue with a relentless focus on improving achievement for students and support for the development of those staff new to the teaching profession and those seeking leadership positions.

The academy will support the development of other Catholic Secondary Schools in the Diocese and other schools generally in the North East region, through its participation in the Diocesan Partnership of Schools and its role as a strategic partner of the Sacred Heart Teaching Alliance. This will include Leadership Development, Initial Teacher Training, work via Local Leaders of Education (LLE) and Specialist Leaders of Education (SLE) programmes and informal response to direct enquiries for support. Support will continue to be given to the North Tyneside Catholic family of primary schools in the areas of English, Maths, Physical Education, Special Educational Needs and ICT technical support. The academy will facilitate a local network for Modern Foreign Languages leaders.

We will continue to host ITTs through School centred initial teacher training and Schools Direct programmes linked to our partnerships with local universities and Teaching Alliances.

We will continue to remain open to the possibility of becoming a Sponsor Academy should the need become apparent within the Diocese.

The academy will continue with a planned maximum number of 1740 students on roll (inc post 16).

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Trustees' report (continued) **Year ended 31 August 2015**

Funds held as custodian trustee on behalf of others

St Thomas More Roman Catholic Academy does not hold any funds as a Custodian Trustee on behalf of others.

Disclosure of information to auditors

Each of the persons who are trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that 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 Trustees in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

This report, incorporating the Strategic report, was approved by order of the board of trustees, as the company directors, on 9 December 2015 and signed on the board's behalf by:

Mr FC Stimpson
Chair of Trustees

M Roman (Vice Chair)
MR M ROMAN

St Thomas More Roman Catholic Academy

Governance Statement

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that St Thomas More Roman Catholic Academy 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 Head Teacher, 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 Roman Catholic Academy 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 Trustees' responsibilities statement. The board of trustees has formally met 4 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr F C Stimpson, Chairman	4	4
Mr M Ronan, Vice Chair	4	4
Mrs D Donkin, Head Teacher	4	4
Mrs R Anderson	0	0
Mrs S Bolton	3	3
Ms H Bell	3	4
Mrs J Connolly	2	3
Miss C Edwards	3	4
Monsignor A Faley	3	4
Mr C Finlay	4	4
Mrs K Gallagher	2	3
Ms L Hagan	4	4
Mr M Hearn	2	2
Mrs J Hetherington	2	4
Rev C Hughes	0	0
Mrs C Jeffrey	3	4
Mr R Lowery	4	4
Dr A Macoscar	4	4
Mr C Masiiwa	2	2
Mrs F Stevenson	2	4
Reverend P Stott	0	4
Mr A Stopher	4	4
Mrs J L Watt	0	0

The main challenges that arose for the board during the year were the continued focus on student progress and attainment; the creation of a new Deputy Head teacher post and subsequent recruitment; (successful) Diocesan inspection; capital grant bid and subsequent works.

Governance reviews:

A governance review is carried out annually in September, when the skills of the governing body and the composition and remit of the committees are considered to ensure they meet the needs of the academy for the

St Thomas More Roman Catholic Academy

Governance Statement (continued)

forthcoming academic year.

The Finance, Premises, Health & Safety Committee is a sub committee of the main board of trustees. Its purpose is to consider all matters related to:

- financial planning, management and control; and
- site and premises management and development; and
- Health & Safety considerations - including receiving updates from the Health and Safety Group in the Academy and an annual Governors Health & Safety report.

The Audit Committee separately considers and advises the Academy Trust on the adequacy and effectiveness of the Academy's systems of internal control, its arrangements for risk management and how the Academy secures economy, efficiency and effectiveness (value for money).

These two Committees meet back to back the same day on a termly basis and are attended by the same Governors.

Attendance at Finance, Premises, Health and Safety Committee meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr F C Stimpson	3	3
Mrs D Donkin, Head Teacher	3	3
Mr Mark Hearn	1	1
Mrs J Hetherington	1	3
Mrs C Jeffrey	2	3
Mr R Lowery	3	3
Mr M Ronan	2	3
Mr A Stopher	2	3

Attendance at Audit Committee meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr F C Stimpson	3	3
Mrs D Donkin, Head Teacher	3	3
Mr Mark Hearn	1	1
Mrs J Hetherington	1	3
Mrs C Jeffrey	2	3
Mr R Lowery	3	3
Mr M Ronan	2	3
Mr A Stopher	2	3

Review of Value for Money

As accounting officer the Head Teacher 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.

The accounting officer considers how the 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 available. The accounting officer for the academy trust has delivered improved value for money during the year by:

St Thomas More Roman Catholic Academy

Governance Statement (continued)

- The structure and format of our budget monitoring reports brought to Governors were reviewed by the Finance, Premises, Health & Safety Committee during 2014/15. These reports continue to be prepared on an accruals basis but now also present a forecast of the outturn for the financial year. The financial position is presented in a format that is readily understood by the non accountant, as well as continuing to report financial statements (Profit & loss and Balance sheet). This improvement has enabled all Governors to fully participate in discussions and has in turn strengthened the financial oversight and governance arrangements (through robust challenge of spending and other decisions)
- We continue to work in partnership with the Hexham and Newcastle Diocese and from 2013/14 we have been part of the Catholic Partnership of schools in the North East at a cost of £22k p.a. This collaboration enables us to achieve economies of scale in purchasing to open up an array of professional development opportunities to teachers and high quality student activities that would not have been possible otherwise without considerable financial outlay.
- The Accounting officer plays an active part in Local democratic decisions around education funding at the North Tyneside Schools Forum. Supported by the Director of Finance, the Accounting officer has been able to understand and challenge all aspects of the local Dedicated Schools Grant, thereby ensuring it is utilised effectively for the benefit of children and young people in North Tyneside.
- A finance training session was held for all Governors in May 2015 to raise their understanding and awareness of all income sources the Academy receives. This session included how the income stream is calculated, its intended purpose and any risks regarding these sources for the future. This training covered pre 16 funding from the Dedicated Schools Grant, Post 16 funding, Pupil Premium, Education Services Grant, funding to support Special educational needs, lettings income and Capital grants. This increased knowledge has enabled the Governing body ensure we deploy our resources effectively and to set the 2015/2016 budget with greater confidence.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in St Thomas More Roman Catholic Academy for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

St Thomas More Roman Catholic Academy

Governance Statement (continued)

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Finance, Premises and Health and Safety 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 to appoint Evolution LLP as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. In particular the checks carried out in the current period included:

- Corporate governance
- Payroll systems
- Purchasing systems
- Accounts and reconciliations

On a termly basis, the internal auditor reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

Review of Effectiveness

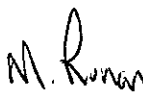
As Accounting Officer, the Head Teacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:


- the work of the internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance, Premises and Health and Safety Committee and Audit 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 9 December 2015 and signed on its behalf, by:

Mr FC Stimpson
Chair of Trustees


Vice Chair
MR M ROWAN


Mrs D Donkin
Accounting Officer

St Thomas More Roman Catholic Academy

Statement on Regularity, Propriety and Compliance

As Accounting Officer of St Thomas More Roman Catholic Academy I have considered my responsibility to notify the academy board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2014).

I confirm that I and the academy board of trustees are able to identify any material, irregular or improper use of funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook (2014).

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



Mrs D Donkin
Accounting Officer

Date: 9 December 2015

St Thomas More Roman Catholic Academy

Trustees' responsibilities statement Year ended 31 August 2015

The trustees (who act as governors of St Thomas More Roman Catholic Academy and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report (including the Strategic report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education 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;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 EFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 9 December 2015 and signed on its behalf by:

**Mr F C Stimpson
Chair of Trustees**

M Ronan
Vice Chair
MR M RONAN

Independent auditors' report to the members of St Thomas More Roman Catholic Academy

We have audited the financial statements of St Thomas More Roman Catholic Academy for the year ended 31 August 2015 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

This report is made solely to the academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of trustees and auditors

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

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2015 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 and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

Opinion on other matter prescribed by the Companies Act 2006

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



Independent auditors' report to the members of St Thomas More Roman Catholic Academy

Matters on which we are required to report by exception

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

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

A handwritten signature in black ink, appearing to read 'Michael Morris'.

Michael Morris FCA ACCA (Senior Statutory Auditor)
for and on behalf of UNW LLP, Statutory Auditor

Chartered Accountants
Newcastle upon Tyne
9 December 2015

St Thomas More Roman Catholic Academy

Independent reporting accountants' assurance report on regularity to St Thomas More Roman Catholic Academy and the Education Funding Agency

In accordance with the terms of our engagement letter dated 19 April 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St Thomas More Roman Catholic Academy during the year 1 September 2014 to 31 August 2015 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 Roman Catholic Academy and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to St Thomas More Roman Catholic Academy and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than St Thomas More Roman Catholic Academy and EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of St Thomas More Roman Catholic Academy's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of St Thomas More Roman Catholic Academy's funding agreement with the Secretary of State for Education dated 28 November 2011, and the Academies Financial Handbook extant from 1 September 2014, 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 2014 to 2015. 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 2014 to 31 August 2015 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 2014 to 2015 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusion includes:

- Testing a sample of expenditure to ensure appropriate authorisations have been obtained, in line with the Academy's policies;
- Testing a sample of expenditure to ensure the Academy was following policies on best value;

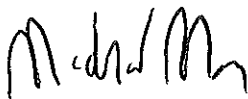
St Thomas More Roman Catholic Academy

Independent reporting accountants' assurance report on regularity to St Thomas More Roman Catholic Academy and the Education Funding Agency (continued)

- Verifying income received by the Academy from the EFA.

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 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Michael Morris ACA FCCA (Senior Statutory Auditor)
for and on behalf of UNW LLP, Statutory Auditor
Chartered Accountants
Newcastle upon Tyne

9 December 2015

St Thomas More Roman Catholic Academy

Statement of financial activities

(incorporating income and expenditure account and statement of total recognised gains and losses)

Year ended 31 August 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Incoming resources						
Incoming resources from generated funds:						
Voluntary income	2	233,280	2,017	-	235,297	278,310
Activities for generating funds	3	99,399	-	-	99,399	63,215
Investment income	4	37,918	-	-	37,918	6,640
Incoming resources from charitable activities	5	-	8,595,060	339,489	8,934,549	8,539,431
Total incoming resources		370,597	8,597,077	339,489	9,307,163	8,887,596
Resources expended						
Costs of generating funds:						
Costs of generating voluntary income	6	205,116	-	-	205,116	240,930
Charitable activities		-	8,099,736	159,275	8,259,011	8,176,354
Governance costs	9	-	8,250	-	8,250	9,500
Total resources expended	10	205,116	8,107,986	159,275	8,472,377	8,426,784
Net incoming resources before transfers		165,481	489,091	180,214	834,786	460,812

St Thomas More Roman Catholic Academy

Statement of financial activities (continued) Year ended 31 August 2015

		Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
	Note					
Transfers between Funds	20	-	(53,821)	53,821	-	-
Net income for the year		165,481	435,270	234,035	834,786	460,812
Actuarial gains and losses on defined benefit pension schemes		-	64,000	-	64,000	82,000
Net movement in funds for the year		165,481	499,270	234,035	898,786	542,812
Total funds at 1 September 2014		667,266	(272,329)	7,106,118	7,501,055	6,958,243
Total funds at 31 August 2015		832,747	226,941	7,340,153	8,399,841	7,501,055

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared.

All of the above amounts relate to continuing activities.

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

The notes on pages 27 to 45 form part of these financial statements.

St Thomas More Roman Catholic Academy

Balance sheet At 31 August 2015

	Note	£	2015 £	£	2014 £
Fixed assets					
Tangible assets	15		7,340,153		7,039,187
Current assets					
Debtors	16	162,408		82,964	
Cash at bank and in hand		2,090,987		1,532,724	
		<u>2,253,395</u>		<u>1,615,688</u>	
Creditors: amounts falling due within one year	17	(526,707)		(335,820)	
Net current assets			<u>1,726,688</u>		<u>1,279,868</u>
Total assets less current liabilities			<u>9,066,841</u>		<u>8,319,055</u>
Defined benefit pension scheme liability	18	(667,000)		(818,000)	
Net assets including pension scheme liability			<u><u>8,399,841</u></u>		<u><u>7,501,055</u></u>
Funds of the academy					
Restricted funds:					
Restricted funds	20	893,941		545,671	
Restricted fixed asset funds	20	7,340,153		7,106,118	
Restricted funds excluding pension liability		<u>8,234,094</u>		<u>7,651,789</u>	
Pension reserve		(667,000)		(818,000)	
Total restricted funds			<u>7,567,094</u>		<u>6,833,789</u>
Unrestricted funds	20		<u>832,747</u>		<u>667,266</u>
Total funds			<u><u>8,399,841</u></u>		<u><u>7,501,055</u></u>

St Thomas More Roman Catholic Academy

Balance sheet (continued) **At 31 August 2015**

The financial statements were approved by the trustees, and authorised for issue, on 9 December 2015 and are signed on their behalf, by:

M. Ronan (Vice Chair)

MR M RONAN

Mr F C Stimpson, Chairman
Chair of Trustees

Registered company number 07844795

The notes on pages 27 to 45 form part of these financial statements.

St Thomas More Roman Catholic Academy

Cash flow statement

Year ended 31 August 2015

	Note	2015 £	2014 £
Net cash flow from operating activities	23	861,501	652,164
Returns on investments and servicing of finance	24	1,918	1,640
Capital expenditure and financial investment	24	(305,156)	(4,005)
Increase in cash in the year		558,263	649,799

Reconciliation of net cash flow to movement in net funds

Year ended 31 August 2015

	2015 £	2014 £
Increase in cash in the year	558,263	649,799
Movement in net funds in the year	558,263	649,799
Net funds at 1 September 2014	1,532,724	882,925
Net funds at 31 August 2015	2,090,987	1,532,724

The notes on pages 27 to 45 form part of these financial statements.

St Thomas More Roman Catholic Academy

Notes to the financial statements Year ended 31 August 2015

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2014 to 2015 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education.

Investment income, gains and losses are allocated to the appropriate fund.

1.3 Incoming resources

All incoming resources are included in the Statement of financial activities when the academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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 year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable 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.

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

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

St Thomas More Roman Catholic Academy

Notes to the financial statements Year ended 31 August 2015

1. Accounting policies (continued)

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

1.4 Resources expended

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

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities are costs incurred in the academy's educational operations.

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Going concern

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

St Thomas More Roman Catholic Academy

Notes to the financial statements Year ended 31 August 2015

1. Accounting policies (continued)

1.6 Tangible fixed assets and depreciation

All assets costing £2,500 or more are capitalised as tangible fixed assets.

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

The buildings from which the Academy operates, and the land upon which they are built, are owned by the Diocese of Hexham and Newcastle. The freehold to the land surrounding the buildings is held by North Tyneside Council but secured by the Academy on a 125 year lease. Although the legal ownership of these land and buildings are not held by the Academy, the day to day risks and rewards of these assets are currently enjoyed by the Academy and as such they have been recognised within tangible fixed assets. There is currently ongoing national debate over the treatment of Diocesan owned land and buildings within the accounts of academy schools and as such the accounting policy adopted by the academy for 2013/14 and 2014/15 will be reviewed during 2015/16 to ensure the academy remains in line with national policy and guidance, both from the Diocese and the Education Funding Agency.

A review for impairment of a tangible fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any tangible 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.

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

L/Term Leasehold Property	-	2% straight line
Motor vehicles	-	20% straight line
Fixtures and fittings	-	33% straight line
Office equipment	-	33% straight line

1.7 Operating leases

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

St Thomas More Roman Catholic Academy

Notes to the financial statements Year ended 31 August 2015

1. Accounting policies (continued)

1.8 Taxation

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

1.9 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 18, the TPS is a multi-employer scheme and the academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

St Thomas More Roman Catholic Academy

Notes to the financial statements Year ended 31 August 2015

2. Voluntary income

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Non-government grants	-	-	-	1,932
Government grants	-	2,017	2,017	24,250
School Fund incoming resources	233,280	-	233,280	252,128
	<u>233,280</u>	<u>2,017</u>	<u>235,297</u>	<u>278,310</u>

3. Activities for generating funds

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Staff income	2,656	-	2,656	7,644
Supply income	3,468	-	3,468	4,130
Miscellaneous income	93,275	-	93,275	51,441
	<u>99,399</u>	<u>-</u>	<u>99,399</u>	<u>63,215</u>

4. Investment income

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Bank interest received	1,918	-	1,918	1,640
Net finance gain in respect of defined benefit pension scheme	36,000	-	36,000	5,000
	<u>37,918</u>	<u>-</u>	<u>37,918</u>	<u>6,640</u>

St Thomas More Roman Catholic Academy

Notes to the financial statements Year ended 31 August 2015

5. Funding for Academy's educational operations

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	8,209,917	8,209,917	8,108,045
Other DfE/EFA grants	-	724,632	724,632	431,386
	<u>-</u>	<u>8,934,549</u>	<u>8,934,549</u>	<u>8,539,431</u>

6. Costs of generating voluntary income

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
School Fund outgoing resources	<u>205,116</u>	<u>-</u>	<u>205,116</u>	<u>240,930</u>

7. Direct costs

	Academy's educational operations £	Total 2015 £	Total 2014 £
Educational supplies	320,000	320,000	343,536
Examination fees	156,230	156,230	211,118
Staff development	19,402	19,402	14,219
Educational consultancy	3,900	3,900	3,500
Other support costs	9,914	9,914	-
Redundancy costs	7,883	7,883	3,982
Supply teacher costs	58,340	58,340	54,584
Wages and salaries	5,155,434	5,155,434	5,038,412
National insurance	400,897	400,897	392,853
Pension cost	615,390	615,390	634,028
	<u>6,747,390</u>	<u>6,747,390</u>	<u>6,696,232</u>

St Thomas More Roman Catholic Academy

Notes to the financial statements Year ended 31 August 2015

8. Support costs

	Academy's educational operations £	Total 2015 £	Total 2014 £
Maintenance of premises and equipment	215,789	215,789	181,775
Cleaning	148,941	148,941	145,260
Rates, water, light and heat	123,351	123,351	128,997
Insurance	65,737	65,737	64,060
Catering	66,105	66,105	64,666
Legal and professional fees	25,321	25,321	27,376
IT related costs	116,350	116,350	148,373
Other support costs	114,701	114,701	103,308
Supply staff costs	4,813	4,813	2,020
Wages and salaries	259,501	259,501	245,304
National insurance	20,155	20,155	19,240
Pension cost	191,582	191,582	174,069
Depreciation	159,275	159,275	175,674
	<u>1,511,621</u>	<u>1,511,621</u>	<u>1,480,122</u>

9. Governance costs

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Audit fees	-	5,250	5,250	5,000
Accountancy fees	-	3,000	3,000	3,000
Governor advice, support and training	-	-	-	1,500
	<u>-</u>	<u>8,250</u>	<u>8,250</u>	<u>9,500</u>

St Thomas More Roman Catholic Academy

Notes to the financial statements Year ended 31 August 2015

10. Resources expended

	Staff costs	Other costs	Total	Total
	2015 £	2015 £	2015 £	2014 £
Costs of generating voluntary income	-	205,116	205,116	240,930
Costs of generating funds	-	205,116	205,116	240,930
Direct costs - Academy's educational operations	6,428,944	318,446	6,747,390	6,696,232
Support costs - Academy's educational operations	280,238	1,231,383	1,511,621	1,480,122
Charitable activities	6,709,182	1,549,829	8,259,011	8,176,354
Governance	-	8,250	8,250	9,500
	6,709,182	1,763,195	8,472,377	8,426,784

11. Net incoming resources

This is stated after charging/(crediting):

	2015 £	2014 £
Depreciation of tangible fixed assets:		
- owned by the company	29,038	45,434
- leased by the company	130,238	130,238
Operating lease rentals:		
- other operating leases	10,044	15,062
Auditors remuneration		
Audit of these financial statements	5,250	5,000

St Thomas More Roman Catholic Academy

Notes to the financial statements Year ended 31 August 2015

12. Staff

a. Staff costs

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	5,414,935	5,283,716
Social security costs	421,052	412,093
Other pension costs (Note 18)	806,972	808,097
	<u>6,642,959</u>	<u>6,503,906</u>
Supply teacher costs	58,340	56,604
Compensation payments	7,883	3,982
	<u>6,709,182</u>	<u>6,564,492</u>

b. Staff numbers

The average number of persons employed by the academy during the year expressed as full time equivalents was as follows:

	2015 No.	2014 No.
Teaching staff	103	99
Administration and support staff	46	52
Management staff	9	8
	<u>158</u>	<u>159</u>

c. Higher paid staff

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

	2015 No.	2014 No.
In the band £60,001 - £70,000	3	2
In the band £100,001 - £200,000	1	1
	<u>4</u>	<u>3</u>

Four (2014: three) of the above employees participated in the Teachers' Pension Scheme and none (2014: none) participated in the Local Government pension Scheme. During the year ended 31st August 2015, pension contributions for these employees amounted to £43,653 (2014: £32,513) and £nil (2014: £nil) respectively.

St Thomas More Roman Catholic Academy

Notes to the financial statements Year ended 31 August 2015

13. Governors' remuneration and expenses

The Principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy in respect of their role as trustees. The value of trustees' remuneration fell within the following bands:

	2015 £	2014 £
D Donkin (Principal)	100,000-105,000	100,000-105,000
A Merchant (staff governor)	-	45,000-50,000
L Hagan (staff governor)	15,000-20,000	40,000-45,000
C Edwards (staff governor)	25,000-30,000	20,000-25,000
H Bell (staff governor)	25,000-30,000	-

14. Trustees' and officers' insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2015 was £1,447 (2014: £1,405). The cost of this insurance is included in the total insurance cost.

St Thomas More Roman Catholic Academy

Notes to the financial statements Year ended 31 August 2015

15. Tangible fixed assets

	L/Term Leasehold Property £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
Cost					
At 1 September 2014	7,361,942	21,989	17,215	109,105	7,510,251
Additions	323,518	24,770	8,965	102,989	460,242
At 31 August 2015	7,685,460	46,759	26,180	212,094	7,970,493
Depreciation					
At 1 September 2014	358,157	6,802	11,037	95,068	471,064
Charge for the year	130,238	7,171	7,481	14,386	159,276
At 31 August 2015	488,395	13,973	18,518	109,454	630,340
Net book value					
At 31 August 2015	7,197,065	32,786	7,662	102,640	7,340,153
At 31 August 2014	7,003,785	15,187	6,178	14,037	7,039,187

The buildings from which the Academy operates, and the land upon which they are built, are owned by the Diocese of Hexham and Newcastle. The freehold to the land surrounding the buildings is held by North Tyneside Council but secured by the Academy on a 125 year lease. Although the legal ownership of these land and buildings are not held by the Academy, the day to day risks and rewards of these assets are currently enjoyed by the Academy and as such they have been recognised within tangible fixed assets. There is currently ongoing national debate over the treatment of Diocesan owned land and buildings within the accounts of academy schools and as such the accounting policy adopted by the academy for 2013/14 and 2014/15 will be reviewed during 2015/16 to ensure the academy remains in line with national policy and guidance, both from the Diocese and the Education Funding Agency.

Included in freehold property is freehold land at valuation of £850,000 (2014: £850,000), which is not depreciated.

16. Debtors

	2015 £	2014 £
Trade debtors	6,212	2,658
Other debtors	43,554	23,428
Prepayments and accrued income	112,642	56,878
	<u>162,408</u>	<u>82,964</u>

St Thomas More Roman Catholic Academy

Notes to the financial statements Year ended 31 August 2015

17. Creditors:

Amounts falling due within one year

	2015 £	2014 £
Trade creditors	835	13,819
Other taxation and social security	125,860	125,068
Other creditors	111,686	109,853
Accruals and deferred income	288,326	87,080
	<u>526,707</u>	<u>335,820</u>

18. Pension commitments

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

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

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

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

St Thomas More Roman Catholic Academy

Notes to the financial statements Year ended 31 August 2015

18. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

The pension costs paid to TPS in the period amounted to £615,390 (2014: £605,097).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

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 2015 was £255,000, of which employer's contributions totalled £204,000 and employees' contributions totalled £51,000. The agreed contribution rates for future years are 16.8% for employers and 7.3% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the

St Thomas More Roman Catholic Academy

Notes to the financial statements Year ended 31 August 2015

18. Pension commitments (continued)

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.

The amounts recognised in the balance sheet are as follows:

	2015 £	2014 £
Present value of funded obligations	(3,191,000)	(2,988,000)
Fair value of scheme assets	2,524,000	2,170,000
Net liability	(667,000)	(818,000)

The amounts recognised in the statement of financial activities are as follows:

	2015 £	2014 £
Current service cost	(191,000)	(203,000)
Interest on obligation	(114,000)	(126,000)
Expected return on scheme assets	150,000	131,000
Total	(155,000)	(198,000)
Actual return on scheme assets	73,000	159,000

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

	2015 £	2014 £
Opening defined benefit obligation	2,988,000	2,674,000
Current service cost	191,000	203,000
Interest cost	114,000	126,000
Contributions by scheme participants	53,000	51,000
Actuarial Gains	(141,000)	(54,000)
Benefits paid	(14,000)	(12,000)
Closing defined benefit obligation	3,191,000	2,988,000

St Thomas More Roman Catholic Academy

Notes to the financial statements Year ended 31 August 2015

18. Pension commitments (continued)

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

	2015 £	2014 £
Opening fair value of scheme assets	2,170,000	1,768,000
Expected return on assets	150,000	131,000
Actuarial gains and (losses)	(77,000)	28,000
Contributions by employer	242,000	204,000
Contributions by employees	53,000	51,000
Benefits paid	(14,000)	(12,000)
	<u>2,524,000</u>	<u>2,170,000</u>

The cumulative amount of actuarial gains and losses recognised in the statement of total recognised gains and losses was a net gain of £64,000 (2014 - £82,000).

The academy expects to contribute £214,000 to its defined benefit pension scheme in 2016.

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

	2015	2014
European equities	66.20 %	67.20 %
European bonds	15.20 %	15.10 %
Property	9.30 %	9.10 %
Cash	3.20 %	2.60 %
Other	6.10 %	6.00 %

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2015	2014
Discount rate for scheme liabilities	3.80 %	3.70 %
Rate of increase in salaries	3.50 %	3.60 %
Rate of increase for pensions in payment / inflation	2.00 %	2.10 %
Inflation assumption (CPI)	2.00 %	2.10 %
Inflation assumption (RPI)	3.10 %	3.10 %
Rate of increase to deferred pensions	2.00 %	2.10 %

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Notes to the financial statements

Year ended 31 August 2015

18. Pension commitments (continued)

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

	2015	2014
Retiring today		
Males	23.1	23.0
Females	24.7	24.6
Retiring in 20 years		
Males	25.1	25.0
Females	27	26.9

Amounts for the current and previous two periods are as follows:

Defined benefit pension schemes

	2015 £	2014 £	2013 £
Defined benefit obligation	(3,191,000)	(2,988,000)	(2,674,000)
Scheme assets	2,524,000	2,170,000	1,768,000
Deficit	(667,000)	(818,000)	(906,000)
Experience adjustments on scheme liabilities	141,000	54,000	(22,000)
Experience adjustments on scheme assets	(77,000)	28,000	76,000

19. Operating lease commitments

At 31 August 2015 the academy had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2015 £	2014 £	2015 £	2014 £
Expiry date:				
Within 1 year	-	-	403	1,209
Between 2 and 5 years	-	-	9,600	9,600
Total	-	-	10,003	10,809

As at 31 August 2015 the academy had no annual commitments under non-cancellable operating leases expiring after more than 5 years.

St Thomas More Roman Catholic Academy

Notes to the financial statements Year ended 31 August 2015

20. Statement of funds

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General Funds	667,266	370,597	(205,116)	-	-	832,747
Restricted funds						
General Annual Grant (GAG)	545,671	8,561,077	(8,158,986)	(53,821)	-	893,941
Pension reserve	(818,000)	36,000	51,000	-	64,000	(667,000)
	(272,329)	8,597,077	(8,107,986)	(53,821)	64,000	226,941
Restricted fixed asset funds						
Restricted Fixed Asset Funds	7,106,118	339,489	(159,275)	53,821	-	7,340,153
Total restricted funds	6,833,789	8,936,566	(8,267,261)	-	64,000	7,567,094
Total of funds	7,501,055	9,307,163	(8,472,377)	-	64,000	8,399,841

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

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 governors. Unrestricted income funds also include the School Fund which is used to administer other funds such as extracurricular pupil events / trips or charitable donations.

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

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency and Department for Education.

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

St Thomas More Roman Catholic Academy

Notes to the financial statements Year ended 31 August 2015

Summary of funds

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	667,266	370,597	(205,116)	-	-	832,747
Restricted funds	(272,329)	8,597,077	(8,107,986)	(53,821)	64,000	226,941
Restricted fixed asset funds	7,106,118	339,489	(159,275)	53,821	-	7,340,153
	<u>7,501,055</u>	<u>9,307,163</u>	<u>(8,472,377)</u>	<u>-</u>	<u>64,000</u>	<u>8,399,841</u>

21. Analysis of net assets between funds

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Tangible fixed assets	-	-	7,340,153	7,340,153	7,039,188
Current assets	832,747	1,420,648	-	2,253,395	1,615,688
Creditors due within one year	-	(526,707)	-	(526,707)	(335,821)
Provisions for liabilities and charges	-	(667,000)	-	(667,000)	(818,000)
	<u>832,747</u>	<u>226,941</u>	<u>7,340,153</u>	<u>8,399,841</u>	<u>7,501,055</u>

22. Related party transactions

Owing to the nature of the academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a governor 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.

There were no transactions with governors in the year other than those disclosed in the governors' remuneration, expenses and insurance note (notes 13 and 14).

St Thomas More Roman Catholic Academy

Notes to the financial statements Year ended 31 August 2015

23. Net cash flow from operations

	2015 £	2014 £
Net incoming resources before revaluations	834,786	460,812
Returns on investments and servicing of finance	(1,918)	(1,640)
Depreciation of tangible fixed assets	159,276	175,673
Increase in debtors	(79,444)	(6,425)
Increase in creditors	35,801	29,744
FRS 17 adjustments	(87,000)	(6,000)
Net cash inflow from operations	861,501	652,164

24. Analysis of cash flows for headings netted in cash flow statement

	2015 £	2014 £
Returns on investments and servicing of finance		
Interest received	1,918	1,640
	1,918	1,640
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(305,156)	(4,005)
	(305,156)	(4,005)

25. Analysis of changes in net funds

	1 September 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand:	1,532,724	558,263	-	2,090,987
Net funds	1,532,724	558,263	-	2,090,987