

St Thomas More Roman Catholic Academy

(a company limited by guarantee)

Trustees' report and financial statements

31 August 2016

St Thomas More Roman Catholic Academy

(a company limited by guarantee)

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Reference and administrative details

Year ended 31 August 2016

Members	The Right Reverend S Cunningham (as the Diocesan Bishop) Mr J Hughes (as Director of Spirituality, Formation and Education Services of the Diocese) Mr M Ronan, as Chair of Governors (appointed 14 September 2016)
Trustees	Mr M Ronan, Chairman (appointed to role 14 September 2016) Mr F C Stimpson, Chairman (to 14 September 2016) Mrs D Donkin (retired 31 August 2016) Mrs R Anderson Mrs S Bolton Ms H Bell Mrs J Connolly Miss C Edwards Monsignor A Faley Mr C Finlay Mrs K Gallagher (resigned 31 August 2016) Ms L Hagan Mrs J Hetherington (retired 31 August 2016) Fr C Hughes (appointed 28 September 2015) Mrs C Jeffrey Mr R Lowery Dr A Macoscar Mr C Masiwa Mrs F Stevenson Mr D Campbell (appointed 1 September 2016) Ms C Wright (appointed 1 September 2016) Ms C Langley (appointed 1 September 2016) Mr D Watson (appointed 1 September 2016)
Company registered number	07844795
Company name	St Thomas More Roman Catholic Academy
Principal and registered office	Lynn Road North Shields Tyne & Wear NE29 8LF
Company secretary	A Gollings
Head Teacher	D Watson (appointed 1 September 2016)
Senior management team	Mr D Watson, Head Teacher (appointed 1 September 2016) 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

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Reference and administrative details

Year ended 31 August 2016

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

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Trustees' report

Year ended 31 August 2016

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2015 to 31 August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

Objectives and Activities

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 2016 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.

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Trustees' report (continued) **Year ended 31 August 2016**

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;
- 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.

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Trustees' report (continued) Year ended 31 August 2016

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:

- Reviewing and revising school Behaviour Policy for September 2016;
- Reviewing and developing school uniform;
- Continuing with and further developing halftermly information postings to parents;
- Responding to requests for personal tours of the school by parents of prospective students;
- Producing high quality, informative, halftermly 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 Physical Education co-ordination in addition to funding a 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 Year 5 students in the summer term;
- Extensive participation in Diocesan Partnership events;
- Seconding a senior leader to support the work of a local school.

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);
- Undertaking Raising Achievement meetings with each Head of Department;
- Focusing at all Raising Achievement meetings to be "levels of progress";
- Reviewing and developing wholeschool and departmental approaches to marking and assessment of student work;
- Wholeschool 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;
- Further developing the Departmental teaching and learning (T&L) Monitoring Programme;
- Providing continuing professional development opportunities to further develop and share effective practice, including: Behaviours for Learning; Acting on feedback;
- Wholeschool focus on Behaviour for Learning including: presentation of work; equipment checks. Implementing revised 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 and adapting KS3 curriculum;
- Further developing information, advice and guidance for students in light of DfE guidance.

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Trustees' report (continued) **Year ended 31 August 2016**

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

- Appointing new Headteacher and distributing leadership roles more widely for September 2016;
- 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;
- Introducing Class Charts to support behaviour for learning;
- Prudent financial management to allow some capitalisation of funds for future site development;
- Exploring emerging capital funding possibilities to further develop facilities.

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

Review of activities

In 2016 the academy maintained very high A Level outcomes to date with a 99.5% pass rate, with 59% of all grades being A*B and 33% of all entries were graded as A*/A. At GCSE, 72% of students achieved A*C grades in both English and Maths, with 44% of students achieving the English Baccalaureate.

The Ofsted Raiseonline report for 2015 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 statements, and special education needs School Action Plus. Progress is higher than the national average for all other groups but not significantly so. 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:

- Seconding a senior leader to support the leadership of a local secondary school;
- 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.

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Trustees' report (continued) **Year ended 31 August 2016**

Parts of the school buildings we occupy date back to the 1950s and whilst the school buildings have grown over the years in size to accommodate increasing pupil numbers we are not a school to have benefitted from large scale rebuild projects over the years. Areas around our PE facilities were deteriorating significantly and in need of urgent attention.

In line with our previously stated objectives, and in order to address a significant part of these building issues, we bid to the Education Funding Agency's 2016 Condition Improvement Fund in December 2015 and were successful. Work started in July 2016 on a £1.6m project to:

- Extend & refurbish the sports hall changing room
- Full demolition and rebuild of the space between the main hall and the gym that will house a new first floor multifunctional dance/fitness/movement space, new changing facilities for boys and girls, new staff office space and storage
- The gym will be fully refurbished.

This work will continue through to Easter 2017.

In addition to these works 2015/2016 saw substantial premises works to improve the internal presentation of buildings including: new LED lighting in all corridors and the main hall, significant redecoration of classrooms and corridors, improved safety features around our car park, remodelled and refurbished History staff office and a new bike store for Sixth form students. The Academy's level of free reserves opened on 1st September 2015 at a surplus of £1,726,688 and closed at 31st August 2016 in surplus at £1,776,109. The Academy held no investments during the year other than using fixed term deposits.

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

Financial review

Funding

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 2015), 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 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 £88,421. The generation of surpluses in 2015/16 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.

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Trustees' report (continued)

Year ended 31 August 2016

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.

Investment policy

The academy has adopted a risk averse 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.

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 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 with the Local Authority. The principal financial risks and uncertainties are centred around:

- the potential changes in funding from the EFA that may arise from the national school funding formula review
- potential movements in relation to the South Tyneside Local Government Pension Scheme (LGPS), which is currently recognised on the Academy's balance sheet as a significant deficit.

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Trustees' report (continued) **Year ended 31 August 2016**

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. reactive maintenance.

In addition to the underlying target level of free reserves the Governors have determined to hold additional reserves in recognition of the age of the school buildings and the capital works that will be necessary to maintain the site. In addition to this Governors are also aware of the projection of increasing numbers in our Sixth Form and the pressure this will bring upon the physical capacity of 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.

Given the current uncertainty regarding national school funding and the increasing expenditure demands placed upon all Academies, the level of reserves is thought to have peaked at 31 August 2016. Reserves are now expected to reduce steadily back towards the 7%-9% target (outlined above) as Governors draw down funds for capital related priorities. This will continue to be monitored closely.

Structure, governance and management

Constitution

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 Roman Catholic Academy 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.

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.

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Trustees' report (continued)

Year ended 31 August 2016

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.

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.

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.

Pay policy for key management personnel

The Governing Body, accepting its role as the relevant statutory body for dealing with matters relating to pay, have a Pay Policy that it reviews annually (and each time a new School Teacher's Pay and Conditions Document comes into effect), following consultation with staff and school-based trade union/professional association representatives. This policy applies to the pay of all staff employed to work in school, including all key management personnel.

The Pay Policy is intended to support the statutory duty within the Education Act 2002 to "...conduct the school with a view to promoting high standards of educational achievement at the school" by ensuring pay decisions are made in conjunction with the school's Appraisal Policy as well as School Improvement Plan.

The Governing Body abides by the relevant pay provisions in the conditions of service appropriate to staff including:

(a) guidance relating to pay for teaching staff are contained in the School Teachers' Pay and Conditions Document (referred to in this Policy as "the Document"), published each year by the DfE.

(b) nationally-agreed guidelines for Support Staff are contained within the NJC Green Book.

All appointments are in line with the published school staffing structure and accompanying Implementation Plan (inclusive of job outlines of all posts) as approved by the Governing Body: a copy of which is available to all staff. This structure is reviewed annually or when a vacancy arises within school. The Governing Body prior to appointment must first approve any permanent deviation from the agreed structure, where this is required.

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Trustees' report (continued) **Year ended 31 August 2016**

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).

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.

Plans for future periods

The academy has a strong record in successfully delivering capital projects, often funded through EFA grants. During 2016/17 we will continue to work through the delivery of the PE related infrastructure project outlined earlier. This will conclude by Easter 2017.

Although this project is very welcome and addresses the majority of the most pressing issues in the site a number of challenges remain, which include:

- Areas of roofing that are now over thirty years old and as such are beyond their expected useful life. Replacing these will remove issues of water penetration, prevent more substantial building damage and improve energy efficiency;
- Flooring in our sports hall, dining hall and outside PE tarmacked areas are also all beyond their expected useful life. These will need to be replaced before they become a significant health and safety hazard;
- Classrooms and staff areas remain lit with fluorescent tubes. Replacing these with modern LED alternatives will require a significant financial outlay, but this would improve energy efficiency, improve light effectiveness and reduce maintenance costs.

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Trustees' report (continued) Year ended 31 August 2016

We will bid for capital grant funding from EFA's Condition Improvement Fund in December 2016 to address one or more of 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.

The academy will engage with the Diocese in the consultation over Multi Academy Trusts for the mutual benefit of all Diocesan schools. 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).

Funds held as custodian

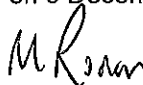
St Thomas More Roman Catholic Academy does not hold any funds as a Custodian Trustee on behalf of others.

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 a strategic report, was approved by order of the board of trustees as the company directors, on 6 December 2016 and signed on its behalf by:



Mr M Ronan
Chair of Trustees

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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 statement of trustees' responsibilities. The board of trustees has formally met 4 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr M Ronan, Chairman (appointed to role 14 September 2016)	4	4
Mr F C Stimpson, Chairman (to 14 September 2016)	3	4
Mrs R Anderson	3	4
Ms H Bell	3	4
Mrs S Bolton	2	4
Mrs J Connolly	1	4
Mrs D Donkin	4	4
Miss C Edwards	1	4
Monsignor A Faley	4	4
Mr C Finlay	3	4
Mrs K Gallagher	3	4
Ms L Hagan	3	4
Mrs J Hetherington	4	4
Fr C Hughes	2	3
Mrs C Jeffrey	4	4
Mr R Lowery	4	4
Dr A Macoscar	2	4
Mr C Masiwa	3	4
Mrs F Stevenson	3	4

The main challenges that arose for the board during the year were the continued focus on student progress and attainment; the recruitment and selection of the new Head Teacher (following notification of the retirement of the Head Teacher Mrs D Donkin on 31 August 2016) and bidding for capital grant to undertake improvement works to the buildings.

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Governance Statement (continued)

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 meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mrs S Bolton	2	3
Mrs J Connolly	2	3
Mrs D Donkin	3	3
Mrs C Jeffrey	3	3
Mr R Lowery	3	3
Mr C Masiwa	0	3
Mr M Ronan	3	3
Mr F C Stimpson	3	3

Review of Value for money

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

The Accounting Officer considers how the academy's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the academy has delivered improved value for money during the year by:

- Ensuring the 2015 Condition Improvement Fund project was tendered appropriately and all routine work around the academy site was carefully considered and coordinated with this project to secure efficiency (eg asbestos removal, fixed wire testing and fire system work);
- Introducing LED lighting in all corridors and the main hall, thereby reducing electricity consumption and costs;
- Reviewing all contracts and changing providers where there was benefit to the academy in doing so.

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 2015 to 31 August 2016 and up to the date of approval of the annual report and financial

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Governance Statement (continued)

statements.

Capacity to Handle Risk

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

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Finance, 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. 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. During the year, in line with a programme set by governors the work focused on:

- Reconciliations of key accounts;
- Procurement in line with the academy's financial handbook;
- System security, back up and recovery; and
- Corporate governance.

Findings were reported to governors, and any recommendations made have been actioned appropriately.

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.

St Thomas More Roman Catholic Academy

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Governance Statement (continued)

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 6 December 2016 and signed on their behalf, by:



Mr M Ronan
Chair of Trustees



Mr D Watson
Accounting Officer

St Thomas More Roman Catholic Academy

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Trustees' responsibilities statement Year ended 31 August 2016

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 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 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 the EFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 6 December 2016 and signed on its behalf by:



**Mr M Ronan
Chair of Trustees**

St Thomas More Roman Catholic Academy

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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 trust 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 trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the 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 2015.

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



Mr D Watson
Accounting Officer

Date: 6 December 2016



Independent auditors' report on the financial statements 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 2016 which comprise the statement of financial activities incorporating income and expenditure account, the balance sheet, the statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the charitable company'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 charitable company'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 charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of trustees and auditors

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

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

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



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

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.

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
6 December 2016

St Thomas More Roman Catholic Academy

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Independent reporting auditor's 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 September 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St Thomas More Roman Catholic Academy during the year 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw 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;
- Verifying income received by the Academy from the EFA.

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

UNW LLP

UNW LLP
Chartered Accountants
Newcastle upon Tyne

6 December 2016

St Thomas More Roman Catholic Academy

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Statement of financial activities incorporating income and expenditure account Year ended 31 August 2016

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Income from:						
Donations and capital grants	2	244,626	-	-	244,626	235,297
Charitable activities	5	-	8,410,177	1,412,640	9,822,817	8,934,549
Other trading activities	3	78,644	-	-	78,644	99,399
Investments	4	5,572	-	-	5,572	1,918
Total income		328,842	8,410,177	1,412,640	10,151,659	9,271,163
Expenditure on:						
Raising funds	6	269,088	-	-	269,088	205,116
Charitable activities		-	8,294,163	199,054	8,493,217	8,299,261
Total expenditure	7	269,088	8,294,163	199,054	8,762,305	8,504,377
Net (expenditure) / income before transfers		59,754	116,014	1,213,586	1,389,354	766,786
Transfers between Funds	19	-	(87,347)	87,347	-	-
Net income before other recognised gains and losses		59,754	28,667	1,300,933	1,389,354	766,786
Actuarial gains/(losses) on defined benefit pension schemes	17	-	(1,258,000)	-	(1,258,000)	132,000
Net movement in funds		59,754	(1,229,333)	1,300,933	131,354	898,786
Reconciliation of funds:						
Total funds brought forward		832,747	226,941	7,340,153	8,399,841	7,501,055
Total funds carried forward		892,501	(1,002,392)	8,641,086	8,531,195	8,399,841

The notes on pages 26 to 44 form part of these financial statements.

St Thomas More Roman Catholic Academy

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Balance sheet

As at 31 August 2016

	Note	£	2016 £	£	2015 £
Fixed assets					
Tangible assets	13		7,545,564		7,340,153
Current assets					
Debtors	14	944,501		162,408	
Cash at bank and in hand		2,529,706		2,090,987	
		<u>3,474,207</u>		<u>2,253,395</u>	
Creditors: amounts falling due within one year	15	(602,576)		(526,707)	
Net current assets			<u>2,871,631</u>		<u>1,726,688</u>
Total assets less current liabilities			<u>10,417,195</u>		<u>9,066,841</u>
Defined benefit pension scheme liability	17		<u>(1,886,000)</u>		<u>(667,000)</u>
Net assets including pension scheme liabilities			<u><u>8,531,195</u></u>		<u><u>8,399,841</u></u>
Funds of the academy					
Restricted income funds:					
Restricted income funds	19	883,608		893,941	
Restricted fixed asset funds	19	8,641,086		7,340,153	
		<u>9,524,694</u>		<u>8,234,094</u>	
Restricted income funds excluding pension liability					
Pension reserve		<u>(1,886,000)</u>		<u>(667,000)</u>	
Total restricted income funds			<u>7,638,694</u>		<u>7,567,094</u>
Unrestricted income funds	19		<u>892,501</u>		<u>832,747</u>
Total funds			<u><u>8,531,195</u></u>		<u><u>8,399,841</u></u>

The financial statements were approved by the trustees, and authorised for issue, on 6 December 2016 and are signed on their behalf, by:



Mr M Ronan
Chair of Trustees

The notes on pages 26 to 44 form part of these financial statements.

Registered company number 07844795

St Thomas More Roman Catholic Academy

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Statement of cash flows Year ended 31 August 2016

	Note	2016 £	2014 £
Cash flows from operating activities			
Net cash provided by operating activities	22	<u>221,054</u>	<u>522,012</u>
Cash flows from investing activities:			
Interest received		5,572	1,918
Purchase of tangible fixed assets		(404,464)	(305,156)
Capital grants from DfE/EFA		<u>616,557</u>	<u>339,489</u>
Net cash provided by investing activities		<u>217,665</u>	<u>36,251</u>
Change in cash and cash equivalents in the year		438,719	558,263
Cash and cash equivalents brought forward		<u>2,090,987</u>	<u>1,532,724</u>
Cash and cash equivalents carried forward		<u><u>2,529,706</u></u>	<u><u>2,090,987</u></u>

St Thomas More Roman Catholic Academy

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Notes to the financial statements **Year ended 31 August 2016**

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

St Thomas More Roman Catholic Academy constitutes a public benefit entity as defined by FRS 102.

First time adoption of FRS 102

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

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

Reconciliations to previous UK GAAP for the comparative figures are included in note 24.

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 with restrictions imposed by the funder and include grants from the Department for Education.

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

St Thomas More Roman Catholic Academy

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Notes to the financial statements Year ended 31 August 2016

1. Accounting policies (continued)

1.3 Income

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

Grants are included in the statement of financial activities 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.

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

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

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

1.4 Expenditure

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

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

Costs of charitable activities are costs incurred on 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.

St Thomas More Roman Catholic Academy

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Notes to the financial statements

Year ended 31 August 2016

1. Accounting policies (continued)

1.5 Going concern

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

1.6 Tangible fixed assets and depreciation

All assets costing £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. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities incorporating income and expenditure account and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities incorporating income and expenditure account.

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 in previous years will be kept under review during 2016/17 to ensure the academy remains in line with national policy and guidance, both from the Diocese and the Education Funding Agency.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

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 incorporating income and expenditure account on a straight line basis over the lease term.

St Thomas More Roman Catholic Academy

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Notes to the financial statements Year ended 31 August 2016

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 quadrennial valuations using a prospective unit credit method. As stated in note 17, 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.

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

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

1.10 Financial instruments

Short term debtors are measured at transaction price, less any impairment.

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

St Thomas More Roman Catholic Academy

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Notes to the financial statements Year ended 31 August 2016

1. Accounting policies (continued)

1.11 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 17, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

The only significant estimate applied in the preparation of these financial statements is the useful economic lives of tangible fixed assets, details of which are given above.

2. Income from donations and capital grants

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Government grants	-	-	-	-	2,017
School Fund incoming resources	244,626	-	-	244,626	233,280
	<u>244,626</u>	<u>-</u>	<u>-</u>	<u>244,626</u>	<u>233,280</u>
Total donations and capital grants	<u>244,626</u>	<u>-</u>	<u>-</u>	<u>244,626</u>	<u>235,297</u>

Of the income received in 2015, £2,017 related to restricted funds with the remainder relating to unrestricted funds.

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Notes to the financial statements Year ended 31 August 2016

3. Other trading activities

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Staff income	-	-	-	2,656
Supply income	20,321	-	20,321	3,468
Miscellaneous income	58,323	-	58,323	93,275
	<u>78,644</u>	<u>-</u>	<u>78,644</u>	<u>99,399</u>

All income in 2015 related to unrestricted funds.

4. Investment income

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Bank interest received	5,572	-	5,572	1,918
	<u>5,572</u>	<u>-</u>	<u>5,572</u>	<u>1,918</u>

5. Income from charitable activities

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Academy's educational operations	-	9,822,817	9,822,817	8,934,549
	<u>-</u>	<u>9,822,817</u>	<u>9,822,817</u>	<u>8,934,549</u>

In 2015, of the total income from charitable activities, £ NIL related to unrestricted funds and £339,489 related to restricted fixed asset funds, with the remainder relating to restricted income funds.

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Notes to the financial statements Year ended 31 August 2016

Funding for Academy's educational operations

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA grants				
General Annual Grant (GAG)	-	8,077,078	8,077,078	8,209,917
Other DfE/EFA grants	-	1,745,739	1,745,739	724,632
	<u>-</u>	<u>9,822,817</u>	<u>9,822,817</u>	<u>8,934,549</u>

6. Costs of generating voluntary income

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
School Fund outgoing resources	<u>269,088</u>	<u>-</u>	<u>269,088</u>	<u>205,116</u>

7. Expenditure

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Expenditure on raising voluntary income	-	-	269,088	269,088	205,116
Academy's educational operations:					
Direct costs	6,649,525	-	233,766	6,883,291	6,747,390
Support costs	295,768	479,645	834,513	1,609,926	1,550,871
	<u>6,945,293</u>	<u>479,645</u>	<u>1,337,367</u>	<u>8,762,305</u>	<u>8,503,377</u>

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Notes to the financial statements Year ended 31 August 2016

8. Support costs

	Academy's educational operations £	Total 2016 £	Total 2015 £
Pension finance cost	21,000	21,000	25,000
Maintenance of premises and equipment	183,014	183,014	215,789
Cleaning	152,701	152,701	148,941
Rates, water, light and heat	113,685	113,685	123,351
Insurance	47,515	47,515	65,737
Catering	66,146	66,146	66,105
Legal and professional fees	21,221	21,221	25,321
IT related costs	177,735	177,735	116,350
Other support costs	120,058	120,058	114,701
Governance costs	15,225	15,225	8,250
Supply staff costs	6,112	6,112	4,813
Wages and salaries	273,688	273,688	259,501
National insurance	22,080	22,080	20,155
Pension cost	190,692	190,692	197,582
Depreciation	199,054	199,054	159,275
	1,609,926	1,609,926	1,550,871

During the year ended 31 August 2016, the academy incurred the following Governance costs:

Internal audit fees £3,150
 External audit fees in respect of financial statements £5,500
 Audit fees in respect of other reports £2,775
 Accountancy support £3,000
 Governor support £800

9. Net incoming resources

This is stated after charging/(crediting):

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the company	64,357	29,038
- leased by the company	134,697	130,238
Operating lease rentals:		
- other operating leases	26,400	36,403
Auditors remuneration		
Audit of these financial statements	5,500	5,250

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10. Staff costs

Staff costs were as follows:

	2016 £	2014 £
Wages and salaries	5,419,256	5,414,935
Social security costs	477,339	421,052
Operating costs of defined benefit pension schemes	920,583	812,972
	<u>6,817,178</u>	<u>6,648,959</u>
Supply staff costs	123,765	58,340
Staff restructuring costs	4,350	7,883
	<u>6,945,293</u>	<u>6,715,182</u>

Staff restructuring costs comprise:

Redundancy payments	<u>4,350</u>	<u>7,883</u>
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The average number of persons employed by the academy during the year was as follows:

	2016 No.	2015 No.
Teaching staff	115	116
Administration and support staff	51	51
Management staff	9	9
	<u>175</u>	<u>176</u>

Average headcount expressed as a full time equivalent:

	2016 No.	2015 No.
Teaching staff	103	103
Administrative and support staff	46	46
Management	9	9
	<u>158</u>	<u>158</u>

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

	2016 No.	2015 No.
In the band £60,001 - £70,000	4	3
In the band £100,001 - £200,000	1	1

Four (2015: three) of the above employees participated in the Teachers' Pension Scheme and one (2015: one) participated in the Local Government pension Scheme. During the year ended 31st August 2016, pension contributions for these employees amounted to £49,179 (2015: £33,207) and £10,806 (2015: £10,446) respectively.

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Notes to the financial statements Year ended 31 August 2016

10. Staff costs (continued)

The total amount of employee benefits (including employer pension contributions) received by key management personnel (trustees and senior management) for their services to the academy trust was £791,075 (2015: £727,975).

11. Governors' remuneration and expenses

One or more trustees has 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 principal 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:

		2016 £	2015 £
D Donkin (Principal)	Remuneration	105,000-110,000	105,000-110,000
	Pension contributions paid	15,000-20,000	15,000-20,000
H Bell (staff governor)	Remuneration	30,000-35,000	25,000-30,000
	Pension contributions paid	0-5,000	0-5,000
C Edwards (staff governor)	Remuneration	25,000-30,000	25,000-30,000
	Pension contributions paid	0-5,000	0-5,000
L Hagan (staff governor)	Remuneration	45,000-50,000	15,000-20,000
	Pension contributions paid	5,000-10,000	0-5,000

During the year ended 31 August 2016, expenses totalling £16 (2015 - £52) were reimbursed to 1 trustee (2015 - 1).

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. The total cost for the year ended 31 August 2016 was £37,943 (2015 - £1,447).

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Notes to the financial statements Year ended 31 August 2016

13. Tangible fixed assets

	L/Term Leasehold Property £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
Cost					
At 1 September 2015	7,685,460	46,759	26,180	212,094	7,970,493
Additions	319,894	-	3,569	81,001	404,464
At 31 August 2016	8,005,354	46,759	29,749	293,095	8,374,957
Depreciation					
At 1 September 2015	488,395	13,973	18,518	109,454	630,340
Charge for the year	134,697	9,351	5,024	49,981	199,053
At 31 August 2016	623,092	23,324	23,542	159,435	829,393
Net book value					
At 31 August 2016	7,382,262	23,435	6,207	133,660	7,545,564
At 31 August 2015	7,197,065	32,786	7,662	102,640	7,340,153

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 2014/15 and 2015/16 will be reviewed during 2016/17 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 (2015: £850,000), which is not depreciated.

14. Debtors

	2016 £	2015 £
Trade debtors	150	6,212
Other debtors	42,250	43,554
Prepayments and accrued income	902,101	112,642
	944,501	162,408

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Notes to the financial statements Year ended 31 August 2016

15. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	-	835
Other taxation and social security	135,021	125,860
Other creditors	123,132	111,686
Accruals and deferred income	344,423	288,326
	<u>602,576</u>	<u>526,707</u>

16. Capital commitments

At 31 August 2016 the academy had capital commitments as follows:

	2016 £	2015 £
Contracted for but not provided in these financial statements	<u>1,336,000</u>	<u>-</u>

17. 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 pension schemes.

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

Contributions amounting to £122,802 were payable to the schemes at 31 August 2016 (2015 - £111,500) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

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

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Notes to the financial statements Year ended 31 August 2016

17. Pension commitments (continued)

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

The employer's pension costs paid to TPS in the period amounted to £729,891 (2015 - £615,390).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £303,000 (2015 - £255,000), of which employer's contributions totalled £249,000 (2015 - £204,000) and employees' contributions totalled £54,000 (2015 - £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 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 at the balance sheet date (expressed as weighted averages):

	2016	2015
Discount rate for scheme liabilities	2.00 %	3.80 %
Rate of increase in salaries	3.40 %	3.50 %
Rate of increase for pensions in payment / inflation	1.90 %	2.00 %
Inflation assumption (CPI)	1.90 %	2.00 %
Inflation assumption (RPI)	3.00 %	3.10 %
Rate of increase to deferred pensions	1.90 %	2.00 %

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Notes to the financial statements Year ended 31 August 2016

17. Pension commitments (continued)

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

	2016	2015
Retiring today		
Males	23.2	23.1
Females	24.8	24.7
Retiring in 20 years		
Males	25.3	25.1
Females	27.1	27

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

	Fair value at 31 August 2016 £'000	Fair value at 31 August 2015 £'000
European equities	2,106	1,670
European bonds	486	384
Property	318	235
Cash	95	81
Other	172	154
Total market value of assets	<u>3,177</u>	<u>2,524</u>

The actual return on scheme assets was £477,000 (2015 - £76,000).

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

	2016 £	2015 £
Current service cost (net of employee contributions)	(189,000)	(197,000)
Net interest cost	(21,000)	(26,000)
Total	<u>(210,000)</u>	<u>(223,000)</u>

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Notes to the financial statements Year ended 31 August 2016

17. Pension commitments (continued)

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

	2016 £	2015 £
Opening defined benefit obligation	3,191,000	2,988,000
Current service cost	189,000	197,000
Interest cost	120,000	111,000
Contributions by scheme participants	54,000	53,000
Actuarial losses/(gains)	1,636,000	(141,000)
Benefits paid	(127,000)	(17,000)
Closing defined benefit obligation	5,063,000	3,191,000

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

	2016 £	2015 £
Opening fair value of scheme assets	2,524,000	2,170,000
Expected return on assets	99,000	85,000
Actuarial gains/(losses)	378,000	(9,000)
Contributions by employer	249,000	242,000
Contributions by employees	54,000	53,000
Benefits paid	(127,000)	(17,000)
Closing fair value of scheme assets	3,177,000	2,524,000

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Notes to the financial statements Year ended 31 August 2016

18. Operating lease commitments

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

	Land and buildings			Other
	2016	2015	2016	2015
	£	£	£	£
Amounts payable:				
Within 1 year	-	-	9,600	10,003
Between 1 and 5 years	-	-	16,800	26,400
	<hr/>	<hr/>	<hr/>	<hr/>
Total	-	-	26,400	36,403
	<hr/>	<hr/>	<hr/>	<hr/>

As at 31 August 2016 the academy had no annual commitments under non-cancellable operating leases expiring after more than 5 years.

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Notes to the financial statements Year ended 31 August 2016

19. Statement of funds

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Designated funds						
General funds						
General Funds	832,747	328,842	(269,088)	-	-	892,501
Total Unrestricted funds	832,747	328,842	(269,088)	-	-	892,501
Restricted funds						
General Annual Grant (GAG)	893,941	8,410,177	(8,333,163)	(87,347)	-	883,608
Pension reserve	(667,000)	-	39,000	-	(1,258,000)	(1,886,000)
	226,941	8,410,177	(8,294,163)	(87,347)	(1,258,000)	(1,002,392)
Restricted fixed asset funds						
Restricted Fixed Asset Funds	7,340,153	1,412,640	(199,054)	87,347	-	8,641,086
Total restricted funds	7,567,094	9,822,817	(8,493,217)	-	(1,258,000)	7,638,694
Total of funds	8,399,841	10,151,659	(8,762,305)	-	(1,258,000)	8,531,195

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 2016.

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20. Analysis of net assets between funds

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	-	7,545,564	7,545,564	7,340,153
Current assets	892,501	1,486,183	1,095,522	3,474,206	2,253,395
Creditors due within one year	-	(602,575)	-	(602,575)	(526,707)
Provisions for liabilities and charges	-	(1,886,000)	-	(1,886,000)	(667,000)
	<u>892,501</u>	<u>(1,002,392)</u>	<u>8,641,086</u>	<u>8,531,195</u>	<u>8,399,841</u>

21. Related party transactions

Owing to the nature of the academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a 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 11 and 12).

22. Reconciliation of net movement in funds to net cash flow from operating activities

	2016 £	2015 £
Net income for the year (as per Statement of financial activities)	1,389,354	766,786
Adjustment for:		
Depreciation of tangible fixed assets	199,054	159,275
Returns on investments and servicing of finance	(5,572)	(1,918)
(Increase) in debtors	(782,093)	(79,444)
Increase in creditors	75,868	35,802
Capital grants from DfE and other capital income	(616,557)	(339,489)
Pension scheme adjustments (FRS102)	(39,000)	(19,000)
Net cash provided by operating activities	<u>221,054</u>	<u>522,012</u>

23. Analysis of cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	2,529,706	2,090,987
Total	<u>2,529,706</u>	<u>2,090,987</u>

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Notes to the financial statements

Year ended 31 August 2016

24. First time adoption of FRS 102

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

Comparative figures have been restated to reflect the adjustments made, except to the extent that the Trustees have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

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