

St Thomas More Roman Catholic Academy

(A company limited by guarantee)

Annual report

31 August 2020

St Thomas More Roman Catholic Academy

(A company limited by guarantee)

Contents

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 12
Governance statement	13 - 17
Statement on regularity, propriety and compliance	18
Statement of Trustees' responsibilities	19
Independent auditors' report on the financial statements	20 - 22
Independent reporting accountant's report on regularity	23 - 24
Statement of financial activities incorporating income and expenditure account	25
Balance sheet	26 - 27
Statement of cash flows	28
Notes to the financial statements	29 - 53

St Thomas More Roman Catholic Academy

(A company limited by guarantee)

Reference and administrative details

Members The Right Reverend R Byrne as the Diocesan Bishop
Mrs D Fox
Mr M Ronan (as Chair of Governors)

Trustees Mr M Ronan
Mrs R Anderson
Mrs H Bell
Mrs J Bloomfield (appointed 1 December 2019)
Mrs S Bolton
Mr D Campbell
Ms L Carr
Mr C Finlay
Ms A Gibson
Ms L Hagan
Fr C Hughes
Mrs C Jeffrey (resigned 6 July 2020)
Ms C Langley
Mr R Lowery
Dr A Macoscar
Mr C Masiwa
Mr N Skinner (resigned 14 September 2020)
Mrs F Stevenson
Mr D Watson
Ms C Wright

**Company registered
number** 07844795

Company name St Thomas More Roman Catholic Academy

**Principal and registered
office** Lynn Road
North Shields
Tyne and Wear
NE29 8LF

St Thomas More Roman Catholic Academy

(A company limited by guarantee)

Reference and administrative details (continued)

Year ended 31 August 2020

Company secretary A Gollings

Chief executive officer D Watson

**Senior management
team**

Mr D Watson, Head Teacher
Mr M Henderson, Deputy Head Teacher
Mrs K Gammack, Senior Assistant Headteacher
Mr A Gollings, Director of Finance and Support Services
Mrs K Dixon, Assistant Head Teacher
Mrs D Hallam, Assistant Head Teacher
Ms R Kilkenny, Assistant Head Teacher
Miss P Ronan, Assistant Head Teacher

Independent auditors

UNW LLP
Chartered Accountants
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

(A company limited by guarantee)

Trustees' report

Year ended 31 August 2020

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.

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 reappointed or re-elected.

The Governing Body is composed as follows:

- 1 Head Teacher
- 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 and 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 a small number of 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.

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 ('SLT'). The SLT work closely with middle leaders, 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.

St Thomas More Roman Catholic Academy

(A company limited by guarantee)

Trustees' report (continued)

Year ended 31 August 2020

During 2019/20 the SLT comprised of the Headteacher, one Deputy Headteacher, a Director of Finance & Support Services, a Senior Assistant Headteacher 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 SLT 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).

Arrangement for setting pay and remuneration 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 Partner

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.

Trade union facility time

There were no relevant Union Officials during the year and as such the academy has not incurred any costs in relation to facility time or paid union activities.

Related parties and other connected Charities or Organisations

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.

St Thomas More Roman Catholic Academy

(A company limited by guarantee)

Trustees' report (continued) Year ended 31 August 2020

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 2020 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 work with the Diocese of Hexham and Newcastle, in particular to engage with the establishment of the Catholic Education Trusts;
- 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 support our students and their families beyond the scope of education;
- To conduct academy business at all times in accordance with probity and integrity.

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 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;

St Thomas More Roman Catholic Academy

(A company limited by guarantee)

Trustees' report (continued)

Year ended 31 August 2020

- 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 cooperation 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.

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.

Activities for achieving objectives

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

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

- Continuing to develop and implement pastoral systems to support behaviour for learning;
- Developing the use of ParentMail as a means of involving parents with homework;
- Further developing the 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, Caretaking and Physical Education co-ordination;
- Providing an annual retreat opportunity for trustees and staff within the local Catholic family of schools;
- Extensive participation in Diocesan and Local Authority groups and events;
- Hosting virtual transition days for new students including Year 6 teachers from primaries liaising directly with a wide range of staff to aid transition;
- Responding to the challenges of the Covid pandemic to support the students and their families both in and out of school;
- Working closely with the Diocese and Catholic Schools North of Tyne in establishing and joining the North of Tyne Catholic Education Trust;
- Working with the local authority to ensure the provision for students for whom mainstream schools are not appropriate is effective;
- Further develop partnerships with local child protection and safeguarding teams including the North Tyneside multi agency safeguarding hub;
- Playing an active role in North Tyneside schools forum, particularly at ensuring appropriate and fair funding for school.

St Thomas More Roman Catholic Academy

(A company limited by guarantee)

Trustees' report (continued)

Year ended 31 August 2020

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 focussing on student progress;
- Developing Teaching and Learning through Planning for Progress action research;
- Further developing support for disadvantaged students and boys;
- Reviewing and developing whole school and departmental approaches to marking and assessment of student work;
- Whole school Literacy Focus: Reading; Use of the Accelerated Reader;
- Developing Disciplinary Literacy across all departments;
- Completing and implementing findings of SEN Review;
- Further developing the Departmental teaching and learning (T&L) Monitoring Programme with individual termly review meetings between HoD and Headteacher;
- Providing continuing professional development opportunities to further develop and share effective practice;
- Reviewing Post 16 curriculum offer in light of new A Level examinations;
- Reviewing performance in new GCSE examinations and identifying areas to develop departmentally;
- Further developing information, advice and guidance for students in light of DfE guidance and engaging with North East Careers Hub.

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

- Implementing findings of staffing review and restructure in order to ensure long term financial viability of the academy;
- Supporting staff in new leadership roles, in particular new Assistant Heads of Year;
- 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;
- Further implement Class Charts to support behaviour for learning;
- Further develop use of CPOMs to support recording sharing and tracking of all pastoral issues;
- Exploring emerging capital funding possibilities to further develop facilities;
- Responding to the cancelling of public examinations and produce Central Assessed Grades and rank order for all qualifications;
- Respond to likely changes in public examinations for 2021 by reviewing and adapting the curriculum.

St Thomas More Roman Catholic Academy

(A company limited by guarantee)

Trustees' report (continued)

Year ended 31 August 2020

Strategic report

Achievements and performance

Review of activities

Developments in particular subjects at both GCSE and A Level combined with effective and targeted intervention and support meant that students were on track to achieve highly. In spring 2020 the Covid pandemic changed the national landscape, and all schools closed for the majority of students. Throughout the lockdown period students and their families were supported in the following ways:

- Many vulnerable students and children of critical workers continued to attend school;
- Remote learning was provided for all students through a combination of online and paper based materials. Priority year groups were Year 10 and Year 12 meaning that most students were able to cover most of their normal curriculum;
- The school loaned over 80 devices to support online learning and also funded internet access;
- Students without IT equipment and some SEND students were provided with paper based material;
- Pastoral staff maintained weekly contact with a significant number of more vulnerable students who were not routinely attending school;
- Immediately at the start of lockdown school provided food vouchers to those families entitled to free school meals, later joining the national scheme.

Public examinations were cancelled and schools were required to submit Central Assessed Grades and rank order for all qualifications. Schools carried out this task using a combination of existing data and teacher's professional judgement. Following the use of Central Assessed Grades without national standardisation the vast majority of Year 11 and Year 13 students were able to progress to their chosen next destination.

Ofsted carried out a Section 8 short inspection of the academy in October 2017 and found that the school remained in the Good category with significant strengths in Behaviour, Personal Development, Teaching and Learning and Leadership both in main school and in the sixth form.

The academy engaged in Initial Teacher Training (ITT) partnerships with the Carmel Trust, St Mary's Catholic School, Whitley Bay High School, North Tyneside SCITT and the following local universities: Newcastle, Northumbria, Sunderland and Durham.

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

- 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.

Going concern

The academy joined the Bishop Bewick Catholic Education Trust on 1 December 2020. As a result, the existing funding agreement for the school transferred to the MAT and the trust ceased to trade.

Whilst this transfer has an impact on the going concern assumption, the transfer of all assets and liabilities at net book value means that there is no difference between the preparation of these financial statements on a going concern basis and a non-trading basis. Further details of the transfer are included at note 29.

St Thomas More Roman Catholic Academy

(A company limited by guarantee)

Trustees' report (continued) **Year ended 31 August 2020**

Financial review

The academy's level of free reserves opened on 1st September 2019 at a surplus of £1,131,968 and closed at 31st August 2020 in surplus at £1,322,742. The academy held no investments during the year other than fixed term deposits.

During 2019/20, in keeping with our objectives:

- We successfully embedded the new staff operating arrangements following the full staff review conducted in summer 2019 (which saw 8 support staff and 5 teaching staff leave on voluntary redundancy terms by 31st August 2019).
- We were successful in applying for Condition Improvement funding (CIF) to replace and repair roof areas over our Sixth form and Music departments. This project was originally due to be delivered in summer 2020, but as notification of the grant award was not received until mid August 2020 the Education and Skills Funding Agency (ESFA) have agreed we can defer the works to Summer 2021. The project cost is currently estimated as £216,017 and will be funded by £183,017 of the ESFA's CIF grant and £33,000 from academy reserves.
- Governors agreed to the extension of our Dining hall area, increasing capacity from 320 students to up to 580 students. This decision was made as we have approximately 1,600 pupils over two 45 min lunch sittings, making the lunchtime experience for all students too hurried. Governors agreed to use approximately £425,000 of the academy's reserves to fund this project as it would not qualify for any known external grant funding. This project started July 2020 and is due to conclude in December 2021.

Further to the above items 2020 has seen the impact of the global pandemic of the coronavirus (Covid 19). The impact in the United Kingdom was initially felt in March 2020. Like all schools in the UK the academy was required to continue to open to students of key workers and vulnerable families throughout the national shutdown. Working with Public Health England, the Local Authority and in liaison with local schools in the area and Diocese we reviewed health and safety requirements ensuring all staff, students and visitors continued to be safe throughout. Our teaching staff focussed on delivering high quality and effective learning to students both in school and at home. Our pastoral support arrangements continued to liaise with families and children throughout the March to August period, supporting them as best we could. This included arranging and delivering supermarket vouchers in lieu of free school meals.

Inevitably additional costs were incurred in relation to vouchers, additional catering costs (due to lost sales income), additional building costs and safety measures (in response to Covid 19), additional ICT for students & staff, lost lettings income and cancelled school trips. Some of these costs (e.g. supermarket vouchers, cancelled trips) have been recovered from the government or through insurance. Other potential costs were mitigated or avoided with careful management e.g. cleaning costs. Costs associated with catering losses, additional ICT, site alterations and lost income have however been incurred. These are estimated to have amounted to approximately £50,000 in 2019/20.

Funding

Most of the academy's income is obtained from the Department for Education (DfE) via the Education & Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE/ESFA 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/ESFA. 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 and unrestricted revenue fund expenditure was lower than recurrent grant funding from the DfE/ESFA together with other incoming resources. The excess of income over expenditure for the year (before actuarial losses and other pension movements) was £190,774. An underspend was planned for as the

St Thomas More Roman Catholic Academy

(A company limited by guarantee)

Trustees' report (continued)

Year ended 31 August 2020

trustees had recognised the need to set a surplus budget for 2019/20 to increase reserves following the 2018/19 staff restructure costs agreed and knowing the commitment they had to capital projects in 2020/21 and beyond (e.g. dining hall extension, music and sixth form roof works etc).

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.

Reserves policy

The trustees 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 trustees 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. The trustees 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 continued uncertainty regarding national school funding and the increasing expenditure demands placed upon all academies, the level of reserves is felt to have peaked at 31 August 2016. Budget planning for 2017/18 showed that the long term trajectory for reserves would be downwards. At that point trustees agreed to draw down reserve funds for capital related priorities and to take time to consider and implement a new operating model in Summer 2019. Having implemented the staff restructure plans in 2019 and maintaining overall good control over non staff costs and income the academy was able to set a budget for 2019/20 and beyond that should see the level of reserves settle at around the 7% - 9% target (outlined above) over the next few years. This will continue to be monitored closely.

At 31 August 2020, the academy had total revenue funds (excluding pensions reserve) of £1,322,742. This is in excess of the target but the ongoing capital commitments to complete the dining hall extension and partially fund the roof works in the summer of 2021 will reduce this balance by a further £140k. Whilst the school have addressed health and safety condition related site requirements there are other aspects of the site that could be developed further to enhance teaching and learning and the student experience. These will be reviewed in the next 12 months and plans prepared to utilise the reserves held in excess of the reserves policy level.

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

St Thomas More Roman Catholic Academy

(A company limited by guarantee)

Trustees' report (continued)

Year ended 31 August 2020

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 impact of the coronavirus (Covid 19) upon the school's ability to deliver effective teaching and learning as staff and student time in school is disrupted, coupled with the demands of supporting staff and students with the wellbeing and societal impacts the virus has brought;
- The ongoing financial consequences of managing in a coronavirus (Covid 19) environment and the uncertainty that exists with regards to the funding of those costs and lost income;
- Potential cultural challenges and cost pressures that may result from changing systems and processes to align with those of the Bishop Bewick Catholic Education Trust; and
- Changes in funding from the ESFA that may arise from Treasury decisions regarding school funding nationally and the distribution of a significant part of those funds following the national school funding formula review.

Fundraising

The academy recognises its duties as set out by the Charity Commission in its document "Charity fundraising: a guide to trustees' duties" and those in the DfE's document "Charging for school activities".

In practice, the academy's fundraising activities are largely in relation to national charitable campaigns such as Comic Relief. The activities the academy participates in are considered carefully in order to ensure they align closely with the educational and social development aims of the academy. All funds generated through these activities are split as follows:

- 60% to the Named Charity
- 25% CAFOD
- 15% academy school funds (used to help meet the academy's objectives)

Funds generated and retained for the academy's school fund are managed alongside all other academy funds and subject to the same controls and audit processes as other funds. They are monitored by trustees on a termly basis and reported publicly within the annual accounts.

During the year the academy may ask parents for voluntary contributions for specific school activities that would support the delivery of the curriculum e.g. a geography trip to the coast. Where it does so it makes clear there is no obligation to make any contribution and no child is excluded from such an activity simply because his or her parents are unwilling or unable to contribute. Furthermore, the academy is clear that parents must not be made to feel pressured into contributing financially. As such, a contribution is voluntary and not compulsory.

The academy does not use any commercial participators/ professional fundraisers.

Any complaints to the academy regarding its fundraising activity should be raised through the academy's complaints process.

Plans for future periods

In October 2020 after consultation with staff and staff trade unions, governors of St Thomas More RC Academy agreed the academy will join the Bishop Bewick Catholic Education Trust (BBCET). The date of this transfer was 1st December 2020, at which point the school name changed to St Thomas More Catholic High School.

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 North Tyneside and Diocesan initiatives and its role within the BBCET. This will

St Thomas More Roman Catholic Academy

(A company limited by guarantee)

Trustees' report (continued)

Year ended 31 August 2020

include Leadership Development, Initial Teacher Training, work via Local Leaders of Education (LLE) and Specialist Leaders of Education (SLE) programmes and informal responses 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. 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 recognises that it will need to continue to respond to the Covid pandemic. This includes continuing to develop the blended learning provision to support students who are not in school and to support particular students who may have fallen behind their peers during lockdown. A particular priority for 2021 will be to support Year 11 and Year 13 students in preparing for public examinations.

The academy will continue with a planned maximum number of 1,740 students on roll (inc post 16).

The academy has a strong record in successfully delivering capital projects, often funded through ESFA grants and its own reserves. In 2020/21 we:

- Deliver the largely CIF funded project to replace and repair the roof areas over our Sixth form building and Music department;
- Complete the Dining hall extension.

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 trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 9 December 2020 and signed on its behalf by:



Mr M Ronan
(Chair of Trustees)

St Thomas More Roman Catholic Academy

(A company limited by guarantee)

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.

As trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

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.

St Thomas More Roman Catholic Academy

(A company limited by guarantee)

Governance Statement (continued)

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 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr M Ronan	6	6
Mrs R Anderson	4	6
Mrs H Bell	5	6
Mrs J Bloomfield	4	5
Mrs S Bolton	5	6
Mr D Campbell	4	6
Ms L Carr	5	6
Mr C Finlay	6	6
Ms A Gibson	5	6
Ms L Hagan	6	6
Fr C Hughes	5	6
Mrs C Jeffrey	2	6
Ms C Langley	4	6
Mr R Lowery	5	6
Dr A Macoscar	5	6
Mr C Masiwa	5	6
Mr N Skinner	5	6
Mrs F Stevenson	6	6
Mr D Watson	6	6
Ms C Wright	3	6

The main focus for the board during the year was the relentless attention to strengthen and develop student progress and attainment. The board has also given consideration to the Diocesan request to join the Bishop Bewick Catholic Education Trust and the arrangements in place to support students (both educational and pastorally) through the coronavirus (Covid19) pandemic.

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;
- 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 Governor's 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 trustees.

St Thomas More Roman Catholic Academy

(A company limited by guarantee)

Governance Statement (continued)

Governance (continued)

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mrs S Bolton	2	2
Mr D Campbell	1	2
Mrs C Jeffrey	2	2
Mr R Lowery	2	2
Mr C Masiwa	2	2
Mr M Ronan	2	2
Mr N Skinner	2	2
Mr D Watson	2	2

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:

- Closely monitoring the delivery of the capital projects funded through reserves and external grants;
- Fully engaging with the concept of financial benchmarking using both Department for Education benchmarking material and a local benchmarking club made up of academies in the Hexham and Newcastle Diocese;
- Careful consideration of all staffing posts and grades following the restructure ensuring staff arrangements remain appropriate to support students and staff wellbeing;
- Continuing to log and monitor all contracts the academy enters into, ensuring we systematically review each contract before inviting quotes for a new contract term; and
- Ensuring we continue to procure all items with value for money in mind – taking reference from the Department for Education's School procurement guidance, including "deals for schools". An example of this careful and thorough approach to procurement in 2019/20 is our procurement approach to securing new front of class screens including the use of Crown Commercial Services.

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 on going 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 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

St Thomas More Roman Catholic Academy

(A company limited by guarantee)

Governance Statement (continued)

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 2019 to 31 August 2020 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;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Clive Owen 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 trustees the work focused on:

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

All findings were reported to trustees. Recommendations were few and considered to be low risk but these were acted upon promptly, appropriately and with governor approval.

St Thomas More Roman Catholic Academy

(A company limited by guarantee)

Governance Statement (continued)

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 board of trustees, through committees, in providing oversight to financial decisions and scrutiny of actions and year on year progress;
- the work of the internal auditor;
- the work of the external auditors;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance, Premises and Health and Safety Committee and Audit Committee and a plan to address weaknesses and ensure continuous improvement of the systems in place.

Approved by order of the members of the board of trustees on 9 December 2020 and signed on their behalf by:



Mr M Ronan
Chair of Trustees



Mr D Watson
Accounting Officer

St Thomas More Roman Catholic Academy

(A company limited by guarantee)

Statement on regularity, propriety and compliance

As Accounting Officer of St Thomas More Roman Catholic Academy I have considered my responsibility to notify the academy board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy, under the funding agreement in place between the academy 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 2019.

I confirm that I and the academy board of trustees are able to identify any material irregular or improper use of all funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook 2019.

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



Mr D Watson
Accounting Officer
9 December 2020

St Thomas More Roman Catholic Academy

(A company limited by guarantee)

Statement of trustees' responsibilities

Year ended 31 August 2020

The trustees (who 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 Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards ('United Kingdom Generally Accepted Accounting Practice') and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 9 December 2020 and signed on its behalf by:



Mr M Ronan
(Chair of Trustees)



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

Opinion

We have audited the financial statements of St Thomas More Roman Catholic Academy (the 'academy') for the year ended 31 August 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards ('United Kingdom Generally Accepted Accounting Practice'), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2020 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 2019 to 2020 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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



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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditors' report thereon. Other information includes the reference and administrative details, the trustees' report including the strategic report, and the governance statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report including the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the trustees' report and the strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report including the strategic report.

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

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



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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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

A handwritten signature in blue ink that reads 'Anne Hallowell'.

Anne Hallowell BSc FCA DChA (Senior Statutory Auditor)
for and on behalf of UNW LLP, Statutory Auditor
Chartered Accountants
Newcastle upon Tyne

9 December 2020

St Thomas More Roman Catholic Academy

(A company limited by guarantee)

Independent reporting accountant's assurance report on regularity to St Thomas More Roman Catholic Academy and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 17 October 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, 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 2019 to 31 August 2020 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 ESFA 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 ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than St Thomas More Roman Catholic Academy and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of St Thomas More Roman Catholic Academy's funding agreement with the Secretary of State for Education dated 28 November 2011 and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 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 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

St Thomas More Roman Catholic Academy

(A company limited by guarantee)

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

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Anne Hallowell BSc FCA DChA (Senior Statutory Auditor)

Chartered Accountants

Newcastle upon Tyne

9 December 2020

St Thomas More Roman Catholic Academy

(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account) Year ended 31 August 2020

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations and capital grants	3	48,743	-	32,766	81,509	605,618
Charitable activities	4	-	9,055,162	-	9,055,162	8,453,442
Other trading activities	5	144,821	-	-	144,821	230,765
Investments	6	7,179	-	-	7,179	9,343
Other income		-	-	10,933	10,933	278,723
Total income		200,743	9,055,162	43,699	9,299,604	9,577,891
Expenditure on:						
Raising funds		85,629	-	-	85,629	202,347
Charitable activities		-	8,851,608	311,360	9,162,968	9,449,452
Total expenditure	8	85,629	8,851,608	311,360	9,248,597	9,651,799
Net income/(expenditure)		115,114	203,554	(267,661)	51,007	(73,908)
Transfers between funds	18	(166,356)	(153,538)	319,894	-	-
Net movement in funds before other recognised gains/(losses)		(51,242)	50,016	52,233	51,007	(73,908)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	26	-	(676,000)	-	(676,000)	(952,000)
Net movement in funds		(51,242)	(625,984)	52,233	(624,993)	(1,025,908)
Reconciliation of funds:						
Total funds brought forward		1,373,984	(2,426,016)	9,481,832	8,429,800	9,455,708
Net movement in funds		(51,242)	(625,984)	52,233	(624,993)	(1,025,908)
Total funds carried forward		1,322,742	(3,052,000)	9,534,065	7,804,807	8,429,800

The notes on pages 29 to 53 form part of these financial statements.

St Thomas More Roman Catholic Academy

(A company limited by guarantee)

Balance sheet At 31 August 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	14	9,534,065	9,481,832
		<u>9,534,065</u>	<u>9,481,832</u>
Current assets			
Debtors	15	202,978	286,592
Cash at bank and in hand		1,628,481	1,555,169
		<u>1,831,459</u>	<u>1,841,761</u>
Creditors: amounts falling due within one year	16	(484,217)	(709,793)
Net current assets		<u>1,347,242</u>	<u>1,131,968</u>
Total assets less current liabilities		<u>10,881,307</u>	<u>10,613,800</u>
Creditors: amounts falling due after more than one year	17	(24,500)	-
Net assets excluding pension liability		<u>10,856,807</u>	<u>10,613,800</u>
Defined benefit pension scheme liability	26	(3,052,000)	(2,184,000)
Total net assets		<u><u>7,804,807</u></u>	<u><u>8,429,800</u></u>
Funds of the academy			
Restricted funds:			
Fixed asset funds	18	9,534,065	9,481,832
Restricted income funds	18	-	(242,016)
		<u>9,534,065</u>	<u>9,239,816</u>
Restricted funds excluding pension asset	18	9,534,065	9,239,816
Pension reserve	18	(3,052,000)	(2,184,000)
Total restricted funds	18	<u>6,482,065</u>	<u>7,055,816</u>
Unrestricted income funds	18	<u>1,322,742</u>	<u>1,373,984</u>
Total funds		<u><u>7,804,807</u></u>	<u><u>8,429,800</u></u>

St Thomas More Roman Catholic Academy

(A company limited by guarantee)

Balance sheet (continued)

At 31 August 2020

The financial statements on pages 25 to 53 were approved by the trustees, and authorised for issue on 09 December 2020 and are signed on their behalf, by:



Mr M Ronan
(Chair of Trustees)

The notes on pages 29 to 53 form part of these financial statements.

St Thomas More Roman Catholic Academy

(A company limited by guarantee)

Statement of cash flows Year ended 31 August 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by operating activities	20	350,438	171,271
Cash flows from investing activities	22	(305,126)	(67,890)
Cash flows from financing activities	21	28,000	-
Change in cash and cash equivalents in the year		73,312	103,381
Cash and cash equivalents at the beginning of the year		1,555,169	1,451,788
Cash and cash equivalents at the end of the year	23	1,628,481	1,555,169

The notes on pages 29 to 53 form part of these financial statements

St Thomas More Roman Catholic Academy

(A company limited by guarantee)

Notes to the financial statements Year ended 31 August 2020

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historic 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 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

In determining the appropriate basis of preparation of the financial statements, the trustees are required to consider whether the use of the going concern assumption is appropriate and 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 for the foreseeable future, being a period of at least 12 months from the date of signing of these financial statements.

The trustees have performed this assessment and have prepared the financial statements on a going concern basis which is considered appropriate for the following reasons.

At 31 August 2020, the free reserves position was £1,322,742 and the academy had cash reserves of £1,628,481.

The trustees have prepared cash flow forecasts for a period in excess of 12 months from the date of their approval of these financial statements and considered the potential impact of the COVID-19 outbreak.

Whilst the risks posed by COVID-19 and others cannot be completely mitigated, and some level of future uncertainty remains around national school funding, the trustees have adopted measures and assessed the financial implications of associated factors outside their control and consider that it is appropriate to prepare the financial statements on a going concern basis.

The cash flow forecasts the trustees have prepared are based upon their current best estimates for the ongoing operations of St Thomas More Roman Catholic Academy in line with the funding agreement in place with the Department for Education (DfE). All existing remaining liabilities of the academy trust will be met following the transfer of the school to a multi-academy trust as outlined below.

The academy joined the Bishop Bewick Catholic Education Trust on 1 December 2020. As a result, the existing funding agreement for the school transferred to the MAT and the trust ceased to trade. Whilst this transfer has an impact on the going concern assumption, the transfer of all assets and liabilities at net book value means that there is no difference between the preparation on a going concern basis or a non-trading basis.

St Thomas More Roman Catholic Academy

(A company limited by guarantee)

Notes to the financial statements

Year ended 31 August 2020

1. Accounting policies (continued)

1.3 Income

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

Grants are included in the statement of financial activities incorporating income and expenditure account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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

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.

Expenditure on raising funds includes all expenditure incurred by the academy to raise funds for its charitable purposes and includes costs of all fundraising activities, events and non-charitable trading.

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

All expenditure is inclusive of irrecoverable VAT.

St Thomas More Roman Catholic Academy

(A company limited by guarantee)

Notes to the financial statements

Year ended 31 August 2020

1. Accounting policies (continued)

1.5 Tangible fixed assets

Assets costing £2,500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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.

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

Depreciation is provided on the following bases:

Leasehold property	- 2% straight-line
Furniture and equipment	- 33% straight-line
Motor vehicles	- 20% straight-line
Computer equipment	- 33% straight-line

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

1.6 Leased assets

Rentals under operating leases are charged on a straight line basis over the lease term.

1.7 Debtors

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

1.8 Cash at bank and in hand

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

St Thomas More Roman Catholic Academy

(A company limited by guarantee)

Notes to the financial statements

Year ended 31 August 2020

1. Accounting policies (continued)

1.9 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.10 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 16 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.11 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 Part 11, chapter 3 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.

St Thomas More Roman Catholic Academy

(A company limited by guarantee)

Notes to the financial statements

Year ended 31 August 2020

1. Accounting policies (continued)

1.12 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.

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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

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

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

1.13 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the 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/donor and include grants from the Department for Education Group.

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

St Thomas More Roman Catholic Academy

(A company limited by guarantee)

Notes to the financial statements

Year ended 31 August 2020

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The academy trust 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The 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.

St Thomas More Roman Catholic Academy

(A company limited by guarantee)

Notes to the financial statements Year ended 31 August 2020

3. Income from donations and capital grants

	Unrestricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Capital Grants	-	32,766	32,766
School fund incoming resources	48,743	-	48,743
Total 2020	48,743	32,766	81,509

	Unrestricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Capital Grants	-	395,613	395,613
School fund incoming resources	210,005	-	210,005
Total 2019	210,005	395,613	605,618

4. Funding for the academy's educational operations

	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
DfE/ESFA grants			
General Annual Grant (GAG)	8,200,060	8,200,060	8,028,302
Other DfE Group Grant	785,315	785,315	401,746
Local authority grant	69,787	69,787	23,394
Total 2020	9,055,162	9,055,162	8,453,442

St Thomas More Roman Catholic Academy

(A company limited by guarantee)

Notes to the financial statements

Year ended 31 August 2020

5. Income from other trading activities

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Miscellaneous and supply income	123,026	123,026	205,296
Departmental income	21,795	21,795	25,469
Total 2020	144,821	144,821	230,765

6. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Bank interest received	7,179	7,179	9,343

7. Other income

Other income comprises insurance receipts, following a fire at the school in July 2018.

8. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £
School fund expenditure:				
Direct costs	-	-	85,629	85,629
Academy's educational operations:				
Direct costs	6,683,238	-	415,116	7,098,354
Support costs	940,233	578,424	545,957	2,064,614
Total 2020	7,623,471	578,424	1,046,702	9,248,597

St Thomas More Roman Catholic Academy

(A company limited by guarantee)

Notes to the financial statements

Year ended 31 August 2020

8. Expenditure (continued)

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £
School fund expenditure				
Direct costs	-	-	202,347	202,347
Academy's educational operations:				
Direct costs	6,794,562	-	539,211	7,333,773
Support costs	1,147,605	561,484	406,590	2,115,679
Total 2019	<u>7,942,167</u>	<u>561,484</u>	<u>1,148,148</u>	<u>9,651,799</u>

9. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Educational operations	<u>7,098,354</u>	<u>2,064,614</u>	<u>9,162,968</u>

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £
Educational operations	<u>7,333,773</u>	<u>2,115,679</u>	<u>9,449,452</u>

St Thomas More Roman Catholic Academy

(A company limited by guarantee)

Notes to the financial statements

Year ended 31 August 2020

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Activities 2020 £	Total funds 2020 £	Total funds 2019 £
Pension finance cost	39,000	39,000	25,000
Staff costs	940,233	940,233	1,122,605
Depreciation	311,360	311,360	297,991
Repairs to building following fire	-	-	3,663
Maintenance of premises	130,391	130,391	107,908
Cleaning	155,258	155,258	150,687
Rates, water, heat and light	100,298	100,298	115,862
Insurance	33,366	33,366	36,767
Catering	83,055	83,055	55,561
Legal and professional	26,925	26,925	16,846
IT related costs	99,698	99,698	89,619
Other support costs	121,657	121,657	85,330
Governance costs	23,373	23,373	7,840
	<u>2,064,614</u>	<u>2,064,614</u>	<u>2,115,679</u>

10. Net income/(expenditure)

Net income/(expenditure) is stated after charging:

	2020 £	2019 £
Operating lease rentals	10,786	7,200
Depreciation of tangible fixed assets	311,360	297,992
Auditors remuneration		
Audit of these financial statements	<u>8,000</u>	<u>8,000</u>

St Thomas More Roman Catholic Academy

(A company limited by guarantee)

Notes to the financial statements Year ended 31 August 2020

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	5,533,587	5,729,115
Social security costs	569,335	586,528
Pension costs	1,449,962	1,314,200
	<u>7,552,884</u>	<u>7,629,843</u>
Agency staff costs	55,833	71,532
Staff restructuring costs	14,754	240,792
	<u>7,623,471</u>	<u>7,942,167</u>

Severance payments comprise non-contractual payments to 1 individual of £14,754 on 14 January 2020, made under a settlement agreement.

b. Staff numbers

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

	2020 No.	2019 No.
Teaching staff	105	115
Administration and support staff	43	47
Management staff	9	8
	<u>157</u>	<u>170</u>

The average headcount expressed as full-time equivalents was:

	2020 No.	2019 No.
Teaching staff	96	107
Administration and support staff	38	41
Management staff	9	8
	<u>143</u>	<u>156</u>

St Thomas More Roman Catholic Academy

(A company limited by guarantee)

Notes to the financial statements

Year ended 31 August 2020

11. Staff (continued)

c. Higher paid staff

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

	2020 No.	2019 No.
In the band £60,001 - £70,000	1	2
In the band £70,001 - £80,000	2	1
In the band £90,001 - £100,000	-	1
In the band £100,001 - £110,000	1	-

Three (2019: three) of the above employees participated in the Teachers' Pension Scheme and one (2019: one) participated in the Local Government Pension Scheme. During the year ended 31st August 2020, pension contributions for these employees amounted to £58,070 (2019: £38,304) and £13,224 (2019: £13,102) respectively.

d. Key management personnel

The key management personnel of the academy comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy was £865,846 (2019: £773,181).

12. Trustees' remuneration and expenses

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

		2020 £	2019 £
Mr D Watson (Principal)	Remuneration	100,000 - 105,000	90,000 - 95,000
	Pension contributions paid	20,000 - 25,000	15,000 - 20,000
Mrs H Bell (Staff governor)	Remuneration	30,000 - 35,000	30,000 - 35,000
	Pension contributions paid	5,000 - 10,000	5,000 - 10,000
Ms L Hagan	Remuneration	50,000 - 55,000	50,000 - 55,000
	Pension contributions paid	10,000 - 15,000	5,000 - 10,000
Mr N Skinner	Remuneration	25,000 - 30,000	35,000 - 40,000
	Pension contributions paid	5,000 - 10,000	5,000 - 10,000

During the year ended 31 August 2020, no trustees received any reimbursements of expenses (2019 - £nil).

St Thomas More Roman Catholic Academy

(A company limited by guarantee)

Notes to the financial statements Year ended 31 August 2020

13. 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.

14. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2019	10,405,167	170,439	506,180	46,759	11,128,545
Additions	271,773	-	91,820	-	363,593
At 31 August 2020	10,676,940	170,439	598,000	46,759	11,492,138
Depreciation					
At 1 September 2019	1,142,457	84,561	377,477	42,218	1,646,713
Charge for the year	192,477	44,902	69,440	4,541	311,360
At 31 August 2020	1,334,934	129,463	446,917	46,759	1,958,073
Net book value					
At 31 August 2020	9,342,006	40,976	151,083	-	9,534,065
At 31 August 2019	9,262,710	85,878	128,703	4,541	9,481,832

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.

Included in freehold property is freehold land at valuation of £850,000 (2019: £850,000), which is not depreciated.

St Thomas More Roman Catholic Academy

(A company limited by guarantee)

Notes to the financial statements

Year ended 31 August 2020

15. Debtors

	2020 £	2019 £
Trade debtors	1,776	19,122
Other debtors	41,713	23,438
Prepayments and accrued income	159,489	244,032
	<u>202,978</u>	<u>286,592</u>

16. Creditors: amounts falling due within one year

	2020 £	2019 £
Other loans (note 17)	3,500	-
Trade creditors	63,434	20,164
Other taxation and social security	138,437	143,332
Other creditors	143,603	126,352
Accruals and deferred income	135,243	419,945
	<u>484,217</u>	<u>709,793</u>

St Thomas More Roman Catholic Academy

(A company limited by guarantee)

Notes to the financial statements

Year ended 31 August 2020

17. Creditors: amounts falling due after more than one year

	2020 £	2019 £
Other loans	24,500	-

Included within the above are amounts falling due as follows:

	2020 £	2019 £
Due within one year		
Other loans	3,500	-
Between one and two years		
Other loans	3,500	-
Between two and five years		
Other loans	10,500	-
Over five years		
Other loans	10,500	-

Loans of £28,000 from Salix, in partnership with the Department for Education (DfE), were provided through the Salix Energy Efficiency Fund (SEEF). The loan provided is interest-free and repayable bi-annually over an 8-year period through a reduction in ESFA income received.

St Thomas More Roman Catholic Academy

(A company limited by guarantee)

Notes to the financial statements

Year ended 31 August 2020

18. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General Funds	1,373,984	200,743	(85,629)	(166,356)	-	1,322,742
Restricted funds						
Restricted income funds	(242,016)	9,055,162	(8,659,608)	(153,538)	-	-
Pension reserve	(2,184,000)	-	(192,000)	-	(676,000)	(3,052,000)
	<u>(2,426,016)</u>	<u>9,055,162</u>	<u>(8,851,608)</u>	<u>(153,538)</u>	<u>(676,000)</u>	<u>(3,052,000)</u>
Restricted fixed asset funds	9,481,832	43,699	(311,360)	319,894	-	9,534,065
Total restricted funds	<u>7,055,816</u>	<u>9,098,861</u>	<u>(9,162,968)</u>	<u>166,356</u>	<u>(676,000)</u>	<u>6,482,065</u>
Total funds	<u>8,429,800</u>	<u>9,299,604</u>	<u>(9,248,597)</u>	<u>-</u>	<u>(676,000)</u>	<u>7,804,807</u>

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

Unrestricted funds represent those resources which may be used towards meeting any of the charitable objectives of the academy trust at the discretion of the trustees. Unrestricted income funds also represent the school fund which is used to administer other funds such as extra curricular school events or trips or charitable donations.

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

Restricted income funds comprise all other restricted funds received by the Trust and include grants from the Education and Skills Funding Agency and the Department for Education.

Transfers between funds represent contributions made from non-fixed asset funds to fixed asset projects undertaken during the year.

St Thomas More Roman Catholic Academy

(A company limited by guarantee)

Notes to the financial statements Year ended 31 August 2020

18. Statement of funds (continued)

Comparative information in respect of the preceding year is as follows:

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
General Funds	1,126,218	450,113	(202,347)	-	-	1,373,984
Restricted funds						
Restricted income funds	289,913	8,453,442	(8,949,798)	(35,573)	-	(242,016)
Pension reserve	(1,034,000)	-	(198,000)	-	(952,000)	(2,184,000)
	<u>(744,087)</u>	<u>8,453,442</u>	<u>(9,147,798)</u>	<u>(35,573)</u>	<u>(952,000)</u>	<u>(2,426,016)</u>
Restricted fixed asset funds	9,073,577	674,336	(301,654)	35,573	-	9,481,832
Total restricted funds	<u>8,329,490</u>	<u>9,127,778</u>	<u>(9,449,452)</u>	<u>-</u>	<u>(952,000)</u>	<u>7,055,816</u>
Total funds	<u>9,455,708</u>	<u>9,577,891</u>	<u>(9,651,799)</u>	<u>-</u>	<u>(952,000)</u>	<u>8,429,800</u>

St Thomas More Roman Catholic Academy

(A company limited by guarantee)

Notes to the financial statements

Year ended 31 August 2020

19. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	9,534,065	9,534,065
Current assets	1,330,331	501,128	-	1,831,459
Creditors due within one year	(7,589)	(476,628)	-	(484,217)
Creditors due in more than one year	-	(24,500)	-	(24,500)
Provisions for liabilities and charges	-	(3,052,000)	-	(3,052,000)
Total	1,322,742	(3,052,000)	9,534,065	7,804,807

Analysis of net assets between funds - prior year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	9,481,832	9,481,832
Current assets	1,373,984	467,777	-	1,841,761
Creditors due within one year	-	(709,793)	-	(709,793)
Provisions for liabilities and charges	-	(2,184,000)	-	(2,184,000)
Total	1,373,984	(2,426,016)	9,481,832	8,429,800

St Thomas More Roman Catholic Academy

(A company limited by guarantee)

Notes to the financial statements Year ended 31 August 2020

20. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2020 £	2019 £
Net income/(expenditure) for the period (as per statement of financial activities)	51,007	(73,908)
Adjustments for:		
Depreciation	311,360	297,992
Capital grants from DfE and other capital income	(43,699)	(674,336)
Dividends, interest and rents from investments	(7,179)	(9,343)
Defined benefit pension scheme cost less contributions payable	153,000	173,000
Defined benefit pension scheme finance cost	39,000	25,000
Decrease in debtors	83,614	344,675
(Decrease)/increase in creditors	(236,665)	88,191
Net cash provided by operating activities	350,438	171,271

21. Cash flows from financing activities

	2020 £	2019 £
Cash inflows from new borrowing (Salix loan)	28,000	-
Net cash provided by financing activities	28,000	-

22. Cash flows from investing activities

	2020 £	2019 £
Dividends, interest and rents from investments	7,179	9,343
Purchase of tangible fixed assets	(356,004)	(751,569)
Capital grants from DfE Group	43,699	674,336
Net cash used in investing activities	(305,126)	(67,890)

St Thomas More Roman Catholic Academy

(A company limited by guarantee)

Notes to the financial statements

Year ended 31 August 2020

23. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	878,481	1,005,169
Notice deposits (less than 3 months)	750,000	550,000
Total cash and cash equivalents	1,628,481	1,555,169

24. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	1,555,169	73,312	1,628,481
Debt due within 1 year	-	(3,500)	(3,500)
Debt due after 1 year	-	(24,500)	(24,500)
	1,555,169	45,312	1,600,481

25. Members' liability

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

26. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £143,420 were payable to the schemes at 31 August 2020 (2019 - £126,163) and are included within creditors.

St Thomas More Roman Catholic Academy

(A company limited by guarantee)

Notes to the financial statements

Year ended 31 August 2020

26. Pension commitments (continued)

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

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 every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £1,075,698 (2019 - £775,828).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

St Thomas More Roman Catholic Academy

(A company limited by guarantee)

Notes to the financial statements

Year ended 31 August 2020

26. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £282,000 (2019 - £332,000), of which employer's contributions totalled £226,000 (2019 - £271,000) and employees' contributions totalled £ 56,000 (2019 - £61,000). The agreed contribution rates for future years are 18.8% per cent for employers and 6.8% per cent for employees.

As described in note 1.12 the LGPS obligation relates to the employees of the academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy at the balance sheet date.

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

	2020 %	2019 %
Rate of increase in salaries	3.80%	3.60%
Rate of increase for pensions in payment/inflation	2.30%	2.10%
Discount rate for scheme liabilities	1.70%	1.90%
Inflation assumption (CPI)	2.30%	2.10%
Inflation assumption (RPI)	-	3.10%
Pension accounts revaluation rate	2.30%	2.10%

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

	2020 Years	2019 Years
Retiring today		
Males	21.8	21.9
Females	25.0	25.1
Retiring in 20 years		
Males	23.5	23.6
Females	26.8	26.9

St Thomas More Roman Catholic Academy

(A company limited by guarantee)

Notes to the financial statements

Year ended 31 August 2020

26. Pension commitments (continued)

Sensitivity analysis (net liability position)

	2020 £000	2019 £000
Discount rate +0.1%	8,326	7,322
Discount rate -0.1%	8,727	7,662
Mortality assumption - 1 year increase	8,215	7,240
Mortality assumption - 1 year decrease	8,829	7,743
CPI rate +0.1%	8,556	7,553
CPI rate -0.1%	8,488	7,428

Share of scheme assets

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

	2020 £	2019 £
Equities	2,926,450	3,475,430
Government bonds	131,280	217,546
Corporate bonds	1,252,630	604,884
Property	503,240	456,316
Cash	103,930	111,426
Other	552,470	440,398
Total market value of assets	5,470,000	5,306,000

The actual loss on scheme assets was £32,000 (2019 - £326,000 return).

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

	2020 £	2019 £
Current service cost	(379,000)	(306,000)
Past service cost	-	(138,000)
Interest income	103,000	135,000
Interest cost	(142,000)	(160,000)
Total amount recognised in the Statement of financial activities	(418,000)	(469,000)

St Thomas More Roman Catholic Academy

(A company limited by guarantee)

Notes to the financial statements

Year ended 31 August 2020

26. Pension commitments (continued)

Changes in the present value of the defined benefit obligations were as follows:

	2020 £	2019 £
At 1 September	7,490,000	5,703,000
Current service cost	379,000	306,000
Interest cost	142,000	160,000
Employee contributions	56,000	61,000
Actuarial losses	541,000	1,143,000
Benefits paid	(86,000)	(21,000)
Past service costs	-	138,000
At 31 August	8,522,000	7,490,000

Changes in the fair value of the academy's share of scheme assets were as follows:

	2020 £	2019 £
At 1 September	5,306,000	4,669,000
Expected return on assets	103,000	135,000
Actuarial (losses)/gains	(135,000)	191,000
Employer contributions	226,000	271,000
Employee contributions	56,000	61,000
Benefits paid	(86,000)	(21,000)
At 31 August	5,470,000	5,306,000

27. Operating lease commitments

At 31 August 2020 the academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	10,786	10,786
Later than 1 year and not later than 5 years	32,359	43,145
	43,145	53,931

St Thomas More Roman Catholic Academy

(A company limited by guarantee)

Notes to the financial statements Year ended 31 August 2020

28. Related party transactions

Owing to the nature of the academy and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy's financial regulations and normal procurement procedures relating to connected and related party transactions.

29. Post balance sheet events

The academy joined the Bishop Bewick Catholic Education Trust on 1 December 2020. As a result, the existing funding agreement for the school transferred to the MAT and the trust ceased to trade.

All assets and liabilities of St Thomas More Roman Catholic Academy were transferred to the multi academy trust at their net book value.

