

**ST. THOMAS MORE CATHOLIC PRIMARY SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2017**

# ST. THOMAS MORE CATHOLIC PRIMARY SCHOOL

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## ST. THOMAS MORE CATHOLIC PRIMARY SCHOOL

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

<b>Members</b>	Chair of Trustees - ex officio The Brentwood Diocesan Trust The Right Reverend A Williams
<b>Trustees</b>	Mr K Lowe, Chairman (resigned 31 August 2017) Mrs M J Hall, Headteacher Mrs E Bailey, Chair of Trustees Mrs A Boura (resigned 5 December 2016) Mr J Chambers Fr D Clemens Mr J Lane Mr J McLaughlin (resigned 3 November 2016) Mrs E McNally Mrs R Meichen Mr W Poulter Mr T Scarborough Mr A Oliver Mrs C Gregory Mrs S Potter Mr D Brunwin (appointed 27 March 2017) Mr A Page (appointed 6 December 2016) Mrs C Davis
<b>Company registered number</b>	07696148
<b>Company name</b>	St. Thomas More Catholic Primary School
<b>Principal and registered office</b>	South Road Saffron Walden Essex CB11 3DW
<b>Company Secretary</b>	Mrs A Davis
<b>Accounting Officer</b>	Mrs M J Hall
<b>Senior Leadership Team</b>	Mrs M J Hall, Head Teacher Mrs E McNally, Deputy Head Teacher Mrs N Hall, Assistant Head Teacher
<b>Independent Auditors</b>	Price Bailey LLP Chartered Accountants Statutory Auditors Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT
<b>Solicitors</b>	Winckworth Sherwood LLP Minerva House 5 Montague Close London SE1 9BB

## ST. THOMAS MORE CATHOLIC PRIMARY SCHOOL

### TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2017

The Trustees present their Annual Report together with the financial statements and Auditor's Report of St. Thomas More Catholic Primary School (the Trust, the Academy, or the Charitable Company) for the year ended 31 August 2017. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Trust operates an Academy for pupils aged 4 to 11 serving a catchment area in Essex. It has a pupil capacity of 210 and had a roll of 210 in the 2017 school census.

#### **Structure, Governance and Management**

The Academy is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are its primary governing documents. The Trustees of The Charitable Company are also the Directors for the purposes of company law. The terms Trustee, Director and Governor are interchangeable. The Charitable Company is known as St. Thomas More Catholic Primary School, Saffron Walden (the School).

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

#### **Members' Liability**

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

#### **Trustees and Officers' Indemnities**

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim and details of the costs are disclosed in Note 11 to the accounts.

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

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

Trustees are appointed for a fixed term. The Headteacher is an ex officio member of the Governing Body. Parent Trustees and the staff Trustees are elected to office or appointed if there are insufficient candidates offering themselves for election. The Articles of Association make provision for 18 Trustees (10 Foundation Governors, 4 parent Governors, 2 Staff Governors, 1 other plus the Head Teacher) under article 46.

#### **Policies and Procedures Adopted for the Induction and Training of Trustees**

The Charitable Company is committed to providing adequate opportunities for Trustees to undertake and receive suitable training so as to enable them to perform their role effectively. To this end the Trust provides an internal programme continued professional development led by School staff and links with a number of local training providers.

All new Trustees are entitled to an induction to the role, according to their need, which may include, introductory sessions, mentoring and formal courses. This process will involve a meeting with the Chairman of Trustees and Headteacher or Deputy Headteacher. All Trustees are provided with a handbook plus copies of policies and procedures documents that are appropriate to the role they undertake as Trustees with particular emphasis on the committee work that they will undertake.

#### **Organisational Structure**

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

The Board of Trustees, which meets on at least 4 occasions per year and each individual committee at least 3 times per year, is responsible for the strategic direction of the Academy. The Board reviews progress towards educational objectives and results; approves major expenditure requests; sets the budget for the following year; sets the organisational staffing structure; agrees the performance objectives of the Headteacher with the School Improvement Partner, and reviews them.

## ST. THOMAS MORE CATHOLIC PRIMARY SCHOOL

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

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

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

#### **Arrangements for Setting Pay and Remuneration of Key Management Personnel**

Key management personnel include Academy Trustees and those staff to whom the Trustees have delegated significant authority and responsibility in the day-to-day running of the Trust.

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

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

#### **Related parties and other connected charities and organisations**

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

The Trust cooperated with the following organisations during the academic year in pursuit of its charitable activities:

- Saffron Academy Trust
- Uttlesford District Council
- St Thomas More School PSA
- North Uttlesford Local Delivery Group
- Essex Education Services (EES)
- St Thomas More Montessori

The Trust does not have a formal sponsor.

#### **Objectives and Activities**

##### **Objects and Aims**

The principal object and aim of the Charitable Company is the operation of the School to provide free education and care for pupils of different abilities between the ages of 4 and 11.

##### **Objectives, Strategies and Activities**

The School will work on continuing to keep its excellent results high by giving a high priority to supporting those who struggle and challenging the more able. This requires additional teaching resources, which we have always striven to fund. We will continue to target writing as a topic for improvement by giving it priority and using parent involvement. We will continue to improve our staff with both training and monitoring. We will support the teaching staff with close Trustee involvement, and continue to improve Trustee skills with training and regular visits. We will continue to make St. Thomas More a safe and supportive environment for the children – one in which they enjoy their learning.

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

- staff and Trustee training;
- safeguarding awareness and training;
- provision of additional staffing;
- involving parents as partners; and
- inspirational leadership and values.

## ST. THOMAS MORE CATHOLIC PRIMARY SCHOOL

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

Our success in fulfilling our aims can be measured by:

- SATS results;
- EYFS GLD;
- KS1 assessments;
- phonics screen;
- involvement of parents; and
- the happiness, attendance and behaviour of children.

#### Public Benefit

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

#### Strategic Report

##### Achievements and Performance

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

Specific achievements were as follows:

- Consistently high EYFS GLD (86% 2015, 85% 2016, 83% 2017).
- 2017 Phonics Screen 97%
- 97% of children achieving Maths standard at KS1.
- 90% achieving Reading standard at KS1.
- 93% achieving Maths standard at KS2 against 75% nationally.
- 93% achieving Spelling, Punctuation and Grammar standard at KS2 against 77% nationally.
- 87% achieving Reading standard at KS2 against 71% nationally.

##### Key Performance Indicators

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

As funding is based on pupil numbers this is a key performance indicator. Pupil numbers for 2017 were 207 against a forecast of 210.

Another key financial performance indicator is staffing costs as a percentage of total income, for 2016/17 this was 83%. The Board of Trustees is confident that staffing levels are closely monitored to agreed full time equivalent and staffing structures all approved by the Board.

The Finance and Premises Committee also monitor premises costs to General Annual Grant (GAG) income, capitation spend for curriculum departments to GAG income, total income less grants and cash flow on a regular basis to ensure that the budget is set and managed appropriately.

##### Going Concern

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

##### Financial Review

The principal source of funding for the Trust is the GAG and other grants that it receives from the Education Funding Agency (ESFA). For the year ended 31 August 2017 the Trust received £1,118,835 of GAG and other funding (excluding capital grants). A high percentage of this income is spent on wages and salaries and support costs to deliver the Academy's primary objective of the provision of education. During the year the Trust spent £1,162,237 on general running costs (excluding capital projects) and transferred £11,700 to support capital new build and improvement projects on the School site. The Academy brought forward from 15/16, £Nil restricted funds (excluding capital) and £10,108 unrestricted funding. The carry forward for 16/17 is £Nil restricted funding (excluding capital) and £10,006 unrestricted funding.

## ST. THOMAS MORE CATHOLIC PRIMARY SCHOOL

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

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Academy is recognising a significant pension fund deficit of £406,000. This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

#### Reserves Policy

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

The Academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £10,006. This has been built up from a mixture of locally raised income and balances transferred from the predecessor school.

The cash balance of the Academy has been very healthy all year, ending the year with a balance of £199,431 though much of this is committed finance for capital projects and does not relate to surplus funds. The Trustees monitor cash flow as part of the committee Business Manager Reports and attempt to hold a minimum of £37,500 to cover short term cash flow variances.

#### Investment Policy

Due to the pressure on school finances, low level of surplus funds, and the low interest rate environment, investing funds is not currently a key consideration for the Trustees.

#### Principal Risks and Uncertainties

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

The Trustees report that the Trust's financial and internal controls conform to guidelines issued by the ESFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

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

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

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

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

**ST. THOMAS MORE CATHOLIC PRIMARY SCHOOL**

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

- fraud and mismanagement of funds - The Academy has appointed Nicky Colclogh to carry out independent and external checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep up to date with financial practice requirements and develop their skills in this area;
- financial instruments – the Academy only deals with bank balances, cash and trade creditors, with limited trade (and other) debtors. The risk in this area is considered to be low; and
- defined benefit pension liability – as the Government has agreed to meet the defined benefit pension liability of any school ceasing to exist the main risk to the Academy is an annual cash flow funding of part of the deficit.

Trustees take these payments into account when setting the annual budget plan.

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

**Auditor**

Insofar as the Trustees are aware:

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

The Trustees' Report, incorporating a Strategic Report, was approved by the Board of Trustees on 10 December 2017 and signed on the Board's behalf by:

**Mrs E Bailey**  
**Chair of Trustees**



# ST. THOMAS MORE CATHOLIC PRIMARY SCHOOL

## GOVERNANCE STATEMENT

### SCOPE OF RESPONSIBILITY

As Trustees, we acknowledge we have overall responsibility for ensuring that the Academy has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between the Academy and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

### GOVERNANCE

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

Trustee	Meetings attended	Out of a possible
Mr K Lowe	4	4
Mrs M J Hall	4	4
Mrs E Bailey	4	4
Mrs A Boura	0	1
Mr J Chambers	4	4
Fr D Clemens	3	4
Mr J Lane	2	4
Mr J McLaughlin	0	1
Mrs E McNally	3	4
Mrs R Meichen	3	4
Mr W Poulter	4	4
Mr T Scarborough	3	4
Mr A Oliver	4	4
Mrs C Gregory	4	4
Mrs S Potter	4	4
Mr D Brunwin	2	2
Mr A Page	2	3
Mrs C Davis	4	4

The Chair of Trustees stepped down this year, but we were fortunate to have the Vice-Chair (of many years' experience) step into the role. An experienced primary school Trustee has taken up the role of Vice-Chair. The Pupil related Chair and personnel Chair have also changed.

The Trust carried out a self-evaluation review during the year and has taken stock of the key governor skills to prepare for the departure of the chair.

The Trust recruited in a Trustee with skills in similar areas (leadership and strategy) to help fill the gap.

The Trust intends to conduct its next self-evaluation or external review of Governance in the summer term 2017/18.

The Finance and General Purposes Committee is a sub-committee of the main Board of Trustees.

Its purpose is:

- To ensure finances are sound for now and the future.
- To ensure buildings are regularly maintained and are fit for purpose.
- To take the lead in any building improvement projects.
- To take on any other projects that do not fall within the remit of either personnel or pupil related committees.

There was no key changes in the composition of the Committee during the year.

## ST. THOMAS MORE CATHOLIC PRIMARY SCHOOL

### GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mrs E Bailey	2	3
Mr J Lane	0	3
Mr K Lowe	3	3
Mr J McLaughlin	0	1
Mr T Scarborough	3	3
Mr A Oliver	3	3
Mr D Brunwin	1	1

#### REVIEW OF VALUE FOR MONEY

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

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

- Review of catering suppliers - sourcing the same quality but at a better price (Using Bidfood and Tesco rather than Fisher and Woods)
- Changing the schools Management Information system to School Pod - a lower price than the previously used system and more user friendly.
- Moving away from Parent Pay to School Money. With the new system we pay a lower annual cost and do not incur transaction fees.

#### THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Academy for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

#### CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy 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 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

#### THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

## ST. THOMAS MORE CATHOLIC PRIMARY SCHOOL

### GOVERNANCE STATEMENT (continued)

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Nicola Colclough as internal auditor.

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

- bank reconciliations
- payroll
- purchases
- income
- accounting systems
- other balance sheet codes

On a termly basis, the Internal Auditor reports to the Board of Trustees through the audit committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The internal auditor has delivered their schedule of work as planned.

#### REVIEW OF EFFECTIVENESS

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

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

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

Approved by the Board of Trustees on 10 December 2017 and signed on their behalf, by

**Mrs E Bailey**  
Chair of Trustees

**Mrs M J Hall**  
Accounting Officer

## ST. THOMAS MORE CATHOLIC PRIMARY SCHOOL

### STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of St. Thomas More Catholic Primary School I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2016.

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the board of trustees and ESFA. If any instances are identified after the date of this statement, these will be notified to the board of trustees and ESFA:

The Academy entered into a new lease without obtaining the permission required within the Academies Financial Handbook

**Mrs M J Hall**  
**Accounting Officer**

Date: 10 December 2017

## ST. THOMAS MORE CATHOLIC PRIMARY SCHOOL

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

The Trustees (who act as Trustees of St. Thomas More Catholic Primary School and are also Directors of the Charitable Company for the purposes of company law) are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the Charitable Company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from 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 the Board of Trustees on 10 December 2017 and signed on its behalf by:

**Mrs E Bailey**  
Chair of Trustees

## ST. THOMAS MORE CATHOLIC PRIMARY SCHOOL

### INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ST. THOMAS MORE CATHOLIC PRIMARY SCHOOL

#### OPINION

We have audited the financial statements of St. Thomas More Catholic Primary School (the "Academy Trust") for the year ended 31 August 2017 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

#### BASIS OF OPINION

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

#### CONCLUSIONS RELATING TO GOING CONCERN

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

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

#### OTHER INFORMATION

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

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

We have nothing to report in this regard.

## ST. THOMAS MORE CATHOLIC PRIMARY SCHOOL

### INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ST. THOMAS MORE CATHOLIC PRIMARY SCHOOL

#### 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 (incorporating the Strategic Report and the Directors' Report) for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' 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 Strategic Report and the Directors' Report.

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

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

#### RESPONSIBILITIES OF TRUSTEES

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

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

**ST. THOMAS MORE CATHOLIC PRIMARY SCHOOL**

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

**AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's Report.

Gary Miller (Senior Statutory Auditor)

for and on behalf of

**Price Bailey LLP**

Chartered Accountants, Statutory Auditors  
Causeway House  
1 Dane Street  
Bishop's Stortford  
Hertfordshire  
CM23 3BT  
Date: 11 December 2017



## ST. THOMAS MORE CATHOLIC PRIMARY SCHOOL

### INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO ST. THOMAS MORE CATHOLIC PRIMARY SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 24 October 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St. Thomas More Catholic Primary School during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

#### RESPECTIVE RESPONSIBILITIES OF ST. THOMAS MORE CATHOLIC PRIMARY SCHOOL'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of St. Thomas More Catholic Primary School's funding agreement with the Secretary of State for Education dated 1 August 2011, and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

#### APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

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

**ST. THOMAS MORE CATHOLIC PRIMARY SCHOOL**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO ST. THOMAS  
MORE CATHOLIC PRIMARY SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY  
(continued)**

**CONCLUSION**

Except for the matter noted in the Statement On Regularity, Propriety and Compliance on page 10, In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

**Price Bailey LLP**

Chartered Accountants  
Statutory Auditors

11 December 2017

**ST. THOMAS MORE CATHOLIC PRIMARY SCHOOL**

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>INCOME FROM:</b>						
Donations and capital grants	2	53,559	91,040	160,565	305,164	208,766
Charitable activities	3	53,156	860,902	-	914,058	890,597
Other trading activities	4	60,069	-	-	60,069	79,584
Investments	5	109	-	-	109	195
<b>TOTAL INCOME</b>		<u>166,893</u>	<u>951,942</u>	<u>160,565</u>	<u>1,279,400</u>	<u>1,179,142</u>
<b>EXPENDITURE ON:</b>						
Charitable activities		155,295	1,006,942	97,713	1,259,950	1,228,571
<b>TOTAL EXPENDITURE</b>	6	<u>155,295</u>	<u>1,006,942</u>	<u>97,713</u>	<u>1,259,950</u>	<u>1,228,571</u>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>						
Transfers between funds	15	11,598 (11,700)	(55,000) -	62,852 11,700	19,450 -	(49,429) -
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>						
		(102)	(55,000)	74,552	19,450	(49,429)
Actuarial gains/(losses) on defined benefit pension schemes	20	-	77,000	-	77,000	(153,000)
<b>NET MOVEMENT IN FUNDS</b>		<u>(102)</u>	<u>22,000</u>	<u>74,552</u>	<u>96,450</u>	<u>(202,429)</u>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		10,108	(227,000)	54,243	(162,649)	39,780
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u><u>10,006</u></u>	<u><u>(205,000)</u></u>	<u><u>128,795</u></u>	<u><u>(66,199)</u></u>	<u><u>(162,649)</u></u>

The notes on pages 20 to 37 form part of these financial statements.

**ST. THOMAS MORE CATHOLIC PRIMARY SCHOOL**  
**REGISTERED NUMBER: 07696148**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2017**

	Note	£	2017 £	£	2016 £
<b>FIXED ASSETS</b>					
Tangible assets	12		35,255		41,546
<b>CURRENT ASSETS</b>					
Debtors	13	351,640		227,480	
Cash at bank and in hand		199,431		158,960	
		<u>551,071</u>		<u>386,440</u>	
<b>CREDITORS:</b> amounts falling due within one year	14	(246,525)		(162,635)	
<b>NET CURRENT ASSETS</b>			<u>304,546</u>		<u>223,805</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>339,801</u>		<u>265,351</u>
Defined benefit pension scheme liability	20		(406,000)		(428,000)
<b>NET LIABILITIES INCLUDING PENSION SCHEME LIABILITIES</b>			<u>(66,199)</u>		<u>(162,649)</u>
<b>FUNDS OF THE ACADEMY</b>					
Restricted income funds:					
Restricted income funds	15	201,000		201,000	
Restricted fixed asset funds	15	128,795		54,243	
		<u>329,795</u>		<u>255,243</u>	
Restricted income funds excluding pension liability		329,795		255,243	
Pension reserve		(406,000)		(428,000)	
		<u>(76,205)</u>		<u>(172,757)</u>	
Total restricted income funds			(76,205)		(172,757)
Unrestricted income funds	15		10,006		10,108
			<u>(66,199)</u>		<u>(162,649)</u>
<b>TOTAL DEFICIT</b>			<u>(66,199)</u>		<u>(162,649)</u>

The financial statements on pages 17 to 37 were approved by the Trustees, and authorised for issue, on 10 December 2017 and are signed on their behalf, by:

**Mrs E Bailey**  
**Chair of Trustees**

**ST. THOMAS MORE CATHOLIC PRIMARY SCHOOL**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	2017 £	2016 £
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	17	40,362	(8,244)
<b>Returns on investments and servicing of finance - interest received</b>			
Interest received		109	195
Capital expenditure		-	(7,576)
<b>Net cash provided by/(used in) investing activities</b>		<b>109</b>	<b>(7,381)</b>
<b>Change in cash and cash equivalents in the year</b>		40,471	(15,625)
Cash and cash equivalents brought forward		158,960	174,585
<b>Cash and cash equivalents carried forward</b>		<b>199,431</b>	<b>158,960</b>

## ST. THOMAS MORE CATHOLIC PRIMARY SCHOOL

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

#### 1. ACCOUNTING POLICIES

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

##### 1.1 Basis of preparation of financial statements

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

The Academy's functional and presentational currency is Pounds Sterling.

##### 1.2 Company status

The Academy is a private company registered in England & Wales and limited by guarantee. The Members are named on page 1. In the event of the Academy being wound up, the liability in respect of the guarantee is limited to £10 per Member. The Academy's registered office is St. Thomas More Catholic Primary School, South Road, Saffron Walden, Essex CB11 3DW.

##### 1.3 Fund accounting

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

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

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

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

##### 1.4 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 reliably measured.

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

## ST. THOMAS MORE CATHOLIC PRIMARY SCHOOL

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

#### 1. ACCOUNTING POLICIES (continued)

##### 1.5 Expenditure

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

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

All expenditure is inclusive of irrecoverable VAT.

##### 1.6 Going concern

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

##### 1.7 Tangible fixed assets and depreciation

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the Government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities incorporating Income and Expenditure Account and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities incorporating Income and Expenditure Account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

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

Fixtures and fittings	-	3 - 10 years straight line
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##### 1.8 Operating leases

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

## ST. THOMAS MORE CATHOLIC PRIMARY SCHOOL

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

#### 1. ACCOUNTING POLICIES (continued)

##### 1.9 Taxation

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

##### 1.10 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.

##### 1.11 Cash at Bank and in hand

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

##### 1.12 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.

##### 1.13 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 basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 14. 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.



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

1. ACCOUNTING POLICIES (continued)

1.14 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 20, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the Actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

ST. THOMAS MORE CATHOLIC PRIMARY SCHOOL

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

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	49,397	24,040	-	73,437	45,337
Notional rent (see note 22)	-	67,000	-	67,000	67,000
Capital grants	4,162	-	160,565	164,727	96,429
	<u>53,559</u>	<u>91,040</u>	<u>160,565</u>	<u>305,164</u>	<u>208,766</u>
<i>Total 2016</i>	<u>22,307</u>	<u>90,030</u>	<u>96,429</u>	<u>208,766</u>	

3. FUNDING FOR ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	758,034	758,034	760,261
Other DfE / ESFA grants	-	62,615	62,615	59,621
	<u>-</u>	<u>820,649</u>	<u>820,649</u>	<u>819,882</u>
<b>Other government grants</b>				
Local Authority grants	-	40,253	40,253	21,749
	<u>-</u>	<u>40,253</u>	<u>40,253</u>	<u>21,749</u>
<b>Other funding</b>				
Catering income	53,156	-	53,156	48,966
	<u>53,156</u>	<u>-</u>	<u>53,156</u>	<u>48,966</u>
	<u>53,156</u>	<u>860,902</u>	<u>914,058</u>	<u>890,597</u>
<i>Total 2016</i>	<u>48,966</u>	<u>841,631</u>	<u>890,597</u>	

**ST. THOMAS MORE CATHOLIC PRIMARY SCHOOL**

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

**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Uniform income	7,258	7,258	7,310
Swimming income	9,147	9,147	9,245
Other income	43,664	43,664	63,029
	<u>60,069</u>	<u>60,069</u>	<u>79,584</u>
<i>Total 2016</i>	<u><u>79,584</u></u>	<u><u>79,584</u></u>	

**5. INVESTMENT INCOME**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Bank interest	109	-	109	195
	<u>109</u>	<u>-</u>	<u>109</u>	
<i>Total 2016</i>	<u><u>195</u></u>	<u><u>-</u></u>	<u><u>195</u></u>	

**6. EXPENDITURE**

	Staff costs 2017	Premises 2017	Other costs 2017	Total 2017	Total 2016
Provision of education:					
Direct costs	700,237	-	77,589	777,826	775,153
Support costs	136,370	211,050	134,704	482,124	453,418
	<u>836,607</u>	<u>211,050</u>	<u>212,293</u>	<u>1,259,950</u>	<u>1,228,571</u>
<i>Total 2016</i>	<u><u>830,897</u></u>	<u><u>192,211</u></u>	<u><u>205,463</u></u>	<u><u>1,228,571</u></u>	

**ST. THOMAS MORE CATHOLIC PRIMARY SCHOOL**

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

**7. CHARITABLE ACTIVITIES**

	2017 £	2016 £
Direct costs	777,826	775,153
Support costs	482,124	453,418
	<hr/>	<hr/>
Total	1,259,950	1,228,571
	<hr/> <hr/>	<hr/> <hr/>

Analysis of support costs	2017 £	2016 £
Support staff costs	136,370	132,240
Depreciation	6,291	7,434
Technology costs	14,827	11,897
Premises costs	211,050	192,211
Other support costs	105,881	99,561
Governance costs	7,705	10,075
	<hr/>	<hr/>
Total	482,124	453,418
	<hr/> <hr/>	<hr/> <hr/>

**8. NET INCOME/(EXPENDITURE)**

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned by the Academy	6,291	7,434
Auditors' remuneration - audit	3,750	3,750
Auditors' remuneration - non audit	4,200	4,000
	<hr/> <hr/>	<hr/> <hr/>

**ST. THOMAS MORE CATHOLIC PRIMARY SCHOOL**

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

**9. STAFF COSTS**

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	647,089	664,577
National insurance	40,851	40,469
Operating costs of defined benefit pension schemes	148,511	121,075
	<hr/>	<hr/>
Supply teacher costs	836,451 156	826,121 4,776
	<hr/>	<hr/>
	<b>836,607</b>	<b>830,897</b>
	<hr/> <hr/>	<hr/> <hr/>

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

	2017 No.	2016 No.
Teachers	16	16
Administration and support	37	38
Management	3	3
	<hr/>	<hr/>
	56	57
	<hr/> <hr/>	<hr/> <hr/>

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

	2017 No.	2016 No.
In the band £ 70,001 - £ 80,000	1	1

The key management personnel of the Academy comprise the Trustees and the Senior Leadership Team as listed on page 1. The total amount of employee benefits (including employer pension contributions and national insurance contributions) received by key management personnel for their services to the Academy was £231,583 (2016: £214,009).

Employer pension contributions included within key management personnel remuneration was £29,750 (2016: £26,844).

Employer national insurance contributions included within key management personnel remuneration was £20,541 (2016: £17,470).

## ST. THOMAS MORE CATHOLIC PRIMARY SCHOOL

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

#### 10. TRUSTEES' REMUNERATION AND EXPENSES

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

M Hall (Headteacher)

Remuneration £70,000-£75,000 (2016: £70,000-£75,000)

Employer's pension contributions paid £10,000-£15,000 (2016: £10,000-£15,000)

E McNally (Staff Governor)

Remuneration £50,000-£55,000 (2016: £50,000-£55,000)

Employer's pension contributions paid £5,000-£10,000 (2016: £5,000-£10,000)

R Meichen (Staff Governor)

Remuneration £20,000-£25,000 (2016: £20,000-£25,000)

Employer's pension contributions paid £0-£5,000 (2016: £0-£5,000)

During the period 31 August 2017, no Trustees received any reimbursement of expenses for their role as Trustees and staff members (2016: £NIL).

Other related party transactions involving the Trustees are set out in note 22.

#### 11. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2017 was included in the total insurance cost.

#### 12. TANGIBLE FIXED ASSETS

	Fixtures and fittings £
<b>Cost</b>	
At 1 September 2016 and 31 August 2017	66,235
<b>Depreciation</b>	
At 1 September 2016	24,689
Charge for the year	6,291
At 31 August 2017	30,980
<b>Net book value</b>	
At 31 August 2017	35,255
At 31 August 2016	41,546

ST. THOMAS MORE CATHOLIC PRIMARY SCHOOL

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

13. DEBTORS

	2017 £	2016 £
<b>Due after more than one year</b>		
Other debtors (see note 22)	134,000	134,000
<b>Due within one year</b>		
Trade debtors	10,699	6,706
Other debtors (see note 22)	67,000	67,000
VAT recoverable	5,928	1,939
Prepayments and accrued income	134,013	17,835
	<u>351,640</u>	<u>227,480</u>

14. CREDITORS: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	65,208	3,207
Other taxation and social security	13,510	10,152
Other creditors	93,530	72,205
Accruals and deferred income	74,277	77,071
	<u>246,525</u>	<u>162,635</u>

	2017 £	2016 £
<b>Deferred income</b>		
Deferred income at 1 September 2016	28,285	28,522
Resources deferred during the year	23,253	28,285
Amounts released from previous years	(28,285)	(28,522)
Deferred income at 31 August 2017	<u>23,253</u>	<u>28,285</u>

The whole of resources deferred at the period end relate to income received in advance for universal free school meals.

ST. THOMAS MORE CATHOLIC PRIMARY SCHOOL

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

15. STATEMENT OF FUNDS

	Balance at 1 September 2016 £	Income £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2017 £
<b>Unrestricted funds</b>						
General funds	10,108	166,893	(155,295)	(11,700)	-	10,006
<b>Restricted funds</b>						
	Balance at 1 September 2016 £	Income £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2017 £
General Annual Grant (GAG)	-	758,034	(758,034)	-	-	-
Other DfE/ESFA grants	-	47,935	(47,935)	-	-	-
Restricted trip donations	-	24,040	(24,040)	-	-	-
Other Government grants	-	13,080	(13,080)	-	-	-
Special educational needs (SEN)	-	27,173	(27,173)	-	-	-
Pupil premium funding	-	14,680	(14,680)	-	-	-
Donation in kind	201,000	67,000	(67,000)	-	-	201,000
Pension reserve	(428,000)	-	(55,000)	-	77,000	(406,000)
	(227,000)	951,942	(1,006,942)	-	77,000	(205,000)
<b>Restricted fixed asset funds</b>						
	Balance at 1 September 2016 £	Income £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2017 £
Restricted fixed asset funds	41,546	-	(6,291)	-	-	35,255
Capital grants	12,697	6,385	(17,988)	-	-	1,094
Capital grant - Pre-school extension	-	154,180	(73,434)	11,700	-	92,446
	54,243	160,565	(97,713)	11,700	-	128,795
Total restricted funds	(172,757)	1,112,507	(1,104,655)	11,700	77,000	(76,205)
Total of funds	(162,649)	1,279,400	(1,259,950)	-	77,000	(66,199)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2015 £	Income £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2016 £
<b>Unrestricted funds</b>						
General funds	45,376	153,614	(188,882)	-	-	10,108
	45,376	153,614	(188,882)	-	-	10,108



**ST. THOMAS MORE CATHOLIC PRIMARY SCHOOL**

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

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

**Restricted funds**

	Balance at 1 September 2015 £	Income £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2016 £
General Annual Grant (GAG)	-	760,261	(752,685)	(7,576)	-	-
Other DfE/ESFA grants	-	47,356	(47,356)	-	-	-
Restricted trip donations	-	23,030	(23,030)	-	-	-
Other Government grants	-	4,165	(4,165)	-	-	-
Special educational needs (SEN)	-	17,584	(17,584)	-	-	-
Pupil premium funding	-	12,265	(12,265)	-	-	-
Donation in kind	201,000	67,000	(67,000)	-	-	201,000
Pension reserve	(248,000)	-	(27,000)	-	(153,000)	(428,000)
	<u>(47,000)</u>	<u>931,661</u>	<u>(951,085)</u>	<u>(7,576)</u>	<u>(153,000)</u>	<u>(227,000)</u>

**Restricted fixed asset funds**

	Balance at 1 September 2015 £	Income £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2016 £
Restricted fixed asset funds	41,404	-	(7,434)	7,576	-	41,546
Capital grants	-	93,867	(81,170)	-	-	12,697
	<u>41,404</u>	<u>93,867</u>	<u>(88,604)</u>	<u>7,576</u>	<u>-</u>	<u>54,243</u>
Total restricted funds	<u>(5,596)</u>	<u>1,025,528</u>	<u>(1,039,689)</u>	<u>-</u>	<u>(153,000)</u>	<u>(172,757)</u>
Total of funds	<u><u>39,780</u></u>	<u><u>1,179,142</u></u>	<u><u>(1,228,571)</u></u>	<u><u>-</u></u>	<u><u>(153,000)</u></u>	<u><u>(162,649)</u></u>

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

**General funds**

This represents income received that does not have restrictions. The transfer out of £11,700 was made towards the pre-school extension project (see below).

**General Annual Grant (GAG)**

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

**Other DfE/ESFA grants**

This represents various grants from national government bodies for the provision of specific services to pupils of the Academy.

**Restricted trip donations**

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

**Other Government grants**

This represents various grants from local and Government bodies for the provision of specific services to pupils of the Academy.

## ST. THOMAS MORE CATHOLIC PRIMARY SCHOOL

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

#### 15. STATEMENT OF FUNDS (continued)

##### **Special educational needs (SEN)**

This represents funding from the Local Authority and it is used towards the education of pupils with special educational needs and disabilities.

##### **Pupil premium funding**

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

##### **Donation in Kind**

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

##### **Pension Reserve**

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

##### **Restricted fixed asset funds**

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

##### **Capital grants**

Capital grants are to be used to maintain and improve the Academy's buildings and facilities.

##### **Capital grant - Pre-school extension**

During the year, the Academy was granted funding from Essex County Council towards capital expenditure on the building extension of St. Thomas More Montessori Pre-School, a related party operating on the Academy's premises. This work includes the construction of a multi-use games area. The total amount granted was £154,180. A further £11,700 of the Academy's own general unrestricted funds was transferred to this fund. The work was incomplete as at the year end.

ST. THOMAS MORE CATHOLIC PRIMARY SCHOOL

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

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	35,255	35,255
Debtors due after more than 1 year	-	134,000	-	134,000
Current assets	256,531	67,000	93,540	417,071
Creditors due within one year	(246,525)	-	-	(246,525)
Provisions for liabilities and charges	-	(406,000)	-	(406,000)
	<u>10,006</u>	<u>(205,000)</u>	<u>128,795</u>	<u>(66,199)</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Tangible fixed assets	-	-	41,546	41,546
Debtors due after more than 1 year	-	134,000	-	134,000
Current assets	172,743	67,000	12,697	252,440
Creditors due within one year	(162,635)	-	-	(162,635)
Provisions for liabilities and charges	-	(428,000)	-	(428,000)
	<u>10,108</u>	<u>(227,000)</u>	<u>54,243</u>	<u>(162,649)</u>

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

	2017 £	2016 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	19,450	(49,429)
<b>Adjustment for:</b>		
Depreciation charges	6,291	7,434
Dividends, interest and rents from investments	(109)	(195)
(Increase)/decrease in debtors	(124,160)	5,195
Increase in creditors	83,890	1,751
Pensions adjustment	55,000	27,000
<b>Net cash provided by/(used in) operating activities</b>	<u>40,362</u>	<u>(8,244)</u>

18. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash in hand	199,431	158,960
Total	<u>199,431</u>	<u>158,960</u>

19. 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.

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

**20. PENSION COMMITMENTS**

The Academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Essex County Council. Both are Multi-Employer Defined Benefit Pension Schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £8,226 were payable to the schemes at 31 August 2017 (2016 - 8,543) and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £64,965 (2016 - £67,291).

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

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The 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 CATHOLIC PRIMARY SCHOOL

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

20. PENSION COMMITMENTS (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £48,000 (2016 - £47,000), of which employer's contributions totalled £36,000 (2016 - £36,000) and employees' contributions totalled £12,000 (2016 - £11,000). The agreed contribution rates for future years are 12.3% for employers and 5.5-12.5% for employees.

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

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.60 %	2.20 %
Rate of increase in salaries	4.20 %	4.10 %
Rate of increase for pensions in payment / inflation	2.70 %	2.30 %

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

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

Sensitivity analysis	At 31 August	At 31 August
	2017	2016
	£	£
Discount rate +0.1%	675,000	627,000
Discount rate -0.1%	709,000	657,000
Mortality assumption - 1 year increase	715,000	659,000
Mortality assumption - 1 year decrease	670,000	625,000
CPI rate +0.1%	706,000	655,000
CPI rate -0.1%	678,000	629,000

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

	Fair value at	Fair value at
	31 August	31 August
	2017	2016
	£	£
Equities	186,000	146,000
Gilts	18,000	8,000
Other bonds	11,000	10,000
Property	28,000	24,000
Cash and other liquid assets	9,000	6,000
Alternative assets	22,000	10,000
Other managed funds	12,000	10,000
Total market value of assets	<u>286,000</u>	<u>214,000</u>

The actual return on scheme assets was £34,000 (2016 - £25,000).

**ST. THOMAS MORE CATHOLIC PRIMARY SCHOOL**

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

**20. PENSION COMMITMENTS (continued)**

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

	2017 £	2016 £
Current service cost	(82,000)	(54,000)
Interest income	5,000	7,000
Interest cost	(14,000)	(16,000)
	<u>                    </u>	<u>                    </u>
Total	<u><u>(91,000)</u></u>	<u><u>(63,000)</u></u>

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

	2017 £	2016 £
Opening defined benefit obligation	642,000	401,000
Current service cost	82,000	54,000
Interest cost	14,000	16,000
Employee contributions	12,000	11,000
Actuarial (gains)/losses	(57,000)	171,000
Benefits paid	(1,000)	(11,000)
	<u>                    </u>	<u>                    </u>
Closing defined benefit obligation	<u><u>692,000</u></u>	<u><u>642,000</u></u>

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

	2017 £	2016 £
Opening fair value of scheme assets	214,000	153,000
Interest income	5,000	7,000
Actuarial gains	20,000	18,000
Employer contributions	36,000	36,000
Employee contributions	12,000	11,000
Benefits paid	(1,000)	(11,000)
	<u>                    </u>	<u>                    </u>
Closing fair value of scheme assets	<u><u>286,000</u></u>	<u><u>214,000</u></u>

**21. OPERATING LEASE COMMITMENTS**

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

	2017 £	2016 £
<b>Amounts payable:</b>		
Within 1 year	4,548	4,548
Between 1 and 5 years	1,137	5,406
	<u>                    </u>	<u>                    </u>
Total	<u><u>5,685</u></u>	<u><u>9,954</u></u>

## ST. THOMAS MORE CATHOLIC PRIMARY SCHOOL

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

#### 22. RELATED PARTY TRANSACTIONS

The Academy operates from land and buildings provided rent free by the Diocese of Brentwood. Under an agreement between the Diocese, the Academy and the Secretary of State the Diocese would be required to give 24 months notice from the year end if it wished to terminate this agreement. No such notice had been given at the year end and the Diocese is therefore committed to providing the land and buildings rent free for a further 36 months from the year end. The Trustees estimate that the cost of renting equivalent buildings would be £67,000 per annum, on this basis a donation from the Diocese of £67,000 is shown in the accounts together with a notional expense of the same amount. In addition, included within debtors is a donation in kind receivable of £201,000 representing the commitment by the Diocese to provide the land and buildings rent free for a further 36 months.

During the year the Academy received £2,177 (2016: £3,960) from St. Thomas More Montessori Pre-School towards the costs of premises. Mr K Lowe, Mrs M J Hall and Mrs E Bailey are Trustees of the pre-school. At the end of the year £770 was owing to St Thomas More Catholic Primary School (2016: £2,420). The amount recharged represents a full recovery of the costs incurred by the Academy.

During the year the Academy incurred fees of £27,128 (2016: £245) in respect of services from Saffron Walden County High School, a school at which Mrs C Sunderland, a Trustee, is employed as part of the senior leadership team. No amounts were owed at the year end (2016: £Nil).

There were no other related party transactions during the year.