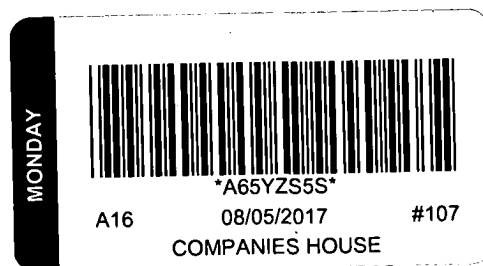


**REGISTERED COMPANY NUMBER: 08214798 (England and Wales)**

**Report of the Trustees and  
Financial Statements For The Year Ended 31st August 2016  
for  
UPMINSTER ACADEMIES TRUST**



Wilkins Kennedy LLP  
Statutory Auditor  
Chartered Accountants  
1-5 Nelson Street  
Southend on Sea  
Essex  
SS1 1EG

# **UPMINSTER ACADEMIES TRUST**

## **Contents of the Financial Statements For The Year Ended 31st August 2016**

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## **UPMINSTER ACADEMIES TRUST**

### **Reference and Administrative Details For The Year Ended 31st August 2016**

#### **MEMBERS**

A Ling  
K Ridley-Moy (appointed 1/7/2016)  
J Stafford (resigned 30/11/2016)  
J T Woodgate  
D Scott

#### **TRUST BOARD OF DIRECTORS**

A Ling (Trust Chair)  
J Woodgate (Vice Chair)  
L Beck (Headteacher Upminster Infants School)  
A Edgcombe (Headteacher Upminster Junior School)  
(appointed September 2016)  
J Stafford (Chair Upminster Junior School)  
D Scott (Chair Upminster Infants School)  
K Pitt (appointed November 2015)  
M Pepper (appointed November 2015)  
A Cooke  
T Riches  
N Wright  
G Crossley  
A Crossley (resigned November 2015)  
C Bannister (resigned November 2015)

#### **GOVERNING BODIES**

**Upminster Infants School - Local Governing Body**  
L Beck (Headteacher Upminster Infants School)  
C Bannister  
Rev K Browning  
D J Carney  
A Cooke  
A Crossley (resigned November 2015)  
R Holt  
H Lendon  
A Ling (Trust Chair)  
C Mallin  
J Mason  
D Scott (Chair Upminster Infants School)  
J Woodgate (Vice Chair Upminster Infants School)  
D Woodhurst  
M Pepper (appointed November 2015)  
K Pitt (appointed November 2015)

**Upminster Junior School - Local Governing Body**  
T Woodford (Headteacher Upminster Junior School)  
(resigned August 2016)  
A Cooke (resigned July 2016)  
G Crossley  
K Clarke (resigned December 2015)  
B Fitzgerald (appointed December 2015)  
A Ling (Trust Chair)  
C Mallin  
J McFaull  
T Riches  
D Scott

**UPMINSTER ACADEMIES TRUST**

**Reference and Administrative Details  
For The Year Ended 31st August 2016**

**Upminster Junior School - Local Governing Body  
(cont)**

J Stafford (Chair Upminster Junior School)

N Wright (Vice Chair Upminster Junior School)

I Zweistra

A Edgcombe (Headteacher Upminster Junior School)  
(appointed September 2016)

**COMPANY SECRETARY**

Schofield Sweeney LLP

**REGISTERED OFFICE**

St Mary's Lane  
Upminster  
Essex  
RM14 3BS

**REGISTERED COMPANY NUMBER**

08214798 (England and Wales)

**AUDITORS**

Wilkins Kennedy LLP  
Statutory Auditor  
Chartered Accountants  
1-5 Nelson Street  
Southend on Sea  
Essex  
SS1 1EG

**BANKERS**

Lloyds Bank PLC  
1-3 Market Place  
Romford  
Essex  
RM1 3AA

**SOLICITORS**

Schofield Sweeney LLP  
Church Bank House  
Church Bank  
Bradford  
BD1 4DX

**SENIOR LEADERSHIP TEAM  
(Infants)**

Miss A Aitken  
Mrs K Barber  
Mrs K Watkins  
Mrs H Lendon  
Mrs M Bocarro  
Mrs S Wood  
Mrs L Beck (Headteacher)

# **UPMINSTER ACADEMIES TRUST**

## **Reference and Administrative Details For The Year Ended 31st August 2016**

### **SENIOR LEADERSHIP TEAM (Juniors)**

Mr J Ansell  
Mrs N Gunthorpe  
Ms J Latheron  
Mrs H Mordew  
Mrs T Riches  
Mrs I Zweistra  
Mr T.J. Woodford (Headteacher)

## **UPMINSTER ACADEMIES TRUST**

### **Report of the Trustees For The Year Ended 31st August 2016**

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The Trust Directors present their report together with the financial statements and auditor's report of the charitable company for the period ended 31st August 2016.

#### **OBJECTIVES AND ACTIVITIES**

##### **Objectives and aims (as set out in the governing document)**

Upminster Academies Trust, by understanding the strengths and weakness of each child strives to educate them to be well rounded members of the community, to show appreciation of the world in which they live.

The principal object of the Trust is restricted to the following; to advance education in the United Kingdom and to offer a broad and balanced curriculum.

##### **Strategies and activities**

The main objectives of the Academy Trust during the year ended 31st August 2016 are summarised below:

- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- to raise the standard of educational achievement of all pupils;
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements;
- to maintain close links with industry and commerce; and
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

Upminster Academies Trust community values diversity and seeks to give all staff and students an equal chance to learn, work and live, free from the action or fear, of racism, discrimination, or prejudice. We will work together to develop the potential of all pupils academically, to recognise their strengths and weakness, and to establish a community that is just and fair for all people who work or visit Upminster Academies Trust.

Our students are happy and enthused by their teachers and the challenges set in their daily lessons. This has taught our students to become independent learners, to challenge thought processes and to understand their role in society.

All staff will have the opportunity to develop their own learning as they work collaboratively with other staff from within the school and other schools. Our teachers inspire our students to learn, challenge and explore new ideas.

Parents have a role to play as well. They are true partners within the student-school-parent partnership to ensure that their child realises his/her full potential.

The school Governors and Trust Directors will contribute to the life of the school on a wider scale, acting as critical friends to support the school as it continues to be a centre of excellence.

##### **Public benefit**

The Directors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing the charity's aim and objectives and in planning future activities. In particular, the Directors consider how planned activities will contribute to the aims and objectives they have set. Both Academies within the Trust admit pupils from the London Borough of Havering. The Academies admit pupils from neighbouring boroughs with the consent of the Local Authority who manage the Admissions to all Special schools and Academies in the borough.

##### **Equal opportunities policy**

The Trust recognises that equal opportunities should be an integral part of good practice within the workplace. The Academies aim to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

## **UPMINSTER ACADEMIES TRUST**

### **Report of the Trustees For The Year Ended 31st August 2016**

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#### **OBJECTIVES AND ACTIVITIES**

##### **Disabled persons**

The Academies within the Trust comply fully with the Equality Act 2010 regulations and are equipped to welcome and/or teach any child or adult with a disability where possible. The Governors have adopted an updated Equality policy in light of recommendations related to the 2010 Act.

##### **Arrangements for setting pay and remuneration of key management personnel**

The Trust sets pay and remuneration of key management personnel using the pay scales published by the Local Authority. All pay and remuneration is linked to performance management. Arrangements are in place to review pay and pay decisions through the normal means, that being the HR & Pay committees of Upminster Infant and Upminster Junior school's governing bodies.

# UPMINSTER ACADEMIES TRUST

## Report of the Trustees For The Year Ended 31st August 2016

### STRATEGIC REPORT

#### Achievement and performance

##### Charitable activities

Pupils across the Upminster Academies Trust make at least good progress with many making outstanding progress. The large majority of pupils are well above age expectations in all key stages.

#### Upminster Infant School

End of Key Stage One

National Curriculum Standard assessment

		Working below the expected level	Working at or above the expected level	Working at Greater Depth
Reading	School	14%	86%	31%
	Havering	23%	77%	25%
	National	26%	74%	24%
Writing	School	22%	78%	11%
	Havering	30%	70%	17%
	National	34%	66%	13%
Maths	School	17%	83%	17%
	Havering	23%	77%	20%
	National	27	73%	18%
Science		11%	89%	-

#### Upminster Junior School

End of Key Stage Two

National Curriculum Standard assessment - Attainment

Reading	Upminster Junior School	National Average	Difference
% at expected	80	66	+14
% High score (110+)	26	19	+7
Scale score	106	103	+3
<b>EGPS</b>	<b>Upminster Junior School</b>	<b>National Average</b>	<b>Difference</b>
% at expected	91	72	+19
% High score (110+)	33	23	+10
Scale score	107	104	+3
<b>Writing</b>	<b>Upminster Junior School</b>	<b>National Average</b>	<b>Difference</b>
% at expected	84	74	+10
% greater depth	15	15	0
<b>Mathematics</b>	<b>Upminster Junior School</b>	<b>National Average</b>	<b>Difference</b>
% at expected	87	70	+17
% High score (110+)	30	17	+13
Scale score	106	103	+3

#### KS1 to KS2 Progress at Upminster Junior School 2016

Subject	Average progress measure	Confidence interval
Reading	-0.6	-1.9 to 0.7
Writing	-1.7	-3 to -0.4
Mathematics	-0.3	-1.4 to 0.8



# UPMINSTER ACADEMIES TRUST

## Report of the Trustees For The Year Ended 31st August 2016

### STRATEGIC REPORT

#### Achievement and performance

##### Key financial performance indicators

##### Infants school

Main Strategic Theme	Objective KS1	Targets to be Achieved KS1
1. Achievement	Improve writing both technical and creative. Improve attitudes to health. Counteract levels of obesity. Improve percentage of pupils achieving results in E/Y goal Health and Self-Care (increase from 33%-50%)	Improve writing throughout the key stage. Obtain Gold Healthy Schools Award
2. Teaching & Learning	Embed assessment without levels. Improve consistency of marking and feedback. Regular, rigorous assessments of books throughout the year.	Confident teachers make accurate assessments using criteria. Evidence in books show consistent marking and opportunities for pupils to make improvements.
3. Behaviour & Safety	Develop the use of social skills groups. Improve the safety of the school site and the school building.	Improvement in/development of the children's social skills. Gate security improved.
4. Leadership & Management	To make home visits to new reception intake as part of initial assessment. Establish team of three (H/T, Dep H/T and SENCO) for Child Protection	To visit homes of new reception intake before starting school. Child Protection shared by team of three senior members of staff.
5. Resources & Innovation	To provide additional space for small group work by purchasing a POD that can be located on the school playground.	Provision of a new indoor space for group work (funded by the PTA).

##### Junior school

##### Improvement priorities overview 2016-17

Main Strategic Theme	Objective KS2	Outcomes
Progress	To increase the rates of progress in Reading, Writing and Mathematics.	<ul style="list-style-type: none"> <li>• Progress measures in Reading, Writing and Maths in the end of Key Stage 2 tests is at least in line with National figures.</li> <li>• 97% of pupils throughout the school reach their end of year targets</li> <li>• Progress of Disadvantaged Pupils is at least in line with all pupils nationally.</li> <li>• Progress of SEND pupils is in line with National figures.</li> </ul>
Leadership and Management	To review and enhance the coaching model. To further develop the effectiveness of subject leaders. To ensure effective deployment of TAs.	<ul style="list-style-type: none"> <li>• Highly effective strategic support in place to support teachers</li> <li>• 100% of teaching is good or better, 25% is outstanding</li> <li>• Rigorous performance management in place for all teaching and administrative staff</li> </ul>
Reading	To raise the profile and attainment of reading.	<ul style="list-style-type: none"> <li>• At least 90% of pupils achieve age expectations at the end of the year</li> <li>• At least 46% of pupils achieve above age expectations (Raw Score 110+)</li> <li>• A greater proportion of pupils say they enjoy reading.</li> </ul>
Buildings and Premises	To develop a learning environment fit for purpose	<ul style="list-style-type: none"> <li>• Improved gate security.</li> <li>• Classrooms and communal areas are clutter-free.</li> <li>• Improved lighting, flooring and classroom furniture in classrooms (PA funded)</li> </ul>

## UPMINSTER ACADEMIES TRUST

### Report of the Trustees For The Year Ended 31st August 2016

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#### STRATEGIC REPORT

##### Financial review

##### *Financial report for the year*

Most of the Trust's income is obtained from the Education Funding Agency (EFA) and the Local Authority in the form of recurrent grants, some of which is restricted to particular purposes. The grants received from the EFA during the year ended 31st August 2016 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Trust also receives grants for fixed assets from the EFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31st August 2016, total expenditure of £2,889k (2015: £2,840k) was met by recurrent grant funding from the EFA together with other incoming resources. The deficit of expenditure over income for the period (excluding restricted fixed asset funds and transfers to restricted fixed asset funds) was £63k (2015: £9k).

At 31st August 2016 the net book value of fixed assets was £8,709k (2015: £8,668k), movements in tangible fixed assets are shown in the notes to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academies.

The London Borough of Havering Pension Fund, in which the Academy participates, showed a deficit of £1,136k (2015: £625k) at 31st August 2016. Of this sum, £428k was inherited by Upminster Academies Trust from the London Borough of Havering on 1st November 2012, the date the local authority's staff transferred to employment with the Academy Trust.

##### *Going concern*

After making appropriate enquiries, the Trust's Board of Directors has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and certainly up to the end of the Academic Year 2017-2018 and beyond. 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.

# UPMINSTER ACADEMIES TRUST

## Report of the Trustees For The Year Ended 31st August 2016

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### STRATEGIC REPORT

#### Financial review

##### *Reserves policy and financial review*

#### Reserves policy

It is the policy of the Trustees to keep the level of reserves under review annually. The level of reserves held takes into account the nature of income and expenditure streams. Any unspent General Annual Grant (GAG) fund and funds inherited on conversion to academy will be used to offset any predicted future shortfalls.

The Trustees have determined that the appropriate level of free reserves should be equivalent to 10% of income which is approximately £280k. This will help provide sufficient working capital to cover delays between spending and receipts of grants, and to provide a cushion to respond to unexpected financial demands.

The academy's current level of free reserves is £457k (2015: £536k) (total funds less the amount held in restricted fixed assets funds and the LGPS pension fund deficit). This leaves a balance of free reserves of £177k in excess of the reserves policy amount to provide a cushion against the anticipated future 10% reduction in school funding and future unexpected costs arising from:

- increases in employer national insurance and pension contributions. Employer contribution to teachers' pension is expected to increase from 16.4% to between 19% and 20% in 2019.
- incremental drift in teaching staff salaries
- periods of 3% or more increase in staff salaries due to inflation.
- capital expenditure for ICT and Equipment in the academy trust yearly budgets

#### Investment policy

Under the Memorandum and Articles of Association, the academy has the power to invest funds not immediately required for its own purposes, in any way the Trustees see fit. The organisation has a positive cash balance to cover eventualities and unforeseen expenses. The banking facilities are reviewed on a regular basis.

#### Financial position

The Academy held fund balances at 31st August 2016 of £8,030k (2015: £8,579k) comprising £7,631k (2015: £8,192k) of restricted funds and £399k (2015: £387k) of unrestricted general funds. Of the restricted funds £8,709k (2015: £8,668k) is represented by tangible fixed assets.

The pension reserve which is considered part of restricted funds was £1,136k (2015: £625k) in deficit.

#### Principal risks and uncertainties

The principal risks and uncertainties that Upminster Academies Trust faces are mitigated by the risk management process that the academy trust has in place.

#### Financial and risk management objectives and policies

The financial risks which the School is exposed to relate primarily to:

- Pension fund deficit and risk that the employers' contribution rate may increase
- Risk that income may not meet expenditure requirements
- Risk that debts are not recovered
- Risk of fraud
- Risk that assets are not capitalised
- Risk that return on investments is not being maximised

A risk arises in relation to the defined benefit pension scheme due to the fact that there is a deficit of £1,136k. In order to mitigate the risk posed by the pension fund deficit resulting in increases to employers' contribution rates, the School has begun early discussions with the Scheme administrators at LBH with regard to indications of the School's increased liabilities and suggested likely increases have been incorporated into the Three Year Budget Plan.

The Trust established a Joint Finance Committee in December 2016 in order to mitigate the risks posed by increased expenditure outside of the School's control and decreased income. This Committee will look at what savings need to be made (primarily from restructuring of staff) and how the two schools could generate further income. This is a difficult time for the School but the priority is to ensure that the Schools are viable and a 'going concern'.

# **UPMINSTER ACADEMIES TRUST**

## **Report of the Trustees For The Year Ended 31st August 2016**

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### **STRATEGIC REPORT**

#### **Financial and risk management objectives and policies**

##### **Future plans**

The Academy will continue striving to improve the levels of performance of its students at all levels and will continue its efforts to ensure its students are well prepared for secondary school when they leave the Upminster Junior School Academy.

The school knows its strengths and weaknesses based on continual self-assessment. External validation through subject visits or partnerships is well used to formulate developments. The School Strategic Plan is succinct and well-focused on key developmental areas. Subject areas also assess their outcomes and plan developments accordingly.

Subject areas that are underperforming are challenged and supported so that improvements are made. Colleagues that require support to improve their own professional practice are similarly challenged and supported. Interventions for students are thorough, although these are being modified to focus even more clearly on key strategic areas for improvement.

The culture is one of openness and senior staff and teaching staff are clear about the need to collaborate and commit to their own professional development.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Constitution**

The Academy Trust is a company limited by guarantee with no share capital (registration no. 08214798) and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The Trustees are responsible for the charitable activities of Upminster Academies Trust. The charitable company is known as Upminster Academies Trust. Details of the Trustees who served throughout the period, except as noted, are included in the Reference and Administrative Details on page 1.

Upminster Academies Trust was incorporated on 14th September 2012 and is made up of two academies. The Academies kept their original names, Upminster Infant School and Upminster Junior School.

#### **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 period 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. Academy status was obtained and commenced from 1st November 2012.

#### **Principal activities**

The principal activity of the Academy Trust is to advance for the public benefit education in the United Kingdom, in particular, but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing schools and settings offering a broad and balanced curriculum to all children, including those with special educational needs.

## **UPMINSTER ACADEMIES TRUST**

### **Report of the Trustees For The Year Ended 31st August 2016**

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#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Method of recruitment and appointment or election of directors**

The members of the Academy Trust shall comprise the signatories to the Memorandum, one person appointed by the Secretary of State, in the event that the Secretary of State appoints a person for this purpose, the Special Academy Directors and any person appointed under Article 16.

The number of Trustees shall be not less than three, but shall not be subject to a maximum. The Academy Trust schools shall have the following Governors; Governors appointed under Article 50; Staff Governors appointed under Article 50A, Academy Governors and Special Academy Governors appointed under Article 51; the Associate Headteacher, Parent Governors if appointed under Article 61, Sponsor Governors if appointed under Article 50B any Additional Governors if appointed under Article 61, 61A or 67A; and any Further Governors if appointed under Article 62 or Article 67A; up to two Governors, if appointed by Secretary of State in accordance with terms of the Relevant Funding Agreement following the provision of a notice by the company to terminate the Relevant Funding Agreement. The Academy may also have any Co-opted Governors appointed under Article 58. The Governors may not co-opt an employee of the Academy Trust as a Co-opted Governor if the number of Governors who are employed by the Academy Trust would thereby exceed one third of the total number of Governors (including the Associate Headteacher).

Each of the persons entitled to appoint members above shall have the right, from time to time by written notice delivered to the Office, to remove any Member appointed by them and to appoint a replacement member to fill a vacancy whether resulting from such removal or otherwise.

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

##### **Organisational structure**

The structure consists of three management levels: the Strategic Board of Trustees, the Governors and the School Leadership team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Strategic Board of Trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments.

The Academy Leadership team consists of the Heads of School. The local Senior Leadership Teams consist of the Headteacher of each School, Deputy Heads of School and senior teachers. These leaders control the Academy at a school level implementing the policies laid down by the Governors and reporting back to the Governors. As a group, the Senior Leadership Team are responsible for the authorisation of spending within agreed budgets and the appointment of staff where authorised by the Headteachers. Appointments of senior leader posts will require Governors authorisation for existing vacancies and for new posts.

##### **Policies and procedures adopted for the induction and training of new Governors**

During the period under review the Full Governing Bodies held three/four meetings at each school (Infants and Juniors). The training and induction provided for new Governors will depend on their existing experience. All new Governors will be given a tour of the Academy and the chance to meet with staff and students. All relevant Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. As there are normally only two or three new Governors a year, induction tends to be done informally and is tailored specifically to the individual.

## UPMINSTER ACADEMIES TRUST

### Report of the Trustees For The Year Ended 31st August 2016

---

#### STRUCTURE, GOVERNANCE AND MANAGEMENT

##### Risk management

The Trustees have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The have Trustees have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. The Trustees have introduced systems, including operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement on page 13.

#### AUDITORS

The auditors, Wilkins Kennedy LLP, may be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on .....20.12.16... and signed on the board's behalf by:

.....A Ling.....  
A Ling - Trust Chair

## UPMINSTER ACADEMIES TRUST

### Governance Statement For The Year Ended 31st August 2016

#### Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Upminster Academies Trust 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 Strategic Board of Trustees has delegated the day-to-day responsibility to the Headteacher at the Infant School 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 Upminster Academies Trust and the Secretary of State for Education. The Headteacher is also responsible for reporting to the Strategic 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 Trust Board met three times in the year. Attendances at meetings in the year were as follows.

	Meetings Attended	Out of a Possible
A Ling	3	3
J Stafford	3	3
D Scott	3	3
A Cooke	3	3
G Crossley	3	3
L Beck	3	3
T Woodford	1	3
K Pitt	3	3
N Wright	3	3
M Pepper	3	3
T Riches	3	3
J Woodgate	3	3

Tim Woodgate resigned as Headteacher of Upminster Junior School August 2016.

Alison Edgcombe replaced him as Headteacher and has been an observer at the meetings since September 2016.

The Governing Bodies of the Infant & Junior Schools each met formally four times during the year (see below). Attendance during the year at meetings of the Governing Body was as follows:

Governor (Infants)	Meetings Attended	Out of a Possible	Governor (Juniors)	Meetings Attended	Out of a Possible
Mrs L Beck	4	4	Mr D Carney	1	1
Mrs C Bannister	4	4	Mrs K Clarke	1	1
Rev K Browning	4	4	Mrs A Cooke	4	4
Mr D J Carney	4	4	Mr G Crossley	4	4
Mrs A Cooke	4	4	Mrs A Ling	4	4
Mr A Crossley	3	4	Mrs T Riches	3	4
Mrs J Gregory	1	1	Mr D Scott	4	4
Mrs R Holt	4	4	Mr J Stafford	4	4
Mrs H Lendon	2	2	Mr T Woodford	4	4
Mrs A Ling	3	4	Mr N Wright	4	4
Mrs C Mallin	1	1	Mrs I Zweistra	2	4
Mrs J Mason	4	4	Mrs C Mallin	4	4
Mr D Scott	4	4	Mr J Mcfaull	4	4
Mrs J Woodgate	4	4	Mr B Fitzgerald	3	3
Mr D Woodhurst	4	4			

## UPMINSTER ACADEMIES TRUST

### Governance Statement For The Year Ended 31st August 2016

---

The Finance and Audit Committee is a sub-committee of both main governing bodies. Its purpose is to monitor the financial position and internal controls. Attendances at meetings in the year were as follows.

Governor (Infants)	Meetings Attended	Out of a Possible	Governor (Juniors)	Meetings Attended	Out of a Possible
Mrs L Beck	3	3	Mr D Carney	0	1
Mr D J Carney	3	3	Mr G Crossley	3	3
Mrs R Holt	3	3	Mr D Scott	3	3
Mr D Scott	3	3	Mr T Woodford	3	3
Mrs J Taylor	3	3	Mr J Stafford	3	3
Mrs J Woodgate	3	3	Mr J Mcfaull	3	3
Mr D Woodhurst	3	3	Mr B Fitzgerald	2	2
Mrs T Durrant	1	1			

#### Review of Value for Money

As accounting officer the Headteacher at the Infant School has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

- Reviewing and improving Contracts (e.g. Telephone, Catering, Cleaning)
- Increasing Lettings to provide further funding
- Infant School partnership with Universities for Trainees improving funding and development

#### 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 charitable company 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 Upminster Academies Trust for the period 1st September 2015 to 31st August 2016 and up to the date of approval of the annual report and financial statements.

#### Capacity to Handle Risk

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

#### The Risk and Control Framework

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



## UPMINSTER ACADEMIES TRUST

### Governance Statement For The Year Ended 31st August 2016

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#### The Risk and Control Framework

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

The Trustees have considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Wilkins Kennedy LLP, as Responsible Officer (RO) for the . academy. The RO's role includes giving advice on financial matters and performing a range of checks on the academy Trust's financial systems. The RO will be providing on a yearly basis, the RO reports to the Strategic Board of Trustees on the operation of the systems of control and on the discharge of the Academy Trust's financial responsibilities.

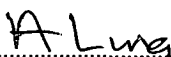
#### Review of Effectiveness


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

- the work of the Responsible Officer;
- the work of the external auditor;
- the financial management and governance self assessment process;
- the work of the Senior Leadership Teams within the Academies 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 Committees and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 20.12.16 and signed on its behalf by:

  
.....  
A Ling - Trust Chair

  
.....  
Mrs L Beck - Accounting Officer

## UPMINSTER ACADEMIES TRUST

### Statement on Regularity, Propriety and Compliance For The Year Ended 31st August 2016

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As accounting officer of Upminster Academies Trust I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2015.

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



Mrs L Beck - Accounting Officer

Date: 20.12.2016

## UPMINSTER ACADEMIES TRUST

### Statement of Trustees Responsibilities For The Year Ended 31st August 2016

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The Trust Directors (who act as trustees of Upminster Academies Trust and directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and the governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit
- information and to establish that the auditors are aware of that information.

Approved by order of the board of trustees on 20.12.16 and signed on it's behalf by:

A Ling  
A Ling - Trust Chair

## Report of the Independent Auditors to the Members of Upminster Academies Trust

We have audited the financial statements of Upminster Academies Trust for the year ended 31st August 2016 on pages twenty two to forty five. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2015 to 2016 issued by the Education Funding Agency (EFA).

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 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 trust and the academy trust's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditors**

As explained more fully in the Statement of Trustees Responsibilities set out on page seventeen, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

### **Scope of the audit of the financial statements**

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

### **Opinion on financial statements**

In our opinion the financial statements:

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

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Report of the Independent Auditors to the Members of  
UPMINSTER ACADEMIES TRUST**

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**Matters on which we are required to report by exception**

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

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

*Wilkins Kennedy LLP*

Mandy Wilson (Senior Statutory Auditor)  
for and on behalf of Wilkins Kennedy LLP  
Statutory Auditor  
Chartered Accountants  
1-5 Nelson Street  
Southend on Sea  
Essex  
SS1 1EG

Date: *20th December 2016*

## **Independent Reporting Accountant's Assurance Report on Regularity to Upminster Academies Trust and the Education Funding Agency**

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In accordance with the terms of our engagement and further to the requirements of the Education Funding Agency (EFA), as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Upminster Academies Trust during the period 1st September 2015 to 31st August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

### **Respective responsibilities of Upminster Academies Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Upminster Academies Trust's funding agreement with the Secretary of State for Education dated 27th July 2012 and the Academies Financial Handbook, extant from 1st September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

### **Approach**

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

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

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

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

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion as well as additional testing based on our assessment of risk of material irregularity.

**Independent Reporting Accountant's Assurance Report on Regularity to  
Upminster Academies Trust and the Education Funding Agency**

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**Conclusion**

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

*Wilkins Kennedy LLP*

Reporting Accountant  
Wilkins Kennedy LLP  
1-5 Nelson Street  
Southend on Sea  
Essex  
SS1 1EG

Date: *20th December 2016*

**UPMINSTER ACADEMIES TRUST**

**Statement of Financial Activities  
For The Year Ended 31st August 2016**

				2016	2015
	Notes	Unrestricted fund £'000	Restricted funds £'000	Fixed asset restricted fund £'000	Total funds £'000
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and capital grants	3	21	155	-	176
<b>Charitable activities</b>					
Funding for the academy's educational operations	4	-	2,563	15	2,578
Other trading activities	5	30	57	-	87
<b>Total</b>		<b>51</b>	<b>2,775</b>	<b>15</b>	<b>2,841</b>
<b>EXPENDITURE ON</b>					
<b>Charitable activities</b>					
Academy's educational operations		39	2,850	32	2,921
<b>NET INCOME/(EXPENDITURE)</b>		<b>12</b>	<b>(75)</b>	<b>(17)</b>	<b>(80)</b>
<b>Other recognised gains/(losses)</b>					
Actuarial gains/losses on defined benefit schemes		-	(469)	-	(469)
<b>Net movement in funds</b>		<b>12</b>	<b>(544)</b>	<b>(17)</b>	<b>(549)</b>
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		<b>387</b>	<b>(534)</b>	<b>8,726</b>	<b>8,579</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>399</b>	<b>(1,078)</b>	<b>8,709</b>	<b>8,579</b>

The notes form part of these financial statements



**UPMINSTER ACADEMIES TRUST**

**Balance Sheet  
At 31st August 2016**

		<b>2016</b>	<b>2015</b>
		<b>£'000</b>	<b>£'000</b>
<b>FIXED ASSETS</b>	Notes		
Tangible assets	12	<b>8,709</b>	<b>8,668</b>
<b>CURRENT ASSETS</b>			
Debtors	13	<b>21</b>	<b>30</b>
Cash at bank		<b>637</b>	<b>626</b>
		<b>658</b>	<b>656</b>
<b>CREDITORS</b>			
Amounts falling due within one year	14	<b>(201)</b>	<b>(120)</b>
<b>NET CURRENT ASSETS</b>		<b>457</b>	<b>536</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>9,166</b>	<b>9,204</b>
<b>PENSION LIABILITY</b>	19	<b>(1,136)</b>	<b>(625)</b>
<b>NET ASSETS</b>		<b>8,030</b>	<b>8,579</b>
<b>FUNDS</b>	18		
Unrestricted funds:			
General fund		<b>399</b>	<b>387</b>
Restricted funds:			
Restricted funds		<b>58</b>	<b>149</b>
Fixed asset restricted fund		<b>8,709</b>	<b>8,668</b>
Pension fund		<b>(1,136)</b>	<b>(625)</b>
		<b>7,631</b>	<b>8,192</b>
<b>TOTAL FUNDS</b>		<b>8,030</b>	<b>8,579</b>

The notes form part of these financial statements

**UPMINSTER ACADEMIES TRUST**

**Balance Sheet - continued  
At 31st August 2016**

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These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Trustees on 20.12.2016 and were signed on its behalf by:

A Ling  
A Ling -Trust Chair

L Beck  
L Beck -Accounting Officer

The notes form part of these financial statements

**UPMINSTER ACADEMIES TRUST**

**Cash Flow Statement  
For The Year Ended 31st August 2016**

	Notes	2016 £'000	2015 £'000
<b>Cash flows from operating activities:</b>			
Cash generated from operations	1	<u>69</u>	<u>(10)</u>
<b>Net cash provided by (used in) operating activities</b>		<u>69</u>	<u>(10)</u>
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		<u>(73)</u>	<u>-</u>
Capital grants from DfE/EFA		<u>15</u>	<u>7</u>
<b>Net cash provided by (used in) investing activities</b>		<u>(58)</u>	<u>7</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<u>11</u>	<u>(3)</u>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>626</u>	<u>629</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u><u>637</u></u>	<u><u>626</u></u>

The notes form part of these financial statements

**UPMINSTER ACADEMIES TRUST**

**Notes to the Cash Flow Statement  
For The Year Ended 31st August 2016**

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**1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	<b>2016 £'000</b>	<b>2015 £'000</b>
<b>Net income/(expenditure) for the reporting period (as per the statement of financial activities)</b>	<b>(80)</b>	<b>(40)</b>
<b>Adjustments for:</b>		
Depreciation	32	31
Capital grants from DfE/EFA	(15)	(7)
LGPS cost excl employer's contributions	18	4
LGPS net finance cost	24	21
Decrease/(increase) in debtors	9	(1)
Increase/(decrease) in creditors	81	(18)
	<hr/>	<hr/>
<b>Net cash provided by (used in) operating activities</b>	<b>69</b>	<b>(10)</b>
	<hr/>	<hr/>

## UPMINSTER ACADEMIES TRUST

### Notes to the Financial Statements For The Year Ended 31st August 2016

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#### 1. STATUTORY INFORMATION

Upminster Academies Trust is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the Trustees' report.

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

#### 2. ACCOUNTING POLICIES

##### **Basis of preparing the financial statements**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2015 to 2016 issued by the EFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Upminster Academies Trust meets the definition of a public benefit entity under FRS 102.

##### *First time adoption of FRS 102*

These financial statements are the first financial statements of Upminster Academies Trust prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities SORP 2015. The financial statements of Upminster Academies Trust for the year ended 31st August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

##### **Going concern**

The Trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company 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 accounts and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

## UPMINSTER ACADEMIES TRUST

### Notes to the Financial Statements - continued For The Year Ended 31st August 2016

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#### 2. ACCOUNTING POLICIES - continued

##### **Income**

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

##### Grants receivable

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the statement of financial activities in the period 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

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

##### Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

##### Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

##### Transfer of lease

On conversion to Academy status the Local Authority gifted the school buildings to the Academy Trust with a 125 year long term lease. The properties have been professionally valued as at the date of transfer. The valuation is underpinned by SORP 2005 and has adopted the Depreciated Replacement Cost (DRC) for specialist property and the land uses the market value. As the buildings are of a specialist nature then a Depreciated Replacement Cost method has been used to calculate the fair value of the buildings.

##### Interest receivable

Interest receivable is included within the Statement of Financial Activities on a receivable basis.

## UPMINSTER ACADEMIES TRUST

### Notes to the Financial Statements - continued For The Year Ended 31st August 2016

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#### 2. ACCOUNTING POLICIES - continued

##### **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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

##### Expenditure on raising funds

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

##### Charitable activities

These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

##### Governance costs

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

## UPMINSTER ACADEMIES TRUST

### Notes to the Financial Statements - continued For The Year Ended 31st August 2016

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#### 2. ACCOUNTING POLICIES - continued

##### **Tangible fixed assets**

Assets costing £5,000 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. 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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

##### **Depreciation**

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful life, as follows:

Buildings.	2% straight line
------------	------------------

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

##### **Liabilities**

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

##### **Provisions**

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

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.

##### **Taxation**

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



## UPMINSTER ACADEMIES TRUST

### Notes to the Financial Statements - continued For The Year Ended 31st August 2016

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#### 2. ACCOUNTING POLICIES - continued

##### **Fund accounting**

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

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

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

##### **Pension costs and other post-retirement benefits**

Retirement benefits to employees of the academy trust 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 trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 17, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

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

## UPMINSTER ACADEMIES TRUST

### Notes to the Financial Statements - continued For The Year Ended 31st August 2016

#### 2. ACCOUNTING POLICIES - continued

##### **Critical accounting estimates and areas of judgement**

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

##### Critical accounting estimates and assumptions

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

##### Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

##### LGPS

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 17, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

##### Critical areas of judgement

There are no critical areas of judgement.

##### **Leased Assets**

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

#### 3. DONATIONS AND CAPITAL GRANTS

	Unrestricted	Restricted	2016	2015
	funds	funds	Total	Total
	£'000	£'000	funds	funds
	£'000	£'000	£'000	£'000
Donations	21	8	29	29
Trips	-	147	147	67
	<u>21</u>	<u>155</u>	<u>176</u>	<u>96</u>

**UPMINSTER ACADEMIES TRUST**

**Notes to the Financial Statements - continued  
For The Year Ended 31st August 2016**

**4. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds £'000	Restricted funds £'000	2016 Total funds £'000	2015 Total funds £'000
<b>DfE/EFA revenue grant</b>				
General Annual Grant(GAG)	-	2,449	2,449	2,483
Other DfE/EFA Grants	-	114	114	133
	<u>-</u>	<u>2,563</u>	<u>2,563</u>	<u>2,616</u>
<b>DfE/EFA capital grant</b>				
Devolved fomula capital allocations	-	15	15	7
	<u>-</u>	<u>2,578</u>	<u>2,578</u>	<u>2,623</u>

**5. OTHER TRADING ACTIVITIES**

	Unrestricted funds £'000	Restricted funds £'000	2016 Total funds £'000	2015 Total funds £'000
Hire of facilities	2	56	58	85
Catering income	14	-	14	5
Other Income	14	-	14	21
Other non-trading income	-	1	1	1
	<u>30</u>	<u>57</u>	<u>87</u>	<u>112</u>

**6. EXPENDITURE**

	Staff costs £'000	Non-pay expenditure		2016 Total £'000	2015 Total £'000
		Premises £'000	Other costs £'000		
<b>Charitable activities</b>					
<b>Academies educational operations</b>					
Direct costs	1,844	32	144	2,020	2,005
Allocated support costs	312	190	399	901	866
	<u>2,156</u>	<u>222</u>	<u>543</u>	<u>2,921</u>	<u>2,871</u>

**UPMINSTER ACADEMIES TRUST**

**Notes to the Financial Statements - continued  
For The Year Ended 31st August 2016**

**6. EXPENDITURE - continued**

Net income/(expenditure) is stated after charging/(crediting):

	2016	2015
	£'000	£'000
Auditors' remuneration	8	8
Depreciation - owned assets	32	31
	<u>32</u>	<u>31</u>

**7. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted	Restricted	2016	2015
	funds	funds	Total	Total
	£'000	£'000	£'000	£'000
Direct costs	22	1,998	2,020	2,005
Support costs	17	884	901	866
	<u>39</u>	<u>2,882</u>	<u>2,921</u>	<u>2,871</u>

	2016	2015
	Total	Total
	£'000	£'000
<b>Analysis of support costs</b>		
Support staff costs	312	294
Premises costs	190	154
Other support costs	391	410
Governance costs	8	8
<b>Total support costs</b>	<u>901</u>	<u>866</u>

## UPMINSTER ACADEMIES TRUST

### Notes to the Financial Statements - continued For The Year Ended 31st August 2016

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#### 8. TRUSTEES' REMUNERATION AND BENEFITS

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. 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:

Mr T Woodford (head Junior school)

Remuneration £60,000 - £65,000 (2015: £60,000 - £65,000)

Employers pension contributions £5,000 - £10,000 (2015: £5,000 - £10,000)

Mrs Lin Beck (head Infant school)

Remuneration £65,000 - £70,000 (2015: £65,000 - £70,000)

Employers pension contributions £10,000 - £15,000 (2015: 5,000 - £10,000)

Mrs I Zweistra, Mrs T Riches, Mr B Fitzgerald, Mrs A Cooke, Mrs H Lendon remuneration (aggregate) £154k

(2015: Mrs I Zweistra, Mrs T Riches, Mrs K Clarke, Mrs A Cooke Remuneration (aggregate) £161k)

Employers pension contributions (aggregate) £17k (2015: 20k)

The other staff Trustees listed above only received remuneration for their role as a member of staff and the salaries have been aggregated as the Governors believe any further detailed breakdown would be prejudicial to the structure of the Governing Board.

#### Trustees' expenses

During the period ended 31 August 2016, expenses totalling £nil (2015: £nil) were reimbursed to the Trustees.

See note 21 for details of related party transactions which took place in the period.

**UPMINSTER ACADEMIES TRUST**

**Notes to the Financial Statements - continued  
For The Year Ended 31st August 2016**

**9. STAFF COSTS**

	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Wages and salaries	<b>1,713</b>	1,735
Social security costs	<b>127</b>	118
Other pension costs	<b>314</b>	271
	<hr/>	<hr/>
	<b>2,154</b>	2,124
Supply teacher costs	<b>2</b>	4
	<hr/>	<hr/>
	<b>2,156</b>	2,128
	<hr/>	<hr/>

The average number of persons (including senior management team) employed by the academy trust during the year was as follows:

	<b>2016</b>	<b>2015</b>
Teachers	<b>37</b>	35
Administration and support	<b>32</b>	32
	<hr/>	<hr/>
	<b>69</b>	67
	<hr/>	<hr/>

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

	<b>2016</b>	<b>2015</b>
£60,001 - £70,000	<b>2</b>	2
	<hr/>	<hr/>

The employees above participated in the Teachers Pension Scheme. During the period to 31 August 2016, pension contributions for these members of staff amounted to £20,053 (2015: £18,305).

The average number of persons (including senior management team) employed by the charitable company during the year expressed as full time equivalents was as follows:

	<b>2016</b>	<b>2015</b>
Teachers	<b>30</b>	28
Admin & Support	<b>25</b>	26
	<hr/>	<hr/>
	<b>55</b>	54
	<hr/>	<hr/>

**Key management personnel**

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £745k (2015: £741k).

**10. 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 £500k on any one claim and the cost for the year ended 31st August 2016 was £418 (2015:£912).

**UPMINSTER ACADEMIES TRUST**

**Notes to the Financial Statements - continued  
For The Year Ended 31st August 2016**

**11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	<b>Unrestricted fund £'000</b>	<b>Restricted funds £'000</b>	<b>Fixed asset restricted fund £'000</b>	<b>Total funds £'000</b>
<b>INCOME AND ENDOWMENTS FROM</b>				
Donations and capital grants	17	79	-	96
<b>Charitable activities</b>				
Funding for the academy's educational operations	-	2,623	-	2,623
Other trading activities	27	85	-	112
<b>Total</b>	<b>44</b>	<b>2,787</b>	<b>-</b>	<b>2,831</b>
 <b>EXPENDITURE ON</b>				
<b>Charitable activities</b>				
Academy's educational operations	41	2,799	31	2,871
<b>NET INCOME/(EXPENDITURE)</b>	<b>3</b>	<b>(12)</b>	<b>(31)</b>	<b>(40)</b>
 <b>Other recognised gains/(losses)</b>				
Actuarial gains/losses on defined benefit schemes	-	(40)	-	(40)
<b>Net movement in funds</b>	<b>3</b>	<b>(52)</b>	<b>(31)</b>	<b>(80)</b>
 <b>RECONCILIATION OF FUNDS</b>				
<b>Total funds brought forward</b>	<b>385</b>	<b>(425)</b>	<b>8,699</b>	<b>8,659</b>
 <b>TOTAL FUNDS CARRIED FORWARD</b>	<b>388</b>	<b>(477)</b>	<b>8,668</b>	<b>8,579</b>

**UPMINSTER ACADEMIES TRUST**

**Notes to the Financial Statements - continued  
For The Year Ended 31st August 2016**

**12. TANGIBLE FIXED ASSETS**

	<b>Freehold property £'000</b>
<b>COST</b>	
At 1st September 2015	8,760
Additions	73
	<u>8,833</u>
At 31st August 2016	<u>8,833</u>
 <b>DEPRECIATION</b>	
At 1st September 2015	92
Charge for year	32
	<u>124</u>
At 31st August 2016	<u>124</u>
 <b>NET BOOK VALUE</b>	
At 31st August 2016	<u>8,709</u>
At 31st August 2015	<u>8,668</u>

Included in Land & Buildings at original cost/valuation are:

- Freehold Land £7,228k
- Playground improvements and an office pod were purchased by the trust during the year, costing £58k and £15k respectively, and have been included in freehold property.

**13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2016 £'000</b>	<b>2015 £'000</b>
VAT	21	11
Prepayments	-	19
	<u>21</u>	<u>30</u>



**UPMINSTER ACADEMIES TRUST**

**Notes to the Financial Statements - continued  
For The Year Ended 31st August 2016**

**14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Accruals and deferred income	<u>201</u>	<u>120</u>
<b>Deferred income</b>		
	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Deferred income as at 1st September 2015	71	59
Resources deferred in year	62	71
Amounts released from previous years	<u>(71)</u>	<u>(59)</u>
Deferred income as at 31st August 2016	<u><u>62</u></u>	<u><u>71</u></u>

At the balance sheet date the Multi-Academy Trust was holding funds received in advance for school meal income.

**15. OPERATING LEASE COMMITMENTS**

The following operating lease payments are committed to be paid within one year:

	<b>Other operating leases</b>	
	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Expiring:		
Within one year	4	3
Between one and five years	<u>4</u>	<u>6</u>
	<u><u>8</u></u>	<u><u>9</u></u>

**16. 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.

**17. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	<b>2016</b>	<b>2015</b>
	<b>Total</b>	<b>Total</b>
	<b>funds</b>	<b>funds</b>
	<b>£'000</b>	<b>£'000</b>
Fixed assets	8,709	8,668
Current assets	658	656
Current liabilities	(201)	(120)
Pension liability	<u>(1,136)</u>	<u>(625)</u>
	<u><u>399</u></u>	<u><u>8,579</u></u>

**UPMINSTER ACADEMIES TRUST**

**Notes to the Financial Statements - continued  
For The Year Ended 31st August 2016**

**18. MOVEMENT IN FUNDS**

	At 1/9/15 £'000	Net movement in funds £'000	At 31/8/16 £'000
<b>Unrestricted funds</b>			
General fund	387	12	399
<b>Restricted funds</b>			
Restricted funds	91	(33)	58
Fixed asset restricted fund	8,726	(17)	8,709
Pension fund	(625)	(511)	(1,136)
	<u>8,192</u>	<u>(561)</u>	<u>7,631</u>
<b>TOTAL FUNDS</b>	<u><u>8,579</u></u>	<u><u>(549)</u></u>	<u><u>8,030</u></u>

Net movement in funds, included in the above are as follows:

	Incoming resources £'000	Resources expended £'000	Gains and losses £'000	Movement in funds £'000
<b>Unrestricted funds</b>				
General fund	51	(39)	-	12
<b>Restricted funds</b>				
Restricted funds	2,775	(2,808)	-	(33)
Fixed asset restricted fund	15	(32)	-	(17)
Pension fund	-	(42)	(469)	(511)
	<u>2,790</u>	<u>(2,882)</u>	<u>(469)</u>	<u>(561)</u>
<b>TOTAL FUNDS</b>	<u><u>2,841</u></u>	<u><u>(2,921)</u></u>	<u><u>(469)</u></u>	<u><u>(549)</u></u>

**UPMINSTER ACADEMIES TRUST**

**Notes to the Financial Statements - continued  
For The Year Ended 31st August 2016**

**18. MOVEMENT IN FUNDS - continued**

**Analysis of Academies by fund balance**

Fund balances at 31st August 2016 were allocated as follows:

	<b>2016 £'000</b>	<b>2015 £'000</b>
Upminster Infant school	261	276
Upminster Junior school	196	260
	<hr/>	<hr/>
Total before fixed assets and pension reserve	457	536
	<hr/>	<hr/>
Pension reserve	(1,136)	(625)
Restricted Fixed Asset fund	8,709	8,668
	<hr/>	<hr/>
Total	8,030	8,579
	<hr/> <hr/>	<hr/> <hr/>

**Analysis of Academies by cost**

Expenditure incurred by each academy during the year was as follows:

	Teaching & educational support staff costs £'000	Other support staff costs £'000	Educational supplies £'000	Other costs (excluding) depreciation £'000	Total £'000
Upminster Infant school	819	148	34	214	1,215
Upminster Junior school	1,025	164	91	394	1,674
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Academy trust	1,844	312	125	608	2,889
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**19. 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 Essex County Council. Both are defined-benefit schemes.

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

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

## UPMINSTER ACADEMIES TRUST

### Notes to the Financial Statements - continued For The Year Ended 31st August 2016

#### 19. PENSION COMMITMENTS - continued

##### Teachers' pension scheme

###### *Introduction*

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

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

###### *Valuation of the Teachers' Pension Scheme*

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

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

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

The employer's pension costs paid to TPS in the period amounted to £314k (2015: £271k).

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

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

**UPMINSTER ACADEMIES TRUST**

**Notes to the Financial Statements - continued  
For The Year Ended 31st August 2016**

**19. 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 2016 was £136k (2015: £139k), of which employer's contributions totalled £111k (2015: £113k) and employees' contributions totalled £25k (2015: £26k). The agreed contribution rates for future years are 23.1% for employers and 5.5% to 7.5% for employees.

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

<b>Principal actuarial assumptions</b>	<b>At 31 August 2016</b>	<b>At 31 August 2015</b>
Rate of increase in salaries	<b>3.1%</b>	3.5%
Rate of increase for pensions in payment/inflation	<b>2.1%</b>	2.6%
Discount rate for scheme liabilities	<b>2.0%</b>	3.7%

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

	<b>At 31 August 2016</b>	<b>At 31 August 2015</b>
Retiring today		
Males	<b>22.1</b>	22.1
Females	<b>24.1</b>	24.1
Retiring in 20 years		
Males	<b>24.2</b>	24.2
Females	<b>26.7</b>	26.7

The academy trust's share of the assets in the scheme were:

<b>The major categories of plan assets as a percentage of total plan assets:-</b>	<b>At 31 August 2016</b>	<b>At 31 August 2015</b>
Equities	<b>71%</b>	64%
Bonds	<b>21%</b>	26%
Property	<b>5%</b>	5%
Cash	<b>3%</b>	5%

The actual return on scheme assets was £112kk (2015: -£10k).

**Amount recognised in the statement of financial activities**

	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Current service cost (net of employee contributions)	<b>18</b>	19
Net interest cost	<b>24</b>	21
<b>Total operating charge</b>	<b>42</b>	<b>40</b>

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

<b>2016</b>	<b>2015</b>
<b>£'000</b>	<b>£'000</b>

# UPMINSTER ACADEMIES TRUST

## Notes to the Financial Statements - continued For The Year Ended 31st August 2016

### 19. PENSION COMMITMENTS - continued

#### Local government pension scheme

At 1 September	1,625	1,402
Current service cost	129	132
Interest cost	63	55
Employee contributions	25	26
Actuarial (gain)/loss	581	15
Benefits paid	(7)	(5)
At 31 August	2,416	1,625

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

	2016 £'000	2015 £'000
At 1 September	1,000	842
Interest income	39	34
Actuarial gain/(loss)	112	(10)
Employer contributions	111	113
Employee contributions	25	26
Benefits paid	(7)	(5)
At 31 August	1,280	1,000

### 20. CONTINGENT LIABILITIES

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy is required either to re-invest the proceeds or to repay to the Secretary of State for Children, Schools and Families the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State. Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of State sums determined by reference to:

- the value at that time of the Academy's site and premises and other assets held for the purpose of the Academy; and
- the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

As no such events have occurred during the year nor are likely to occur in the foreseeable future, the accounts do not contain any provision against contingent liabilities.

### 21. RELATED PARTY DISCLOSURES

Owing to the nature of the academy trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which governors have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures.

There are no related party transactions requiring disclosure within these accounts.

### 22. CENTRAL SERVICES

No central services were provided by the Trust to its academies during the period and no central charges arose.

## UPMINSTER ACADEMIES TRUST

### Notes to the Financial Statements - continued For The Year Ended 31st August 2016

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#### 23. FIRST YEAR ADOPTION

This is the first year in respect of which the Academy has prepared its financial statements under FRS 102. The previous financial statements for the year ended 31 August 2016 were prepared under "old UK GAAP". The date of transition to FRS 102 is 1 September 2014.

##### **Transitional relief**

On transition to FRS 102, the academy trust has taken advantage of the following transitional relief:

- not to apply the requirements of Section 19 Business Combinations and Goodwill;
- not to apply the requirements of Section 26 Share-based Payment;
- to measure fair value at date of transition to FRS 102 and use as deemed cost on:
  - an item of property, plant and equipment;
  - an investment property;
  - an intangible asset which meets the recognition criteria and criteria for revaluation in Section 18 Intangible Assets other than Goodwill;
- to use a previous GAAP revaluation as deemed cost on:
  - an item of property, plant and equipment;
  - an investment property;
  - an intangible asset which meets the recognition criteria and criteria for revaluation in Section 18 Intangible Assets other than Goodwill;
- to measure investment in subsidiaries, associates and joint ventures at cost determined in accordance with Section 9 Consolidated and Separate Financial Statements, Section 14 Investments in Associates or Section 15 Investments in Joint Ventures;
- not to apply the requirement of paragraph 22.13 in respect of compound financial instruments;
- not to apply the requirement of paragraphs 34.12E to 34.16A in respect of service concession agreements;
- to take elections available for extractive activities;
- to measure decommissioning liabilities included in cost of property, plant and equipment at date of transition to FRS 102;
- to measure carrying amount of deferred development costs at date of transition to FRS 102 as deemed cost;
- to treat date of transition to FRS 102 as date on which capitalisation of borrowing costs commences.

##### **LGPS - Interest on scheme assets**

Under previous UK GAAP, the academy recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to reduce the debit to expense by £21k and decrease the credit in other recognised gains and losses in the SoFA by an equivalent amount.