

Company Registration No. 08214798 (England and Wales)

UPMINSTER ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017



UPMINSTER ACADEMIES TRUST

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UPMINSTER ACADEMIES TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Directors

Mrs A Ling (Resigned 8 February 2017)
Mrs J Woodgate
Mrs L Beck (Resigned 31 August 2017)
Miss A Edgcombe (Accounting Officer) (Appointed 1 September 2016)
Mr J Stafford (Resigned 19 July 2017)
Mr D Scott (Resigned 31 August 2017)
Mrs K Pitt
Mr M Pepper (Chair)
Mrs A Cooke
Mrs T Riches (Resigned 8 February 2017)
Mr N Wright (Appointed 19 July 2017 and resigned 8 February 2017)
Ms J Phillips (Appointed 12 November 2016)
Mr M Herrington (Appointed 12 November 2016 and resigned 12 May 2017)
Mrs H Clarke (Appointed 12 May 2017)

Members

A Ling
K Ridley-Moy (appointed 01/07/2016)
J Stafford (resigned 30/11/2016)
J T Woodgate
D Scott (Resigned 31 August 2017)
M Pepper

Senior leadership team

Miss A Aitken	- Classroom Teacher
Mrs E Hebron	- Phase Group Leader
Mrs K Barber	- Classroom Teacher
Mrs K Watkins	- Classroom Teacher
Mrs E Hebron	- Phase Group Leader
Mrs H Lendon	- Head of Infant School from 01/09/2017
Mrs M Bocarro	- Phase Group Leader
Mrs S Wood	- Classroom Teacher
Mrs L Beck	- Headteacher to 31/08/2017
Miss A Edgcombe	- Head of Junior School
Mrs J Ansell	- Deputy Headteacher
Mrs N Gunthorpe	- Phase Group Leader
Ms J Latherdon	- Lead Teacher
Mrs H Mordew	- Phase Group Leader
Mrs T Riches	- Lead Teacher
Mrs I Zweistra	- Phase Group Leader

Company secretary

Schofield Sweeney LLP

Company registration number

08214798 (England and Wales)

Registered office

Upminster Infant School
St Mary's Lane
Upminster
Essex
RM14 3BS
England

UPMINSTER ACADEMIES TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Academies operated

Upminster Infants School
Upminster Junior School

Location

Upminster
Upminster

Principal

Mrs H Lendon
Miss A Edgecombe

Independent auditor

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

Bankers

Lloyds Bank PLC
14-20 Town Square
Basildon
Essex
SS14 1DU

Solicitors

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

UPMINSTER ACADEMIES TRUST

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2017

The Directors present their annual report together with the financial statements and independent auditor's report of the charitable company for the period 1 September 2016 to 31 August 2017. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates 2 academies in London Borough of Havering. Its academies have a combined pupil capacity of 632 and had a roll of 632 in the school census on 5th October 2017.

Structure, governance and management

Constitution

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

The charitable company is known as Upmminster Academies Trust.

The Directors are the trustees of Upmminster Academies Trust and are also the directors of the charitable company for the purposes of company law. Details of the Directors who served during the year are included in the Reference and Administrative Details on page 1.

Members' liability

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

Method of recruitment and appointment or election of 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 Directors shall be not less than three, but shall not be subject to a maximum. The Academy Trust schools shall have the following Directors; Directors appointed under Article 50; Staff Directors appointed under Article 50A, Academy Directors and Special Academy Directors appointed under Article 51; the Associate Headteacher, Parent Directors if appointed under Article 61, Sponsor Directors if appointed under Article 50B any Additional Directors if appointed under Article 61, 61A or 67A; and any Further Directors if appointed under Article 62 or Article 67A; up to two Directors, 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 Directors appointed under Article 58. The Directors may not co-opt an employee of the Academy Trust as a Co-opted Director if the number of Directors who are employed by the Academy Trust would thereby exceed one third of the total number of Directors (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 Director 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 Director, any Director may be re-appointed or re-elected.

Policies and procedures adopted for the induction and training of Directors

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

UPMINSTER ACADEMIES TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Organisational structure

The structure consists of three management levels: the Strategic Board of Directors, 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 Directors 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 Executive Headteacher and Head of School for the Infant School. The local Senior Leadership Teams consist of the Headteacher of the Junior School, the Head of the Infant School, the Deputy Head of the Junior School and senior teachers. These leaders control the Academy at a school level implementing the policies laid down by the Directors and reporting back to the Directors. 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 Directors authorisation for existing vacancies and for new posts.

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 Pay committee/Finance committee of Upminster Academies Trust.

Related parties and other connected charities and organisations

Upminster Infant School has a PTA, and the Junior School has a PA.

Objectives and aims

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.

The main objectives of the Academy Trust during the year ended 31st August 2017 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.

Objectives and activities

Objectives and aims (continued)

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.

UPMINSTER ACADEMIES TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Objectives, strategies and activities

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.

Strategic report

Achievements 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 ACADEMIES TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Upminster Infant School

End of Key Stage One

National Curriculum Standard assessment 2017

	Working below the expected level	Working at or above the expected level	Working at Greater Depth
Reading			
School	11%	89%	34%
Havering	23%	77%	24%
National	24%	76%	25%
Writing			
School	17%	83%	22%
Havering	29%	71%	15%
National	32%	68%	16%
Maths			
School	15%	85%	26%
Havering	23%	77%	19%
National	25%	73%	18%
Science school	11%	89%	-

Upminster Junior School

End of Key Stage Two

National Curriculum Standard assessment - Attainment

Reading	UJS	National Average	Difference
% at expected	89	71	+18
% higher score (110+)	42	25	+17
Scale score	107.5	104.1	+3.4
EGPS			
% at expected	89	77	+12
% at higher score (110+)	48	31	+17
Scale score	108.6	106.0	+2.6
Writing (teacher assessed)			
% at expected	86	76	+10
% at Greater Depth	24	18	+6
Maths			
% at expected	92	75	+17
% higher score (110+)	43	23	+20
Scale score	107.7	104.2	+3.5

Average Progress Measure (National – 0.0)

Reading +0.1

Writing - 1.2

Maths +0.4

UPMINSTER ACADEMIES TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Key performance indicators

Infants school

Improvement priorities overview 2017-18

Leadership and Management

Objective

To create leadership opportunities for senior members of staff developing them professionally and creating a sustainable leadership network within the school

Outcomes

Leaders have a deep and accurate understanding of their subject(s) that leads to focussed improvements in key areas.

Middle senior leaders to increase time working alongside teachers in classrooms.

Contributing to the wider school development.

Quality of Teaching

Objective

To maintain writing outcomes for the more able writers

Outcomes

Ensure teaching sessions comprise of quality first teaching increasing percentage of children achieving ARE or above

Writing from 74% to 80%

22% achieve Greater Depth at the end of KS1.

Behaviour, Safety and Well-being

Objective 1

Continue to enhance parental engagement – safeguarding, healthy living, Parent forums, vulnerable families

Outcomes

To enhance parental involvement – through termly meetings. Developing creative approaches to enhance the home school links further. Improve parent school communication so that an increased percentage of parents surveyed showing satisfaction with procedures in school. Parents and the school further develop their association.

Objective 2

To improve the well-being of both pupils and staff through a Mindfulness approach and by promoting a healthier and more active lifestyle.

Outcomes

Pupils are more focused in their learning as a result of regular, daily activity, and eating healthy snacks. Pupils, who need it, receive emotional support through counseling which has a positive impact on their well-being. Staff and pupils experience less anxiety as a result of the mindfulness techniques.

Junior school

Improvement priorities overview 2017-18

Leadership and Management

Objective

To develop middle leadership throughout the school.

Outcomes

Leaders have a deep and accurate understanding of their subject(s) that leads to focussed improvements in key areas.

UPMINSTER ACADEMIES TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Quality of Teaching

Objective

To improve outcomes in Writing

Outcomes

92% of pupils achieve AE and 30% achieve Greater Depth at the end of KS2

Behavior, Safety and Well-being

Objective

To improve the well-being of both pupils and staff through a Mindfulness approach and by promoting a healthier and more active lifestyle.

Outcomes

Pupils are more focused in their learning as a result of regular, daily activity, and eating healthy snacks. Pupils who need it, receive emotional support through counselling which has a positive impact on their well-being. Staff and pupils experience less anxiety as a result of the mindfulness techniques.

Parents as partners

Objective

To continue to develop the home-school relationship so that parents are genuine partners in their child's education

Outcomes

Parents are genuine partners in their child's education. Parents attend workshops and are kept well-informed of their child's progress.

Upminster Infant and Junior Schools Development Plan 2017-19

Leadership and Management

Objective

- 1a) To align policies in both schools
- 1b) To develop a unified approach to assessment
- 1c) To align administrative support in both schools

Outcomes

- 1a) There is a seamless progression of learning and practices from key stage one to key stage two.
- 1b) There is consistency and a common understanding of children's attainment and gaps in their learning.
- 1c) There is efficiency of service and consistency in practice across both schools.

Quality of Teaching

Objective

To develop a rich, cohesive curriculum that is relevant to our pupils and builds and extends on previous skills, knowledge and understanding between year groups and key stages.

Outcomes

Children are enthused and eager to come to school to discover and to learn; they become articulate and confident presenters and speakers; and they develop as thinkers.

UPMINSTER ACADEMIES TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Buildings and Premises

Objective

To improve the external and internal decoration of the buildings

Outcomes

The building is fit for purpose in the 21st century, and the learning environment is vibrant and inspiring.

Going concern

After making appropriate enquiries, the board of Directors has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the board of Directors continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

Financial review

Most of the Trust's income is obtained from the Education and skills Funding Agency (ESFA) and the Local Authority in the form of recurrent grants, some of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31st August 2017 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 ESFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31st August 2017, total expenditure of £2,981k (2016: £2,920k) was met by recurrent grant funding from the ESFA 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 £567k (2016: £63k).

At 31st August 2017 the net book value of fixed assets was £8,688k (2016: £8,709k), 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 £713k (2016: £1,136k) at 31st August 2017.

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 (2016: £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 £385k (2016: £399k) (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 £105k 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

UPMINSTER ACADEMIES TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

The Academy held fund balances at 31st August 2017 of £8,409k (2016: £8,030k) comprising £8,024k (2016: £7,651k) of restricted funds and £385k (2016: £399k) of unrestricted general funds. Of the restricted funds £8,688k (2016: £8,709k) is represented by tangible fixed assets.

The pension reserve which is considered part of restricted funds was £713k (2016: £1.136k) in deficit.

Investment policy and powers

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.

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 £713k. 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 have been looking at what savings need to be made - a staffing restructure took place in Spring term of 2017, lettings have been increased and how the two schools could generate further income continues to be investigated. This is a difficult time for the School but the priority is to ensure that the Schools are viable and a 'going concern'.

Plans for future periods

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.

UPMINSTER ACADEMIES TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Auditor

In so far as the Directors are aware:

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

The Directors' report, incorporating a strategic report, was approved by order of the board of Directors, on 6/12/17 and signed on its behalf by:



Miss A Edgcombe
Accounting Officer



Mr M Pepper
Chair

UPMINSTER ACADEMIES TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2017

Scope of responsibility

As Directors 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 board of Directors has delegated the day-to-day responsibility to the principal, 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. They are also responsible for reporting to the board of Directors any material weaknesses or breakdowns in internal control.

Governance

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

Directors	Meetings attended	Out of possible
Mrs A Ling (Resigned 8 February 2017)	4	4
Mrs J Woodgate	6	6
Mrs L Beck (Resigned 31 August 2017)	6	6
Miss A Edgcombe (Accounting Officer) (Appointed 1 September 2016)	5	6
Mr J Stafford (Resigned 19 July 2017)	6	6
Mr D Scott (Resigned 31 August 2017)	5	5
Mrs K Pitt	4	6
Mr M Pepper (Chair)	5	6
Mrs A Cooke	5	6
Mrs T Riches (Resigned 8 February 2017)	2	3
Mr N Wright (Appointed 19 July 2017 and resigned 8 February 2017)	1	3
Ms J Phillips (Appointed 12 November 2016)	3	6
Mr M Herrington (Appointed 12 November 2016 and resigned 12 May 2017)	2	4
Mrs H Clarke (Appointed 12 May 2017)	0	0

We have continued to embed the updated scheme of delegation that was introduced at the end of 2016. During the summer term of 2017 the Trust Board took the decision to bring all finance and buildings activity out from the local governing bodies and instead manage these at Trust level. To support that decision over the summer of 2017 we carried out a full review of all our committees and updated their terms of reference. The new structures took effect from September 2017.

Following the recruitment of two new directors in the autumn term 2016, the members met at the end of the summer term 2017 to reviews how governance was working and made some changes as a result. One of those directors resigned due to work commitments and a new director (with a finance background was recruited). This director has now also joined the junior governing body.

The Trust Board took forward discussions with another academy and the RSC about possible mergers / growth of the MAT, whilst that was not pursued in the end, it provided some excellent opportunities to reflect on the trusts strengths and weaknesses. The Trust Board has recently updated its mission and vision.

UPMINSTER ACADEMIES TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

The finance trust board committee is a sub-committee of the main board of Directors. Its purpose is to:

- To carry out financial scrutiny and oversight across the UAT;
- To provide strategic direction;
- Maintain control and set standards and finance policies;
- To ensure the audit is well planned, accurate information provided and any recommendations acted upon in a timely manner;
- To propose to the UAT that the statutory accounts are approved, and prepare a response to the audit management letter;
- To review any spend over the £2,000 threshold;
- To approval the annual budget;
- To review and monitor actual spend against budget;
- To approve the Executive Leader remuneration;
- To approve any significant lettings of the school premises;
- To oversee financial reporting to the Education Funding Agency (EFA);
- Communicate any significant matters to the Trust Board.

Attendance at meetings in the year was as follows:

Directors	Meetings attended	Out of possible
Mrs J Woodgate	2	2
Mrs L Beck (Resigned 31 August 2017)	3	3
Miss A Edgcombe (Accounting Officer) (Appointed 1 September 2016)	3	3
Mr J Stafford (Resigned 19 July 2017)	1	2
Mr D Scott (Resigned 31 August 2017)	2	2
Mrs K Pitt	3	3
Ms J Phillips (Appointed 12 November 2016)	3	3
Mrs H Clarke (Appointed 12 May 2017)	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.

UPMINSTER ACADEMIES TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust 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 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of Directors has 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 board of Directors is 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 period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Directors.

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:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Directors;
- regular reviews by the finance trust board 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 Directors have considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Directors 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.

In particular the checks carried out in the current period include:

- Testing of control systems
- Testing of control account/ bank reconciliation
- Review of policies and procedures and adherence thereon
- Review of governance and training of Directors

Wilkins Kennedy LLP reports to the Board of Directors on the operation of the systems of control and on the discharge of the Board's financial responsibilities. The role is carried out by a separate team at Wilkins Kennedy LLP with no connection to the audit team, this is to ensure the reviews are carried out independently.

The Directors confirm the internal auditor has delivered their schedule of work as planned, and no material control issues arose as a result of the internal auditor's work.

UPMINSTER ACADEMIES TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

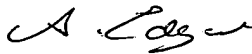
Review of effectiveness

As accounting officer the principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the Internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy trust 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 trust board committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of Directors on ...6/12/17..... and signed on its behalf by:



Miss A Edgcombe
Accounting Officer



Mr M Pepper
Chair

UPMINSTER ACADEMIES TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2017

As accounting officer of Upminster Academies Trust I have considered my responsibility to notify the academy trust board of Directors and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

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

I confirm that 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 Directors and ESFA.

Miss A Edgcombe
Accounting Officer



6/12/17

UPMINSTER ACADEMIES TRUST

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2017

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

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

In preparing these financial statements, the Directors are required to:

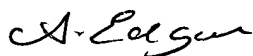
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

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

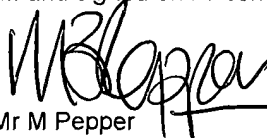
The Directors are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring that grants received from ESFA/DfE have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

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

Approved by order of the board of Directors on 6/12/17 and signed on its behalf by:



Miss A Edgcombe
Accounting Officer



Mr M Pepper
Chair

UPMINSTER ACADEMIES TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UPMINSTER ACADEMIES TRUST

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

UPMINSTER ACADEMIES TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UPMINSTER ACADEMIES TRUST (CONTINUED)

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' Report including the incorporated strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of Directors

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

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

Auditor's responsibilities for the audit of the accounts

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

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

UPMINSTER ACADEMIES TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UPMINSTER ACADEMIES TRUST (CONTINUED)

Use of our report

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



Catherine Cooper (Senior Statutory Auditor)
for and on behalf of Wilkins Kennedy LLP

13/12/17

Statutory Auditor
Chartered Accountants

1-5 Nelson Street
Southend on Sea
Essex
SS1 1EG

UPMINSTER ACADEMIES TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO UPMINSTER ACADEMIES TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 11 October 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Upminster Academies Trust during the period 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Upminster Academies Trust and ESFA, in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Upminster Academies Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Upminster Academies Trust and ESFA, 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 22 July 2012 and the Academies Financial Handbook, extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

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.

UPMINSTER ACADEMIES TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO UPMINSTER ACADEMIES TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Wilks Kennedy LV

Reporting Accountant

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

Dated: 13/12/17

UPMINSTER ACADEMIES TRUST

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

	Notes	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2017 £'000	Total 2016 £'000
Income and endowments from:						
Donations and capital grants	3	164	43	15	222	176
Charitable activities:						
- Funding for educational operations	4	-	2,564	-	2,564	2,576
Other trading activities	5	60	-	-	60	88
Investments	6	1	-	-	1	1
Total income and endowments		<u>225</u>	<u>2,607</u>	<u>15</u>	<u>2,847</u>	<u>2,841</u>
Expenditure on:						
Charitable activities:						
- Educational operations	8	58	2,891	32	2,981	2,920
Total expenditure	7	<u>58</u>	<u>2,891</u>	<u>32</u>	<u>2,981</u>	<u>2,920</u>
Net income/(expenditure)		167	(284)	(17)	(134)	(79)
Transfers between funds		(182)	186	(4)	-	-
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	20	-	512	-	512	(469)
Net movement in funds		<u>(15)</u>	<u>414</u>	<u>(21)</u>	<u>378</u>	<u>(548)</u>
Reconciliation of funds						
Total funds brought forward		<u>400</u>	<u>(1,078)</u>	<u>8,709</u>	<u>8,031</u>	<u>8,579</u>
Total funds carried forward		<u>385</u>	<u>(664)</u>	<u>8,688</u>	<u>8,409</u>	<u>8,031</u>

UPMINSTER ACADEMIES TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2017

Comparative year information		Unrestricted	Restricted funds:		Total
Year ended 31 August 2016		Funds	General	Fixed asset	2016
	Notes	£'000	£'000	£'000	£'000
Income and endowments from:					
Donations and capital grants	3	21	155	-	176
Charitable activities:					
- Funding for educational operations	4	-	2,576	-	2,576
Other trading activities	5	86	2	-	88
Investments	6	1	-	-	1
Total income and endowments		<u>108</u>	<u>2,733</u>	<u>-</u>	<u>2,841</u>
Expenditure on:					
Charitable activities:					
- Educational operations	8	39	2,849	32	2,920
Total expenditure	7	<u>39</u>	<u>2,849</u>	<u>32</u>	<u>2,920</u>
Net income/(expenditure)		69	(116)	(32)	(79)
Transfers between funds		(56)	41	15	-
Other recognised gains and losses					
Actuarial losses on defined benefit pension schemes	20	-	(469)	-	(469)
Net movement in funds		13	(544)	(17)	(548)
Reconciliation of funds					
Total funds brought forward		387	(534)	8,726	8,579
Total funds carried forward		<u>400</u>	<u>(1,078)</u>	<u>8,709</u>	<u>8,031</u>

UPMINSTER ACADEMIES TRUST


BALANCE SHEET

AS AT 31 AUGUST 2017

		2017	2016
	Notes	£'000	£'000
Fixed assets			
Tangible assets	13	8,688	8,709
Current assets			
Debtors	14	24	22
Cash at bank and in hand		631	637
		655	659
Current liabilities			
Creditors: amounts falling due within one year	15	(221)	(201)
Net current assets		434	458
Net assets excluding pension liability		9,122	9,167
Defined benefit pension liability	20	(713)	(1,136)
Net assets		8,409	8,031
Funds of the academy trust:			
Restricted funds	18		
- Fixed asset funds		8,688	8,709
- Restricted income funds		49	58
- Pension reserve		(713)	(1,136)
Total restricted funds		8,024	7,631
Unrestricted income funds	18	385	400
Total funds		8,409	8,031

The financial statements set out on pages 23 to 46 were approved by the board of Directors and authorised for issue on 6/12/17 and are signed on its behalf by:


Miss A Edgcombe
Accounting Officer


Mr M Pepper
Chair

Company Number 08214798

UPMINSTER ACADEMIES TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	2017 £'000	2016 £'000
Cash flows from operating activities			
Net cash provided by (used in) operating activities	21	(11)	83
Cash flows from investing activities			
Dividends, interest and rents from investments		1	1
Capital grants from DfE and ESFA		15	-
Payments to acquire tangible fixed assets		(11)	(73)
		<u>5</u>	<u>(72)</u>
Change in cash and cash equivalents in the reporting period		(6)	11
Cash and cash equivalents at 1 September 2016		637	626
Cash and cash equivalents at 31 August 2017		<u>631</u>	<u>637</u>

UPMINSTER ACADEMIES TRUST

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

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 Directors' 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.

1.1 Basis of preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006 (other than in respect of the disclosure of remunerations received by staff Directors under employment contracts - see note 10 for details).

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

1.2 Going concern

The Directors 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 Directors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

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

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.

UPMINSTER ACADEMIES TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

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'.

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is 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.

Interest receivable

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

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges 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, Directors' meetings and reimbursed expenses.

UPMINSTER ACADEMIES TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

1.5 Tangible fixed assets and depreciation

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. Where there are specific conditions attached to the funding that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities.

The properties have been included at the valuation as provided by the ESFA when completing their desktop valuation.

The Trust has a 125 year lease from the date of conversion with London Borough of Havering.

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

Land and Buildings	2% straight line (land is not depreciated)
--------------------	--

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.

1.6 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.

1.7 Leasing commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.8 Financial instruments

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

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

UPMINSTER ACADEMIES TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.9 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.

1.10 Pensions 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 and the assets are held separately from those of the academy trust.

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 20, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions 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.

1.11 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 Directors.

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education and Skills Funding Agency.

UPMINSTER ACADEMIES TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

2 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. See Note 13 for the carrying amount of the property, and note 1.5 for the useful economic life for each class of asset.

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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

There are no critical areas of judgement.

3 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2017 £'000	Total 2016 £'000
Capital grants	-	15	15	-
Other donations	164	43	207	176
	<u>164</u>	<u>58</u>	<u>222</u>	<u>176</u>

UPMINSTER ACADEMIES TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

4 Funding for the academy trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2017 £'000	Total 2016 £'000
DfE / ESFA grants				
General annual grant (GAG)	-	2,362	2,362	2,377
Other DfE / ESFA grants	-	182	182	193
	-	2,544	2,544	2,570
Other government grants				
Local authority grants	-	20	20	6
Total funding	-	2,564	2,564	2,576

5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2017 £'000	Total 2016 £'000
Hire of facilities	5	-	5	4
Catering income	12	-	12	14
Other income	43	-	43	70
	60	-	60	88

6 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2017 £'000	Total 2016 £'000
Short term deposits	1	-	1	1

7 Expenditure

	Staff costs £'000	Premises & equipment £'000	Other costs £'000	Total 2017 £'000	Total 2016 £'000
Academy's educational operations					
- Direct costs	1,496	32	156	1,684	1,690
- Allocated support costs	775	182	340	1,297	1,230
	2,271	214	496	2,981	2,920

UPMINSTER ACADEMIES TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

7 Expenditure

(Continued)

Net income/(expenditure) for the year includes:

	2017 £'000	2016 £'000
--	---------------	---------------

Fees payable to auditor for audit services	8	8
Depreciation of tangible fixed assets	32	32
Net interest on defined benefit pension liability	23	24

Central services

No central services were provided by the academy trust to its academies during the year and no central charges arose.

8 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2017 £'000	Total 2016 £'000
Direct costs - educational operations	-	1,684	1,684	1,690
Support costs - educational operations	58	1,239	1,297	1,230
	58	2,923	2,981	2,920

Analysis of costs

	2017 £'000	2016 £'000
--	---------------	---------------

Direct costs

Teaching and educational support staff costs	1,489	1,487
Staff development	7	12
Depreciation and amortisation	32	32
Educational supplies and services	119	134
Other direct costs	37	25

Support costs

Support staff costs	775	703
Technology costs	4	5
Maintenance of premises and equipment	67	95
Cleaning	43	43
Energy costs	31	36
Rent and rates	9	3
Insurance	27	25
Security and transport	3	(4)
Catering	99	94
Finance costs	23	24
Other support costs	208	199
Governance costs	8	7
	1,297	1,230

UPMINSTER ACADEMIES TRUST

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

8 Charitable activities

(Continued)

9 Governance costs

All from restricted funds:

Amounts included in support costs

Auditor's remuneration

- Audit of financial statements

Total 2017 £'000	Total 2016 £'000
8	7

10 Staff costs

	2017 £'000	2016 £'000
Wages and salaries	1,670	1,713
Social security costs	153	127
Operating costs of defined benefit pension schemes	356	314
Staff costs	2,179	2,154
Supply staff costs	18	36
Staff restructuring costs	24	-
Staff development and other staff costs	50	12
Total staff expenditure	2,271	2,202

Staff numbers

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

	2017 Number	2016 Number
Teachers	28	27
Administration and support	60	61
Management	4	4
	92	92

Higher paid staff

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

	2017 Number	2016 Number
£60,001 - £70,000	1	2
£70,001 - £80,000	1	-

UPMINSTER ACADEMIES TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

10 Staff costs

(Continued)

Non statutory/non-contractual staff severance payments

There are no non statutory or non contractual payments within staff restructuring.

Key management personnel

The key management personnel of the academy trust comprise the Directors 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 £844k (2016: £745k).

11 Directors' remuneration and expenses

One or more directors 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 directors. The value of directors' remuneration and other benefits was as follows:

Mrs A Edgcombe (head Junior school)

Remuneration £60,000 - £65,000

Employers pension contributions £10,000 - £15,000

Mrs Lin Beck (head Infant school)

Remuneration £70,000 - £75,000 (2016: £65,000 - £70,000)

Employers pension contributions £10,000 - £15,000 (2016: 10,000 - £15,000)

Mrs T Riches and Mrs A Cooke, (2016: Mrs T Riches and Mrs A Cooke)

Remuneration £49k (2016: £48 k)

Employers pension contributions £8k (2016: 8k)

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

Directors' expenses

During the period ended 31 August 2017, expenses totalling £nil (2016: £nil) were reimbursed to the directors.

See note 24 for details of related party transactions which took place in the period.

12 Directors and officers insurance

The academy trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business, and provides cover up to £10,000,000. It is not possible to quantify the Directors and officers indemnity element from the overall cost of the RPA scheme.

UPMINSTER ACADEMIES TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

13 Tangible fixed assets

	Land and Buildings £'000
Cost	
At 1 September 2016	8,833
Additions	11
At 31 August 2017	8,844
Depreciation	
At 1 September 2016	124
Charge for the year	32
At 31 August 2017	156
Net book value	
At 31 August 2017	8,688
At 31 August 2016	8,709

Included in cost of property is land valued at £1,532k (2016: £1,532k), which is not depreciated

The property addition relates to a new security gate system.

14 Debtors	2017 £'000	2016 £'000
VAT recoverable	12	21
Prepayments and accrued income	12	1
	24	22

15 Creditors: amounts falling due within one year	2017 £'000	2016 £'000
Other taxation and social security	39	45
Other creditors	36	-
Accruals and deferred income	146	156
	221	201

UPMINSTER ACADEMIES TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

16	Deferred income	2017	2016
		£'000	£'000
	Deferred income is included within:		
	Creditors due within one year	60	62
		<u>60</u>	<u>62</u>
	Deferred income at 1 September 2016	62	71
	Released from previous years	(62)	(71)
	Amounts deferred in the year	60	62
		<u>60</u>	<u>62</u>
	Deferred income at 31 August 2017	60	62

At the balance sheet date the Multi-Academy Trust was holding funds for Universal Infant Free School Meals for 2017/18

17	Financial instruments	2017	2016
		£'000	£'000
	Carrying amount of financial assets		
	Debt instruments measured at amortised cost	12	21
		<u>12</u>	<u>21</u>
	Carrying amount of financial liabilities		
	Measured at amortised cost	161	139
		<u>161</u>	<u>139</u>

UPMINSTER ACADEMIES TRUST

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

18 Funds

	Balance at 1 September 2016 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2017 £'000
Restricted general funds					
General Annual Grant	58	2,362	(2,557)	186	49
Other DfE / ESFA grants	-	182	(182)	-	-
Other government grants	-	20	(20)	-	-
Other restricted funds	-	43	(43)	-	-
	<u>58</u>	<u>2,607</u>	<u>(2,802)</u>	<u>186</u>	<u>49</u>
Funds excluding pensions	(1,136)	-	(89)	512	(713)
	<u>(1,078)</u>	<u>2,607</u>	<u>(2,891)</u>	<u>698</u>	<u>(664)</u>
Restricted fixed asset funds					
DfE / ESFA capital grants	-	15	-	(15)	-
General fixed assets	8,709	-	(32)	11	8,688
	<u>8,709</u>	<u>15</u>	<u>(32)</u>	<u>(4)</u>	<u>8,688</u>
Total restricted funds	<u>7,631</u>	<u>2,622</u>	<u>(2,923)</u>	<u>694</u>	<u>8,024</u>
Unrestricted funds					
General funds	400	225	(58)	(182)	385
	<u>400</u>	<u>225</u>	<u>(58)</u>	<u>(182)</u>	<u>385</u>
Total funds	<u>8,031</u>	<u>2,847</u>	<u>(2,981)</u>	<u>512</u>	<u>8,409</u>

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

General Annual Grant: Income received from the ESFA to cover the normal running costs of the Academy.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

Other DfE/ESFA grants: This includes the pupil premium and Universal free school meals.

Other government grants: This includes SEN funding and other funding received from the Local Authority.

Other restricted funds: This includes donations for school equipment from the PTA.

DfE/ESFA capital grants: This includes the devolved formula capital grant.

The transfer of funds relate to the purchase of fixed assets during the period and the transfer of the devolved formula capital to other ESFA grants where expensed and the excess expenditure over GAG.

UPMINSTER ACADEMIES TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

18 Funds

(Continued)

Movements in funds - previous year

	Balance at 1 September 2015 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2016 £'000
Restricted general funds					
General Annual Grant	91	2,377	(2,451)	41	58
Other DfE / ESFA grants	-	193	(193)	-	-
Other government grants	-	6	(6)	-	-
Other restricted funds	-	157	(157)	-	-
	<u>91</u>	<u>2,377</u>	<u>(2,451)</u>	<u>41</u>	<u>58</u>
Funds excluding pensions	91	2,733	(2,807)	41	58
Pension reserve	(625)	-	(42)	(469)	(1,136)
	<u>(534)</u>	<u>2,733</u>	<u>(2,849)</u>	<u>(428)</u>	<u>(1,078)</u>
Restricted fixed asset funds					
DfE / ESFA capital grants	8,726	-	(32)	15	8,709
	<u>8,726</u>	<u>-</u>	<u>(32)</u>	<u>15</u>	<u>8,709</u>
Total restricted funds	<u>8,192</u>	<u>2,733</u>	<u>(2,881)</u>	<u>(413)</u>	<u>7,631</u>
Unrestricted funds					
General funds	387	108	(39)	(56)	400
	<u>387</u>	<u>108</u>	<u>(39)</u>	<u>(56)</u>	<u>400</u>
Total funds	<u>8,579</u>	<u>2,841</u>	<u>(2,920)</u>	<u>(469)</u>	<u>8,031</u>

Total funds analysis by academy

	Total £'000
Fund balances at 31 August 2017 were allocated as follows:	
Upminster Infants School	269
Upminster Junior School	165
	<u>434</u>
Total before fixed assets fund and pension reserve	434
Restricted fixed asset fund	8,688
Pension reserve	(713)
	<u>7,975</u>
Total funds	<u>8,409</u>

UPMINSTER ACADEMIES TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

18 Funds

(Continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £'000	Other support staff costs £'000	Educational supplies £'000	Other costs excluding depreciation £'000	Total £'000
Upminster Infants School	655	331	21	259	1,266
Upminster Junior School	835	444	97	310	1,686
	<u>1,490</u>	<u>775</u>	<u>118</u>	<u>569</u>	<u>2,952</u>

Funds analysis by academy - previous year

Fund balances at 31 August 2016 were allocated as follows:

	Total 2016 £'000
Upminster Infants School	261
Upminster Junior School	197
Total before fixed assets fund and pension reserve	<u>458</u>
Restricted fixed asset fund	8,709
Pension reserve	(1,136)
Total funds	<u>8,031</u>

Total cost analysis by academy - previous year

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

	Teaching and educational support staff costs £'000	Other support staff costs £'000	Educational supplies £'000	Other costs excluding depreciation £'000	Total 2016 £'000
Upminster Infants School	654	300	24	265	1,243
Upminster Junior School	833	43	110	299	1,285
	<u>1,487</u>	<u>343</u>	<u>134</u>	<u>564</u>	<u>2,528</u>

UPMINSTER ACADEMIES TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

19 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2017 £'000
Fund balances at 31 August 2017 are represented by:				
Tangible fixed assets	-	-	8,688	8,688
Current assets	385	270	-	655
Creditors falling due within one year	-	(221)	-	(221)
Defined benefit pension liability	-	(713)	-	(713)
	<u>385</u>	<u>(664)</u>	<u>8,688</u>	<u>8,409</u>
	<u><u>385</u></u>	<u><u>(664)</u></u>	<u><u>8,688</u></u>	<u><u>8,409</u></u>
	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2016 £'000
Fund balances at 31 August 2016 are represented by:				
Tangible fixed assets	-	-	8,709	8,709
Current assets	400	259	-	659
Creditors falling due within one year	-	(201)	-	(201)
Defined benefit pension liability	-	(1,136)	-	(1,136)
	<u>400</u>	<u>(1,078)</u>	<u>8,709</u>	<u>8,031</u>
	<u><u>400</u></u>	<u><u>(1,078)</u></u>	<u><u>8,709</u></u>	<u><u>8,031</u></u>

20 Pensions and similar obligations

The academy trust'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 multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2016.

There were £36k (2016: £nil) of outstanding contributions at the end of the financial year.

Teachers' Pension Scheme

Introduction

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

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

UPMINSTER ACADEMIES TRUST

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

20 Pensions and similar obligations

(Continued)

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £356k (2016: £314k).

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.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 26.4% for employers and 5.5 to 12.5% for employees. The estimated value of employer contributions for the forthcoming year is £106k.

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.

Total contributions made	2017 £'000	2016 £'000
Employer's contributions	109	111
Employees' contributions	23	25
Total contributions	132	136

UPMINSTER ACADEMIES TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

20 Pensions and similar obligations

(Continued)

Principal actuarial assumptions	2017 %	2016 %
Rate of increases in salaries	2.7	3.1%
Rate of increase for pensions in payment	2.4	2.1%
Discount rate	2.5	2.0%

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

	2017 Years	2016 Years
Retiring today		
- Males	22.0	22.1
- Females	24.2	24.1
Retiring in 20 years		
- Males	23.9	24.2
- Females	26.3	26.7

Scheme liabilities would have been affected by changes in assumptions as follows:

	2017 £'000	2016 £'000
0.5 % decrease in real discount rate	237	286
0.5% increase in Salary increase rate	40	106
0.5% increase in the pension increase rate	194	171

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

	2017 Fair value £'000	2016 Fair value £'000
Equities	1,133	909
Bonds	257	269
Property	91	64
Other assets	30	38
Total market value of assets	1,511	1,280
Actual return on scheme assets - gain/(loss)	122	151

UPMINSTER ACADEMIES TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

20 Pensions and similar obligations

(Continued)

Amounts recognised in the statement of financial activities

2017
£'000

2016
£'000

Current service cost

175

129

Interest income

(27)

(39)

Interest cost

50

63

Total operating charge

198

153

Changes in the present value of defined benefit obligations

2017
£'000

2016
£'000

Obligations at 1 September 2016

2,416

1,625

Current service cost

175

129

Interest cost

50

63

Employee contributions

23

25

Actuarial (gain)/loss

(417)

581

Benefits paid

(23)

(7)

At 31 August 2017

2,224

2,416

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

2017
£'000

2016
£'000

Assets at 1 September 2016

1,280

1,000

Interest income

27

39

Actuarial gain

95

112

Employer contributions

109

111

Employee contributions

23

25

Benefits paid

(23)

(7)

At 31 August 2017

1,511

1,280

UPMINSTER ACADEMIES TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

21 Reconciliation of net expenditure to net cash flows from operating activities

	2017 £'000	2016 £'000
Net expenditure for the reporting period	(134)	(79)
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(15)	-
Investment income receivable	(1)	(1)
Defined benefit pension costs less contributions payable	66	18
Defined benefit pension net finance cost	23	24
Depreciation of tangible fixed assets	32	32
(Increase)/decrease in debtors	(2)	8
Increase in creditors	20	81
Net cash used in operating activities	(11)	83

22 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 Education and Skills Funding Agency 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.

23 Commitments under operating leases

At 31 August 2017 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2017 £'000	2016 £'000
Amounts due within one year	12	-
Amounts due in two and five years	48	-
	<u>60</u>	<u>-</u>

UPMINSTER ACADEMIES TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

24 Related party transactions

Owing to the nature of the academy trust's operations and the composition of the board of Directors being drawn from local public and private sector organisations, transactions may take place with organisations in which the academy trust has 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. The following related party transaction took place in the period of account.

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

25 Members' liability

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