

Company Registration No. 08214798 (England and Wales)

**UPMINSTER ACADEMIES TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**



# UPMINSTER ACADEMIES TRUST

## CONTENTS

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	Page
Reference and administrative details	1 - 2
Directors' report	3 - 10
Governance statement	11 - 13
Statement on regularity, propriety and compliance	14
Statement of Directors' responsibilities	15
Independent auditor's report on the financial statements	16 - 18
Independent reporting accountant's report on regularity	19 - 20
Statement of financial activities including income and expenditure account	21 - 22
Balance sheet	23
Statement of cash flows	24
Notes to the financial statements including accounting policies	25 - 43

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# UPMINSTER ACADEMIES TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Directors

Mrs J Woodgate  
Miss A Edgcombe (Accounting Officer)  
Mrs K Pitt  
Mr M Pepper (Chair)  
Mrs A Cooke  
Ms J Phillips  
Mrs H Clarke  
Mr N Wright (Appointed 6 December 2017 and resigned 31 August 2018)  
Dr D L Birrell D (Appointed 10 January 2018)

### Members

A Ling  
K Ridley-Moy  
J T Woodgate  
M Pepper

### Senior leadership team

Mrs E Hebron	- Phase Group Leader
Mr H Lendon	- Head of Infant School from 01/09/2017
Mrs M Bocarro	- Phase Group Leader
Miss A Edgcombe	- Head of Junior School
Mr J Ansell	- Deputy Headteacher
Mrs N Gunthorpe	- Phase Group Leader
Mrs H Mordew	- Phase Group Leader
Mrs I Zweistra	- Phase Group Leader
Mrs C Puirseil	- Special Educational Needs Co-ordinator
Mrs J Mason	- Special Educational Needs Co-ordinator

### 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

### Academies operated

Upminster Infants School  
Upminster Junior School

### Location

Upminster  
Upminster

### Principal

Mrs H Lendon  
Miss A Edgcombe

### Independent auditor

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

# UPMINSTER ACADEMIES TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### 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 2018

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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 2017 to 31 August 2018. 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 630 and had a roll of 627 in the school census on 4th October 2018.

#### **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 Upminster Academies Trust.

The Directors are the trustees of Upminster 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, and to the date these financial statements are approved, 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 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 2018

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#### 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 2018 are summarised below:

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

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

# UPMINSTER ACADEMIES TRUST

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### 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 2018**

### Upminster Infant School End of Key Stage One

Attainment at KS1		School 2018	National 2018	Sch. v. Nat. 2018
Reading	Expected +	82%	76%	+6%
	Greater depth	30%	26%	+4%
Writing	Expected +	79%	70%	+9%
	Greater depth	20%	16%	+4%
Maths	Expected +	83%	76%	+7%
	Greater depth	24%	22%	+2%
Science	Expected +	83%		
R, W Ma combined	Expected +	76%	65%	+11%
R, W Ma combined greater depth		14%	12%	+2%

### Upminster Junior School End of Key Stage Two

Average Progress Measure (National – 0.0)

Reading +1.4  
Writing +0.7  
Maths +2.1

Attainment at KS2		National 2018	School 2018	2018 Sch. v. Nat.
Combined (R, W, Ma) expected +		64	90	+26
Combined (R, W, Ma) higher attainment		10	24	+14
Reading	Expected +	75	96	+21
	Higher attainment	28	40	+12
	Scaled score	105	109	+4
Writing	Expected +	78	93	+15
	Higher attainment	20	38	+19
	Scaled score		106.1	
Mathematics	Expected +	76	96	+20
	Higher attainment	23	46	+23
	Scaled score	104	109	+5
En Grammar, Punctuation & spelling	Expected +	78	96	+18
	Higher attainment	34	57	+23
	Scaled score	106	110	+4



# **UPMINSTER ACADEMIES TRUST**

## **DIRECTORS' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2018**

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#### Key performance indicators

##### **Infants school**

##### **Improvement priorities overview 2018-19**

#### **1. Teaching and Learning**

To develop assessment procedures for the foundation subjects that are manageable, useful and informative.

#### **2. The Wider Curriculum**

To develop the wider curriculum, incorporating IPC, so that pupils have a variety of relevant, rich and engaging learning experiences, whilst developing international mindedness.

#### **3. Leadership and Management**

To improve use of Assessment for Learning to ensure that every pupil has appropriate challenge and makes good or better progress.

#### **4. Behaviour, Safety and Well-being**

To continue to reinforce the attendance and punctuality reward and incentive scheme introduced in 2018.

To support social and emotional development of all pupils so that they have a strong sense of the school values; an understanding of emotional regulation and improved behaviour for learning.

#### **5. Effectiveness of Early Years**

To create an enabling environment that meets the needs of all learners and provides challenge in all areas of learning

##### **Junior school**

##### **Improvement priorities overview 2018-19**

#### **1. Teaching and Learning**

To improve use of Assessment for Learning to ensure that every pupil has appropriate challenge and makes good or better progress.

#### **2. The wider curriculum**

To develop the wider curriculum, incorporating IPC, so that pupils have a variety of relevant, rich and engaging learning experiences, whilst developing international mindedness.

#### **3. Leadership and Management**

To develop assessment procedures for the foundation subjects that are manageable, useful and informative.

#### **4. Behaviour and Well-Being**

To support social and emotional development of all pupils so that they have a strong sense of the school values; an understanding of emotional regulation and improved behaviour for learning.

# UPMINSTER ACADEMIES TRUST

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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#### 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 2018 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 2018, total expenditure of £2,940k (2017: £2,981k) 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 £90k (2017: £117k).

At 31st August 2018 the net book value of fixed assets was £8,686k (2017: £8,688k), 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 £629k (2017: £713k) at 31st August 2018.

#### 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 (2017: £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 £424k (2017: £385k) (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 £144k 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

The Academy held fund balances at 31st August 2018 of £8,481k (2017: £8,409k) comprising £8,057k (2017: £8,024k) of restricted funds and £424k (2017: £385k) of unrestricted general funds. Of the restricted funds £8,686k (2017: £8,688k) is represented by tangible fixed assets.

The pension reserve which is considered part of restricted funds was £629k (2017: £713k) in deficit.

# **UPMINSTER ACADEMIES TRUST**

## **DIRECTORS' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2018**

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#### 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 £629k. 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'.

#### Raising of Funds

The majority of fundraising for the Trust is undertaken by the Parents' Association(PA), this is a separate body to the Trust but is subject to the same provisions of the Charities Act 2016.

The PA undertakes many fundraising activities each year, these include the annual Fireworks Event, Christmas Fayre, Summer Fayre, school discos and film nights. These activities are closely monitored and set up in line with accepted fundraising practice.

# UPMINSTER ACADEMIES TRUST

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### 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 Academy will be merging with Hornchurch Academy Trust so there are more opportunities to share and develop good practices which will in turn enhance pupils' learning experiences and progress; provide further opportunities for staff development; and to enable more efficient use of resources.

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, and targeted on specific pupil needs.

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.

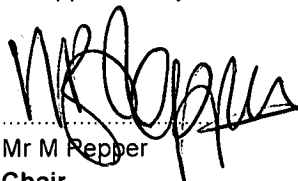
### Auditor

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 5/12/18 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 2018**

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### 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 full board of Directors has formally met 4 times during the year. A further 6 meetings were held within the different auxiliary committees. Attendance during the year at the meetings across all committees was as follows:

Directors	Meetings attended	Out of possible
Mrs J Woodgate	8	8
Miss A Edcombe (Accounting Officer)	10	10
Mrs K Pitt	7	9
Mr M Pepper (Chair)	4	4
Mrs A Cooke	4	4
Ms J Phillips	6	8
Mrs H Clarke	8	8
Mr N Wright (Appointed 6 December 2017 and resigned 31 August 2018)	3	6
Dr D L Birrell D (Appointed 10 January 2018)	4	7

Throughout the year the Trustees have worked closely with the school leadership to ensure financial prudence whilst also ensuring the schools were able to gain access to necessary funding, including the purchase of new IT equipment for the children, new school signs and an extensive overhaul of the EYFS outdoor play area.

Also in this period the Trust met with the RSC and agreed to explore opportunities to merge UAT with a local, newly formed MAT (Hornchurch Academy Trust); this resulted in a successful merger of the 2 MATs at the start of the new academic year.

3 Trustees and 2 Members will transfer over to the new MAT to ensure continued support for the Upminster Infant and Junior Schools.

# **UPMINSTER ACADEMIES TRUST**

## **GOVERNANCE STATEMENT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### **Review of value for money**

As accounting officer the Executive Headteacher 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)
- Infant School partnership with Universities for Trainees improving funding and development.
- Office re-structure to develop efficiency of practice, whilst providing value for money
- Joining HAT will further ensure we are seeking value of money

### **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 2017 to 31 August 2018 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 2017 to 31 August 2018 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.

# UPMINSTER ACADEMIES TRUST

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

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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, 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 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 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.

### 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:

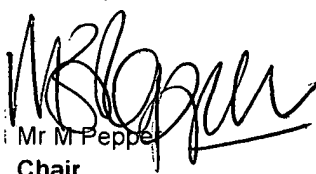
- the work of the Internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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 5/12/18..... 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 2018**

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As accounting officer of Upminster Academies Trust I have considered my responsibility to notify the academy trust board of Directors and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, 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 2017.

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 2017.

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

.....*A. Edgcombe*



# UPMINSTER ACADEMIES TRUST

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

**FOR THE YEAR ENDED 31 AUGUST 2018**

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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 & 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 2017 to 2018;
- 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 members of the board of Directors on 5/10/18 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**

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### **Opinion**

We have audited the financial statements of Upminster Academies Trust for the year ended 31 August 2018 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 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2018 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 2017 to 2018.

### **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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information. 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)

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### Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the 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 have 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 charitable company, 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)

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### Use of our report

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

*With Keredy Audit Services*

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

7/12/18

Statutory Auditor

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 & SKILLS FUNDING AGENCY**

**FOR THE YEAR ENDED 31 AUGUST 2018**

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In accordance with the terms of our engagement letter dated 2 October 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, 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 2017 to 31 August 2018 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 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 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 & SKILLS FUNDING AGENCY (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Wilkins Kennedy Audit Services*

### Reporting Accountant

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

Dated: *7/12/18*.

# UPMINSTER ACADEMIES TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	Unrestricted Funds £'000	Restricted funds: General Fixed asset £'000 £'000		Total 2018 £'000	Total 2017 £'000
<b>Income and endowments from:</b>						
Donations and capital grants	3	121	8	15	144	222
<b>Charitable activities:</b>						
- Funding for educational operations	4	-	2,601	-	2,601	2,564
Other trading activities	5	86	-	-	86	60
Investments	6	-	-	-	-	1
<b>Total</b>		<u>207</u>	<u>2,609</u>	<u>15</u>	<u>2,831</u>	<u>2,847</u>
<b>Expenditure on:</b>						
<b>Charitable activities:</b>						
- Educational operations	9	<u>24</u>	<u>2,882</u>	<u>34</u>	<u>2,940</u>	<u>2,981</u>
<b>Total</b>	7	<u>24</u>	<u>2,882</u>	<u>34</u>	<u>2,940</u>	<u>2,981</u>
<b>Net income/(expenditure)</b>		183	(273)	(19)	(109)	(134)
Transfers between funds	17	(144)	127	17	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial gains on defined benefit pension schemes	19	<u>-</u>	<u>181</u>	<u>-</u>	<u>181</u>	<u>512</u>
<b>Net movement in funds</b>		39	35	(2)	72	378
<b>Reconciliation of funds</b>						
Total funds brought forward		<u>385</u>	<u>(664)</u>	<u>8,688</u>	<u>8,409</u>	<u>8,031</u>
Total funds carried forward		<u>424</u>	<u>(629)</u>	<u>8,686</u>	<u>8,481</u>	<u>8,409</u>

# UPMINSTER ACADEMIES TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2018

Comparative year information		Unrestricted	Restricted funds:		Total
Year ended 31 August 2017		Funds	General	Fixed asset	2017
	Notes	£'000	£'000	£'000	£'000
<b>Income and endowments from:</b>					
Donations and capital grants	3	164	43	15	222
Charitable activities:					
- Funding for educational operations	4	-	2,564	-	2,564
Other trading activities	5	60	-	-	60
Investments	6	1	-	-	1
<b>Total</b>		<u>225</u>	<u>2,607</u>	<u>15</u>	<u>2,847</u>
<b>Expenditure on:</b>					
Charitable activities:					
- Educational operations	9	58	2,891	32	2,981
<b>Total</b>	7	<u>58</u>	<u>2,891</u>	<u>32</u>	<u>2,981</u>
<b>Net income/(expenditure)</b>		167	(284)	(17)	(134)
Transfers between funds	17	(182)	186	(4)	-
<b>Other recognised gains/(losses)</b>					
Actuarial gains on defined benefit pension schemes	19	-	512	-	512
<b>Net movement in funds</b>		(15)	414	(21)	378
<b>Reconciliation of funds</b>					
Total funds brought forward		400	(1,078)	8,709	8,031
Total funds carried forward		<u>385</u>	<u>(664)</u>	<u>8,688</u>	<u>8,409</u>



# UPMINSTER ACADEMIES TRUST

## BALANCE SHEET

AS AT 31 AUGUST 2018

	Notes	2018 £'000	2017 £'000
<b>Fixed assets</b>			
Tangible assets	13	8,686	8,688
<b>Current assets</b>			
Debtors	14	28	24
Cash at bank and in hand		612	631
		640	655
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	15	(216)	(221)
<b>Net current assets</b>		424	434
<b>Net assets excluding pension liability</b>		9,110	9,122
Defined benefit pension scheme liability	19	(629)	(713)
<b>Net assets</b>		8,481	8,409
<b>Funds of the academy trust:</b>			
<b>Restricted funds</b>	17		
- Fixed asset funds		8,686	8,688
- Restricted income funds		-	49
- Pension reserve		(629)	(713)
<b>Total restricted funds</b>		8,057	8,024
<b>Unrestricted income funds</b>	17	424	385
<b>Total funds</b>		8,481	8,409

The financial statements on pages 21 to 43 were approved by the Directors and authorised for issue on 31/12/18 and are signed on their 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 2018**

		2018		2017	
	Notes	£'000	£'000	£'000	£'000
<b>Cash flows from operating activities</b>					
Net cash used in operating activities	20		(2)		(11)
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		-		1	
Capital grants from DfE and ESFA		15		15	
Payments to acquire tangible fixed assets		(32)		(11)	
			(17)		5
<b>Change in cash and cash equivalents in the reporting period</b>			(19)		(6)
Cash and cash equivalents at 1 September 2017			631		637
<b>Cash and cash equivalents at 31 August 2018</b>			612		631

# UPMINSTER ACADEMIES TRUST

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31 AUGUST 2018

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#### 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.

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

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 2018

---

#### 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.

# UPMINSTER ACADEMIES TRUST

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 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)
Computer equipment	33% straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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 2018

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy 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.

#### 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 2018

#### 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 2018. 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 2018 £'000	Total 2017 £'000
Capital grants	-	15	15	15
Other donations	121	8	129	207
	<u>121</u>	<u>23</u>	<u>144</u>	<u>222</u>

# UPMINSTER ACADEMIES TRUST

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### 4 Funding for the academy trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	2,356	2,356	2,362
Other DfE group grants	-	214	214	182
	-	2,570	2,570	2,544
<b>Other government grants</b>				
Local authority grants	-	31	31	20
<b>Total funding</b>	-	2,601	2,601	2,564

### 5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
Hire of facilities	20	-	20	5
Catering income	7	-	7	12
Other income	59	-	59	43
	86	-	86	60

### 6 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
Short term deposits	-	-	-	1

### 7 Expenditure

	Staff costs £'000	Non Pay Expenditure Premises £'000	Other £'000	Total 2018 £'000	Total 2017 £'000
Academy's educational operations					
- Direct costs	1,465	34	151	1,650	1,684
- Allocated support costs	723	208	359	1,290	1,297
	2,188	242	510	2,940	2,981



# UPMINSTER ACADEMIES TRUST

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

#### 7 Expenditure

(Continued)

Net income/(expenditure) for the year includes:	2018 £'000	2017 £'000
Fees payable to auditor for:		
- Audit	8	8
- Other services	11	4
Depreciation of tangible fixed assets	34	32
Net interest on defined benefit pension liability	19	23
	<u>          </u>	<u>          </u>

#### 8 Central services

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

#### 9 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
<b>Direct costs</b>				
Educational operations	-	1,650	1,650	1,684
<b>Support costs</b>				
Educational operations	24	1,266	1,290	1,297
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	24	2,916	2,940	2,981
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

	2018 £'000	2017 £'000
<b>Analysis of support costs</b>		
Support staff costs	723	775
Technology costs	8	4
Premises costs	208	182
Other support costs	332	328
Governance costs	19	8
	<u>          </u>	<u>          </u>
	1,290	1,297
	<u>          </u>	<u>          </u>

# UPMINSTER ACADEMIES TRUST

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### 10 Staff

#### Staff costs

Staff costs during the year were:

	2018 £'000	2017 £'000
Wages and salaries	1,617	1,670
Social security costs	146	153
Pension costs	364	356
Staff costs	2,127	2,179
Agency staff costs	42	18
Staff restructuring costs	-	24
Staff development and other staff costs	19	50
Total staff expenditure	2,188	2,271
Staff restructuring costs comprise:		
Redundancy payments	-	24

#### Non statutory/non-contractual staff severance payments

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

#### Staff numbers

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

	2018 Number	2017 Number
Teachers	28	28
Administration and support	58	60
Management	3	4
	89	92

#### Higher paid staff

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

	2018 Number	2017 Number
£60,001 - £70,000	1	1
£70,001 - £80,000	1	1

# UPMINSTER ACADEMIES TRUST

## NOTES TO THE ACCOUNTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### 10 Staff

(Continued)

#### 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 £551k (2017: £844k).

### 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:

Miss A Edgcombe (head Junior school)

Remuneration £65,000 - £70,000 (2017: £60,000 - £65,000)

Employers pension contributions £10,000 - £15,000 (2017: £10,000 - £15,000)

Mrs L Beck (head Infant school)

Remuneration £nil (2017: £70,000 - £75,000)

Employers pension contributions £nil (2017: £10,000 - £15,000)

Mrs T Riches

Remuneration £nil (2017: £45,000 - £50,000)

Employers pension contributions £nil (2017: £5,000 - £10,000)

Mrs A Cooke

Remuneration £0 - £5,000 (2017: £0 - £5,000)

Employers pension contributions £0 - £5,000 (2017: £0 - £5,000)

#### Directors' expenses

During the period ended 31 August 2018, expenses totalling £nil (2017: £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 2018

### 13 Tangible fixed assets

	Land and Buildings £'000	Computer equipment £'000	Total £'000
<b>Cost</b>			
At 1 September 2017	8,844	-	8,844
Additions	20	12	32
	<u>8,864</u>	<u>12</u>	<u>8,876</u>
At 31 August 2018	8,864	12	8,876
<b>Depreciation</b>			
At 1 September 2017	156	-	156
Charge for the year	32	2	34
	<u>188</u>	<u>2</u>	<u>190</u>
At 31 August 2018	188	2	190
<b>Net book value</b>			
At 31 August 2018	<u>8,676</u>	<u>10</u>	<u>8,686</u>
At 31 August 2017	<u>8,688</u>	<u>-</u>	<u>8,688</u>

Included in cost of property is land valued at £7,228k (2017: £7,228k), which is not depreciated

The property addition relates to a outdoor classroom.

14 Debtors	2018 £'000	2017 £'000
VAT recoverable	14	12
Prepayments and accrued income	14	12
	<u>28</u>	<u>24</u>
	<u>28</u>	<u>24</u>
<b>15 Creditors: amounts falling due within one year</b>	<b>2018 £'000</b>	<b>2017 £'000</b>
Other taxation and social security	39	39
Other creditors	36	36
Accruals and deferred income	141	146
	<u>216</u>	<u>221</u>
	<u>216</u>	<u>221</u>

# UPMINSTER ACADEMIES TRUST

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

16	Deferred income	2018 £'000	2017 £'000
	Deferred income is included within:		
	Creditors due within one year	63	60
		<u>63</u>	<u>60</u>
	Deferred income at 1 September 2017	60	62
	Released from previous years	(60)	(62)
	Resources deferred in the year	63	60
		<u>63</u>	<u>60</u>
	<b>Deferred income at 31 August 2018</b>	<b>63</b>	<b>60</b>

At the balance sheet date the Multi-Academy Trust was holding funds for Universal Infant Free School Meals for 2018/19

17	Funds	Balance at 1 September 2017 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2018 £'000
	<b>Restricted general funds</b>					
	General Annual Grant (GAG)	49	2,356	(2,532)	127	-
	Other DfE / ESFA grants	-	214	(214)	-	-
	Other government grants	-	31	(31)	-	-
	Other restricted funds	-	8	(8)	-	-
	Pension reserve	(713)	-	(97)	181	(629)
		<u>(664)</u>	<u>2,609</u>	<u>(2,882)</u>	<u>308</u>	<u>(629)</u>
	<b>Restricted fixed asset funds</b>					
	DfE group capital grants	-	15	-	(15)	-
	General fixed assets	8,688	-	(34)	32	8,686
		<u>8,688</u>	<u>15</u>	<u>(34)</u>	<u>17</u>	<u>8,686</u>
	<b>Total restricted funds</b>	<b>8,024</b>	<b>2,624</b>	<b>(2,916)</b>	<b>325</b>	<b>8,057</b>
	<b>Unrestricted funds</b>					
	General funds	385	207	(24)	(144)	424
		<u>385</u>	<u>207</u>	<u>(24)</u>	<u>(144)</u>	<u>424</u>
	<b>Total funds</b>	<b>8,409</b>	<b>2,831</b>	<b>(2,940)</b>	<b>181</b>	<b>8,481</b>

# UPMINSTER ACADEMIES TRUST

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### 17 Funds

(Continued)

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 2018.

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.

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

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

# UPMINSTER ACADEMIES TRUST

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

#### 17 Funds

(Continued)

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2018 £'000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	58	4,718	(5,089)	313	-
Other DfE / ESFA grants	-	396	(396)	-	-
Other government grants	-	51	(51)	-	-
Other restricted funds	-	51	(51)	-	-
Pension reserve	(1,136)	-	(186)	693	(629)
	<u>(1,078)</u>	<u>5,216</u>	<u>(5,773)</u>	<u>1,006</u>	<u>(629)</u>
<b>Restricted fixed asset funds</b>					
DfE group capital grants	-	30	-	(30)	-
General fixed assets	8,709	-	(66)	43	8,686
	<u>8,709</u>	<u>30</u>	<u>(66)</u>	<u>13</u>	<u>8,686</u>
<b>Total restricted funds</b>	<u>7,631</u>	<u>5,246</u>	<u>(5,839)</u>	<u>1,019</u>	<u>8,057</u>
<b>Unrestricted funds</b>					
General funds	400	432	(82)	(326)	424
	<u>400</u>	<u>432</u>	<u>(82)</u>	<u>(326)</u>	<u>424</u>
<b>Total funds</b>	<u>8,031</u>	<u>5,678</u>	<u>(5,921)</u>	<u>693</u>	<u>8,481</u>

#### Total funds analysis by academy

	2018 £'000	2017 £'000
Fund balances at 31 August 2018 were allocated as follows:		
Upminster Infants School	250	269
Upminster Junior School	174	165
Total before fixed assets fund and pension reserve	<u>424</u>	<u>434</u>
Restricted fixed asset fund	8,686	8,688
Pension reserve	(629)	(713)
Total funds	<u>8,481</u>	<u>8,409</u>

# UPMINSTER ACADEMIES TRUST

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### 17 Funds

(Continued)

#### Total cost analysis by academy

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

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total
	£'000	£'000	£'000	£'000	£'000
Upminster Infants School	592	403	24	337	1,356
Upminster Junior School	863	320	111	256	1,550
	<u>1,455</u>	<u>723</u>	<u>135</u>	<u>593</u>	<u>2,906</u>

### 18 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
<b>Fund balances at 31 August 2018 are represented by:</b>				
Tangible fixed assets	-	-	8,686	8,686
Current assets	640	-	-	640
Creditors falling due within one year	(216)	-	-	(216)
Defined benefit pension liability	-	(629)	-	(629)
<b>Total net assets</b>	<u>424</u>	<u>(629)</u>	<u>8,686</u>	<u>8,481</u>

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
<b>Fund balances at 31 August 2017 are represented by:</b>				
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)
<b>Total net assets</b>	<u>385</u>	<u>(664)</u>	<u>8,688</u>	<u>8,409</u>



# UPMINSTER ACADEMIES TRUST

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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#### 19 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 (2017: £36k) 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' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

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

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

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge)
- 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%

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 £179k (2017: £356k).

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

# UPMINSTER ACADEMIES TRUST

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### 19 Pensions and similar obligations

(Continued)

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy 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 3 - 5% for employers and 2.4% 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	2018 £'000	2017 £'000
Employer's contributions	106	109
Employees' contributions	23	23
	<u>129</u>	<u>132</u>
Total contributions	<u>129</u>	<u>132</u>
Principal actuarial assumptions	2018 %	2017 %
Rate of increases in salaries	2.7	2.7
Rate of increase for pensions in payment	2.4	2.4
Discount rate	2.8	2.5
	<u>2.8</u>	<u>2.5</u>

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

	2018 Years	2017 Years
Retiring today		
- Males	22.0	22.0
- Females	24.2	24.2
Retiring in 20 years		
- Males	23.9	23.9
- Females	26.3	26.3
	<u>26.3</u>	<u>26.3</u>

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

# UPMINSTER ACADEMIES TRUST

## NOTES TO THE ACCOUNTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

### 19 Pensions and similar obligations

(Continued)

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

	2018 Fair value £'000	2017 Fair value £'000
Equities	881	1,133
Bonds	474	257
Property	136	91
Other assets	203	30
Total market value of assets	1,694	1,511

Actual return on scheme assets - gain/(loss)	73	122
--	----	-----

#### Amounts recognised in the statement of financial activities

	2018 £'000	2017 £'000
Current service cost	172	175
Past service cost	12	-
Interest income	(39)	(27)
Interest cost	58	50
Total operating charge	203	198

#### Changes in the present value of defined benefit obligations

	2018 £'000	2017 £'000
Obligations at 1 September 2017	2,224	2,416
Current service cost	172	175
Interest cost	58	50
Employee contributions	23	23
Actuarial gain	(147)	(417)
Benefits paid	(19)	(23)
Past service cost	12	-
At 31 August 2018	2,323	2,224

# UPMINSTER ACADEMIES TRUST

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### 19 Pensions and similar obligations

(Continued)

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

	2018 £'000	2017 £'000
Assets at 1 September 2017	1,511	1,280
Interest income	39	27
Actuarial gain	34	95
Employer contributions	106	109
Employee contributions	23	23
Benefits paid	(19)	(23)
	<u>1,694</u>	<u>1,511</u>
At 31 August 2018	<u>1,694</u>	<u>1,511</u>

### 20 Reconciliation of net expenditure to net cash flow from operating activities

	2018 £'000	2017 £'000
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(109)	(134)
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(15)	(15)
Investment income receivable	-	(1)
Defined benefit pension costs less contributions payable	78	66
Defined benefit pension net finance cost	19	23
Depreciation of tangible fixed assets	34	32
(Increase) in debtors	(4)	(2)
(Decrease)/increase in creditors	(5)	20
	<u>(2)</u>	<u>(11)</u>
Net cash used in operating activities	<u>(2)</u>	<u>(11)</u>

### 21 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.

# UPMINSTER ACADEMIES TRUST

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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#### 22 Commitments under operating leases

At 31 August 2018 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £'000	2017 £'000
Amounts due within one year	5	12
Amounts due in two and five years	9	16
	<u>14</u>	<u>28</u>

#### 23 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.

#### 24 Post balance sheet events

In September 2018, the Uppminster Academy Trust merged with the Hornchurch Academy Trust.

All reserves as at the 31st August 2018 were transferred to the multi academy trust upon merging.

#### 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.