Upton Hall School FCJ

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended
31 August 2015

Company Registration No. 07952451

Upton Hall School FCJ

Reference and Administrative Details

Academy Trustees/ Members	Sr Claire Sykes Sr Moira Cashmore Mrs C Green
School Governors	Mrs C Green* Mr B Larkin* Sr Moira Cashmore Sr Brigid Halligan* (Head of Bellerive Catholic College FCJ) Mr M Clarke Mr T Duffy Mrs H Fleming Mr D Norton Mr P Hoskinson* Mr J Prothero* Mrs N Teare* Mr S Duggan (Headteacher - St Anselm's College) Mrs P Young* (Ex Officio) Ms S Hannam* Mr I Clarke Mrs R Shields Dr E Smears Miss A Burnett Mr J Szpac Mr M Scudder * Members of the finance Committee
Leadership Team	Mrs P Young – Headteacher Mr M Quinn – Deputy Headteacher Mrs A Gaunt – Deputy Headteacher Mrs Natalie Hall – Assistant Headteacher Miss S Taylor – Assistant Headteacher Mrs A Spears – Assistant Headteacher Mrs D Chesters – Business Manager/Company Secretary
Principal Registered Office	Upton Hall School Upton Wirral CH49 6LJ
Company Registration Number	07952451 (England and Wales)
Independent Auditor	RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP) Steam Mill Steam Mill Street Chester CH3 5AN
Bankers	Lloyds TSB PO Box 1000 Andover BX1 1LT

The Governors present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2015.

The trust operates an academy for girls aged 11 to 18 and it is a selective Grammar School. It has a pupil capacity of 980 and had a roll of 989 on the school census in January 2015.

The charitable company was incorporated on 16th February 2012 and took over the trade and assets of the Upton Hall School FCJ from the Wirral Local Authority on 1st March 2012.

Structure, Governance and Management
Constitution
The Academy Trust (Upton Hall School, FCJ) 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 herewith referred to as Upton Hall School FCJ.

The governors act as trustees for the charitable activities of Upton Hall School FCJ and are also directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Upton Hall School FCJ. Not all governors are trustees of the Academy as detailed on page 1.

Details of Governors who served throughout the year are included in the Reference and Administrative details on page 1.

Members' Liability
Each member of the Charitable Company undertakes to contribute to the assets of the Charitable Company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10.00 for the debts and liabilities contracted before they ceased to be a member.

Governors' Indemnities
In accordance with normal commercial practice the Academy Trust has purchased insurance to protect trustees, governors and officers from claims arising due to negligent acts, errors or omissions occurring on school business.

Principal Activities
The principal objective of the school is to advance the educational opportunities and achievements of its students by establishing, maintaining, managing and developing a school with a designated catholic religious character offering a broad and balanced curriculum in accordance with the principles, practices and tenets of the Catholic Church, both generally and in particular to arranging for religious education and daily acts of worship and in having regard to the advice of the order, Sisters Faithful Companions of Jesus.

The School Development Plan for 2015-2016 states that as a Catholic School, our fundamental aim is the education of the 'whole person', spiritually and morally, intellectually, emotionally, socially, physically and artistically.

We seek to identify and cater for each pupil's needs as they arise during their school life; and to encourage each individual to develop her talents for her own sake and so that she can help to make the world a better place, according to the values embodied in the Gospels.

The Upton Hall School FCJ community aims:

1. To create an environment in which people work collaboratively, experience a sense of self worth and respect and are encouraged to make a positive contribution to the life of the school and to that of the wider community in accordance with the Christian values that are at the heart of its philosophy.
2. To encourage its members to offer support and encouragement to each other as each makes a journey of Faith that includes identifying and nurturing her/his own unique gifts.
3. To ensure that all pupils feel safe and secure in the knowledge that they have equality of opportunity to develop as a 'whole person', acquire mental resilience and a zest for life.

Method of Recruitment and Appointment or election of Governors
There are 20 Governors representing various stakeholders: 4 elected Parent Governors, 2 elected Staff Governors, 11 Foundation Governors (appointed to reflect the skills required of a modern academy as determined by other Governors), the Head Teacher and 2 appointed Governors.

Policies and Procedures adopted for the induction and training of Governors
Governors undertake an induction programme in line with the School's Induction Policy for Governors, this includes meeting with the Chair of Governors and the Headmistress, receiving copies of all the school policies. Appointed Governors are allocated to committees using their strengths to support the school and other Governors on that committee. The local authority also provides training programmes for Governors.

Organisational Structure
The organisational structure consists of three levels, the Academy Trust Board (the governors) the Governing Body and the School Leadership Team.

The Academy Trust Board is responsible for those statutory duties which may not have been delegated to the Governing Body.

The key purposes of the Governing Body are:
- Monitoring the school's financial and academic performance,
- Developing strategic policies which reflect the ethos and vision of the school ensuring creative use of available resources,
- Monitoring and evaluating performance , supporting the Headmistress in managing the school,
- Promoting the school and fostering links with community.

In fulfilling the above, the Governing Body discharges the following responsibilities:
- Develop and review the School's Improvement Plan,
- Review and monitor the School's financial position on a regular basis,
- Consider any contractual matters,
- Monitor the educational performance of the school in line with outcomes and success criteria,
- Approve and review the implementation of and effectiveness of key operational policies,
- Monitor the effectiveness of staffing policies,
- Monitor the effective management of the school's site and buildings,
- Maintain an overview of the school's risk management procedures.

The School's Leadership Team consists of the Headteacher, 2 Deputy Headteachers, 3 Assistant Headteachers and the School Business Manager. These Leaders manage the School at an executive level implementing the policies laid down by the Governing Body.

Risk Management
Governors are responsible for the management of the risks to which the school may be exposed and are assisted in this task by the School Leadership Team, HR and legal advisors from SAS Daniels, Health and Safety representatives from Wirral Council. Operational risks are identified and assessed at school level; these are reviewed by Governors who also identify and assess the key strategic risks facing the school.

The key controls used by Governors include:
- Detailed terms of reference for all committees,
- Formal agendas for all meetings and committee meetings of Governing Body, minutes of full Governing Body and committee meetings are reviewed by Governors,
- Formal written policies,
- Clear authorisation and approval levels,
- Policies and procedures required by law,
- Scheme of delegation and formal financial regulations for staff.

Risk management procedures have been reviewed during the year and Governors are satisfied that the major risks identified have been reviewed and processes have been established to manage those risks where necessary.
Pupil numbers and forecast numbers based on the number of girls within Wirral primary schools are reviewed annually to ensure appropriate marketing and recruitment policies are adopted to ensure that all available places in both Year 7 and 6th form are filled. Following incorporation the school risk register has been updated and is reviewed annually.

Connected organisations, including related party relationships
The Governing Body works closely Wirral Borough Council, the Education Funding Agency EFA, and a number of Wirral primary and secondary schools.

Objectives and Activities

Objectives
Upton Hall School community seeks to:

- promote Christian moral values among its pupils
- forge links between school and home which will support the school's philosophy and help to achieve its stated aims
- offer a broad and balanced curriculum, in line with statutory requirements, which is intellectually challenging, enjoyable and leads to academic success
- develop independent learners and creative thinkers who are self motivated and capable of solving problems
- support pupils in the development of a sense of self-discipline based on the values of self respect and respect for others
- prepare pupils for Higher Education, a future career and economic well-being
- encourage pupils to develop a range of skills by participating in extra-curricular activities
- encourage its pupils to adopt healthy lifestyles, to promote their mental and physical wellbeing and their personal safety
- offer pupils the opportunity for community service and links with the wider community so they can develop an appreciation of the world in which they live and an understanding of their role in its improvement
- offer an environment which is safe, secure, welcoming and stimulating
- organise management and administrative systems which support the aims of the School

Public Benefit
The Governors confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the Charity Commissioner's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

STRATEGIC REPORT

Achievements and Performance
The year covered by these financial statements reflects the academic year 2014-2015 for Upton Hall School FCJ. The data below is based on the unvalidated data available to the school in November 2015.

There were 140 GCSE candidates; 99.3% of whom gained 5+ grades A*-C including mathematics and English with an average point score of 530. Of the 140 candidates: 84% achieved the Ebacc; 98.5% made expected progress and 68% made more than expected progress in English; 94% made expected progress and 65.4% made more than expected progress in mathematics. The new measures of Progress and Attainment 8 showed an average total ***Progress 8*** of 0.72 and an and ***Average Attainment 8*** grade of 6.73.
There were 130 A level candidates of whom 97.7% achieved 3+ grades A*-E. 52.5% of the grades were A*-B.

Going Concern
After making appropriate enquiries the Governing Body has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

Key financial performance indicators
The academy will continue to sustain appropriate staffing levels to deliver a broad and balanced curriculum that meets the needs of the pupils whilst maintaining the catholic religious character of the school. The academy will continue to maintain high performance in external examinations and will continue to provide an environment that is safe and secure.

Financial Review
The Financial position of the school is detailed in the following pages.

Most of the school's income is obtained from the EFA in the form of the General Annual Grant and Capital Grants, the use of which is restricted to specific purposes. The grants received during the year and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

Capital grants receivable from the EFA during the year amounted to £490k. In accordance with the Charities Statement of Recommended Practice Accounting and Reporting by Charities (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed assets fund balance is reduced by annual depreciation over the expected useful life of the assets concerned. The depreciation charge for the year was £354k.

Grants of £4.97m were received from the EFA and Local Authority. Expenditure covered by these grants amounted to £4.88m. Such grants and expenditure are shown in the restricted general fund in the Statement of Financial Activities.

Unrestricted income and expenditure in the year amounted to £204k aand £188k respectively.

At 31 August 2015 the net book value of fixed assets was £12.713m and movement in fixed assets are shown in Note 11 of the financial statements. The cost of fixed asset additions in the year amounted to £271k of which £246k related to the building work.

Financial and Risk Management Objectives and Policies

The Academy has a Risk Management Policy incorporating a Risk Register. There is also a business continuity plan. These have been discussed by Governors and include the financial risks to the Academy. The register and plan are constantly reviewed in the light of any new information.

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Governors have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains they have ensured they have adequate insurance cover.

Whilst the Academy is over-subscribed, numbers can vary and this is a matter discussed regularly by the Academy Governors and Leadership Team, bearing in mind the reduction in post 16 funding levels, the freeze on the Government's overall education budget, changes in funding arrangements for special educational needs and increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

The Governors examine the financial position of the school formally every term, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Governors' and Finance Committee meetings. The Governors also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the Academy had no significant liabilities arising where there would be a significant effect on liquidity.

The Governing Body recognises that the defined benefit scheme deficit (Local Government Pension Scheme), which is set out in the Notes to the financial statements, represents a significant potential liability. However as the Governors consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

Principal Risks and Uncertainties

The principal risks and uncertainties facing the Academy are as follows:

Financial - the Academy has considerable reliance on continued Government funding through the EFA and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Governors continue to review and ensure that appropriate measures are in place to mitigate these risks.

Reputational - the continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Governors ensure that student success and achievement are closely monitored and reviewed.

Safeguarding and child protection - the Governors continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Staffing - the success of the Academy is reliant on the quality of its staff and so the Governors monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Reserves policy
Governors review the reserves annually. This review encompasses the nature of the income and expenditure streams, the need to match income with commitments and the nature of the reserves. The governors will ensure that the reserves policy continues to conform to the requirements laid down in the Academies Financial Handbook produced by the EFA.

The Academy is allowed to carry forward grant representing 12% of the current year's GAG (General Annual Grant). The amount that can be carried forward must be split as follows:

- Up to 2% of GAG may be used for any purpose
- Up to 10% of GAG as Restricted Funds which may only be used for the improvement of premises and other capital expenditure.

It is Governors' policy to build unrestricted reserves which can be used for future education purposes in line with the school's development plan. The Governors have determined that there should be no set level of free cash reserves. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants, and to provide a cushion to deal with unexpected emergencies. The Academy's current level of reserves (total funds less the amount held in fixed assets and restricted funds and pension liability) is £446k in free reserves.

The school's pension liability is £979,000 with sufficient liquid assets to cover this figure. On 2 July 2013 the Secretary of State for Education, Michael Gove laid a Parliamentary Minute and an accompanying Written Secretarial Statement in the House of Commons and House of Lords. These set out details of a guarantee that any

outstanding Local Government Pension Scheme liabilities on academy closure will be met by the Department for Education.

Investment Policy
Due to the nature of funding, the Academy may at times hold cash balances surplus to its short term requirements. The Governors have authorised the opening of additional short term bank investment accounts to take advantage of higher interest rates.

Governors are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. Day to day management of the surplus funds is delegated to the Business Manager under approvals by the Governing Body.

Plans for the future
The budget for 2015/16 financial year has been set and agreed by Governors and is expected to show a carried forward balance of £15k. The academy will continue to sustain appropriate staffing levels to deliver a broad and balanced curriculum that meets the needs of the pupils whilst maintaining the catholic religious character of the school. The academy will continue to maintain high performance in external examinations and will continue to provide an environment that is safe and secure.

Funds held as Custodian Trustee on behalf of others
The School holds no funds on behalf of others.

Auditors
RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP) has indicated its willingness to continue in office.

Statement as to disclosure of information to auditors
The Governors have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the Governors have confirmed that they have taken all the steps that they ought to have taken as Governors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The Governors Annual Report is approved by order of the board of Governors and the Strategic Report (included therein) is approved by the board of governors in their capacity as the directors at a meeting on 10/12/15.. and signed on its behalf by:

C Green.

Mrs C Green
Chair of Governors

Scope of responsibility
As governors, we acknowledge we have overall responsibility for ensuring that Upton Hall School FCJ 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 Governing Body has delegated the day-to-day responsibility to the Headmistress, 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 Upton Hall School FCJ and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance
The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors and Trustees Responsibilities. The Governing Body has formally met 5 times in the academic year. Attendance at the our meetings of the governing body was as follows:

Governor	Meetings attended	Out of possible
Mrs C Green	4	5
Mr B Larkin	3	5
Sr M Cashmore(Illness)	0	5
Sr B Halligan	4	5
Mr M Clarke (Illness)	0	5
Mr T Duffy	3	5
Mrs H Fleming	4	5
Mr D Norton	4	5
Mr P Hoskinson	4	5
Mr J Prothero	5	5
Mrs N Teare	4	5
Mr S Duggan (Headteacher – St Anselm's College)	3	5
Mr Mrs P Young (Headteacher and accounting officer)	4	5
Ms S Hannam (Staff Governor)	5	5
Mr I Clarke	5	5
Mr Mark Scudder (Parent Governor from Sept 2014 – Jan 15)	2	2
Mr Jason Szpac (Parent Governor from Jan 15)	2	2
Dr E Smears	3	5
Miss A Burnett (Staff Governor)	5	5

Finance Committee
The finance committee is a sub-committee of the main governing body. Its purpose is:
- To advise the Governing Body on the application of the general annual grant and any other payments received by the school.
- To advise the Governing Body on financial strategy and policy within the resources available and in accordance with the school's development plan.
- To receive, consider and present to the Governing Body annual estimates of the school's budget and the annual out-turn budget.
- To keep under general review the staffing establishment of the school and to recommend to the Governing Body the financial limits for salaries and wages within the overall school budget.
- To receive regular reports on the school's income and expenditure, showing a comparison of these against the annual budget.

- To review from time to time the financial memorandum and regulations for the supervision and control of financial procedures, accounts, income and expenditure of the school, together with such related matters as considered necessary and desirable, including insurances.

We have two qualified accountants as members of the committee. Attendance at meetings in the last year is as follows:

Governor	Meetings attended	Out of possible
Mrs C Green	4	4
Mr B Larkin	3	4
Sr B Halligan	4	4
Mr P Hoskinson	4	4
Mrs N Teare	3	4
Mrs P Young (Headteacher and accounting officer)	4	4
Ms S Hannam (Staff Governor)	3	4
Mr J Prothero	3	4

Governance Review

The Governing Body understands their role within the Academy. They understand that strong governance is essential for all schools and that a regular review of the Governing Body is essential. During the academic year all Governors undertook a skills audit to ensure that their expertise and competencies were suitable for the role. Governors need to be effective and confident to be able to support and challenge Headteachers and hold them to account to ensure pupils receive the best education. It is essential that Governors understand data and are familiar with examination results and levels of progress as well as finances. Governors challenge the leadership of the school to drive change and improvements for pupils at the correct pace. Governors along with the Leadership team develop the long term aims and priorities of the school development plan and this is monitored and reviewed annually.

Review of Value for Money

As accounting officer the 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:

- **Improving educational results**
  - Having a broad curriculum which meets the needs of all our pupils and gives them the opportunity to raise their individual levels of attainment
  - Tracking pupil performance and attendance, following up problems with intervention.
  - Regular reviews of the staffing structure to ensure staff are efficiently deployed to provide best value in terms of quality teaching, quality learning, adult-pupil ratio and curriculum management.

- **Financial Governance and Oversight**
  - Financial Governance is strong; we have two accountants on the Finance Committee. The committee receive regular detailed reports including regular updates on the expected outturn for the year. Regular Responsible Officer visits are made by RSM Risk Assurance LLP (formerly Baker Tilly Risk Advisory LLP) reports are shared with the Finance Committee and any recommendations implemented.Cash flow analysis is used to identify and invest surplus cash balances to maximise bank interest.

Better Purchasing - Steps taken to ensure value for money when purchasing include:

- **Exploring alternative purchasing options to find best value.**
- Long term contracts are regularly reviewed and compared against other providers, in order to achieve the best price without compromising quality. We negotiate prices with suppliers regularly, this year we renegotiated a lower price with our photocopying paper suppliers. Collaborate with other local schools in order to research 'Best Value' products and services. Consider if purchase is necessary.

- **Better Income Generation**
- Continue to bid for funding that is made available and to seek opportunities to generate income for the school.
- Support the Parents and Friends of Upton Hall and look at opportunities to work with parents to generate additional income through donations or fund raising.
- The school's banking arrangements ensure that where cash flow allows, monies are transferred into a higher interest account.
- Continue with a strong approach to management of risk and to ensuring value for money and elimination of waste.

- **Reviewing controls and managing risk**
- The Finance committee, Business Manager and Leadership team have reviewed regular budget reports including any future recommendations. Departmental budget holders are issued regular budget reports.
- The school has a comprehensive risk register which is reviewed by the Business Manager and the Governor Responsible Officer annually and approved by Governors.
- The school has a Service Level Agreement with the Local Authority for Health and Safety advice.
- Annual reviews of the schools insurance needs are undertaken with the school's broker.
- Professional advice and support (HR and Legal) has also been sought from HR specialist solicitors.

- **Future Objectives**
- Continue to review and monitor staffing costs to ensure that they are sustainable and controlled, but still meet the operational needs of the school. Undertake a full analysis of the curriculum to ensure it is cost effective.

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 Upton Hall School, FCJ for the year ended 31 August 2015 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk
The Governing Body 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 Governing Body is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ending 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

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 Governing Body;
- regular reviews by the Finance committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The Governing Body has considered the need for a specific internal audit function and has decided to appoint RSM Risk Assurance LLP (formerly Baker Tilly Risk Advisory LLP), to support the role of Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a quarterly basis, the RO will report to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

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

- The work of the external auditor
- The regularity assurance report
- The financial management and governance self-assessment process

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

Approved by order of the members of the Governing Body on 10/12/2015 and signed on its behalf by:

C Green.

Mrs C Green
Chair of Governors

Mrs P Young
Accounting Officer

Upton Hall School FCJ

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

I confirm that I and the academy trust governing body 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.

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

Mrs P Young
Accounting Officer

Date 11/12/15

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The governors who are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the governors to prepare financial statements for each financial year. Under company law the governors 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 year. In preparing these financial statements, the governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 governors 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 governors are responsible for ensuring that in its conduct and operation the Charitable Company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/DfE have been applied for the purposes intended.

The governors 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 governing body on 10 December 2015 and signed on its behalf by:

C Green.

Mrs C Green
Chair of Governors

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UPTON HALL SCHOOL FCJ

We have audited the financial statements of Upton Hall School FCJ for the year ended 31 August 2015 on pages 16 to 37. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

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.

Respective responsibilities of governors and auditor
As explained more fully in the Statement of Governors' Responsibilities set out on page 13, the governors who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements
A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at http://www.frc.org.uk/auditscopeukprivate

Opinion on financial statements
In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2015 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 Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

Opinion on other requirement of the Companies Act 2006
In our opinion the information given in the Governors' Report and the incorporated Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

RSM UK Audit LLP

ROGER DAVIES BA FCA (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP (formerly BAKER TILLY UK AUDIT LLP)
Statutory Auditor
Steam Mill
Chester CH3 5AN

Date 15th December 2015

Upton Hall School FCJ

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES)

for the year ended 31 August 2015

	Notes	Unrestricted funds £'000	Restricted General funds £'000	Restricted fixed asset funds £'000	Total 2015 £'000	Total 2014 £'000
INCOMING RESOURCES						
Income from generated funds:						
Voluntary income	2	-	-	490	490	479
Activities for generating funds	4	201	-	-	201	193
Investment income		3	-	-	3	4
Income from charitable activities:						
Funding for the Academy's educational operations	3	-	4,973	-	4,973	5,147
Total incoming resources		204	4,973	490	5,667	5,823
RESOURCES EXPENDED						
Cost of generating funds:						
Costs of activities for generating funds	5	187	54	-	241	228
Charitable activities:						
Academy's educational operations	6	1	4,803	354	5,158	5,318
Governance costs	7	-	25	-	25	45
Total resources expended		188	4,882	354	5,424	5,591
NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS		16	91	136	243	232
Gross transfers between funds		-	(32)	32	-	-
NET INCOME FOR THE YEAR		16	59	168	243	232
OTHER RECOGNISED GAINS AND LOSSES						
Actuarial loss on defined benefit schemes	23	-	(59)	-	(59)	(35)
NET MOVEMENT IN FUNDS		16	-	168	184	197
RECONCILIATION OF FUNDS						
Total funds brought forward		430	(203)	12,934	13,161	12,964
TOTAL FUNDS CARRIED FORWARD AT 31 AUGUST	14	446	(203)	13,102	13,345	13,161

All of the Academy Trust's activities derive from continuing operations during the above financial year.

A statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

Upton Hall School FCJ

BALANCE SHEET

31 August 2015 Company Registration No. 07952451

	Notes	2015 £'000	2015 £'000	2014 £'000	2014 £'000
FIXED ASSETS					
Tangible assets	11		12,713		12,796
					12,796
CURRENT ASSETS					
Debtors	12	139		236	
Cash at bank and in hand		1,948		1,593	
		2,087		1,829	
CREDITORS: Amounts falling due within one year	13	(476)		(570)	
NET CURRENT ASSETS			1,611		1,259
TOTAL ASSETS LESS CURRENT LIABILITIES			14,324		14,055
NET ASSETS EXCLUDING PENSION LIABILITY			14,324		14,055
Pension scheme liability	23		(979)		(894)
NET ASSETS INCLUDING PENSION LIABILITY			13,345		13,161
FUNDS OF THE ACADEMY TRUST:					
RESTRICTED FUNDS					
Fixed asset fund	14		13,102		12,934
General fund	14		776		691
Restricted funds excluding pension reserve			13,878		13,625
Pension reserve	14		(979)		(894)
TOTAL RESTRICTED FUNDS			12,899		12,731
TOTAL UNRESTRICTED FUNDS	14		446		430
TOTAL FUNDS			13,345		13,161

The financial statements on pages 16 to 37 were approved by the governors and authorised for issue on 10 December 2015, and are signed on their behalf by:

C Green.

Mrs C Green
Chair

Upton Hall School FCJ

CASH FLOW STATEMENT

for the year ended 31 August 2015

	Notes	2015 £'000	2014 £'000
NET CASH FLOW FROM OPERATING ACTIVITIES	18	133	638
Returns on investments and servicing of finance	19	3	4
Capital expenditure	20	219	102
INCREASE IN CASH IN THE YEAR	21	355	744
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS			
NET FUNDS AT 1 SEPTEMBER 2014		1,593	849
NET FUNDS AT 31 AUGUST 2015	21	1,948	1,593

Basis of Preparation
The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Statement of Recommended Practice ('SORP 2005') 'Accounting and Reporting by Charities', the Academies: Accounts Direction 2014 to 2015 issued by the Education Funding Agency and Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Going Concern
The Governors assess whether the use of the going concern basis is appropriate, i.e whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The Governors make this assessment on a regular basis during the year and in respect of one year from the date of approval of the financial statements.

At the balance sheet date the Academy had net assets of £13.3m after providing for long term pension scheme commitments of £979k in respect of the support staff defined benefit pension scheme. Net current assets were £1,611k (2014: £1,259k).

The Governors have reviewed and approved budgets and cashflow forecasts for 2015/16 and future years, and consider in the light of this review that it is appropriate to prepare the financial statements on a going concern basis.

Incoming resources
All incoming resources are recognised when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants receivable
Fixed asset 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 year is shown in the relevant funds on the balance sheet. The general annual grant ('the GAG') from the DfE, which is intended to meet recurrent costs, is credited directly to the Statement of Financial Activities. Other grants from government agencies and other bodies are recognised in the year in which they are receivable to the extent the conditions of funding have been met. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received the income is accrued.

Donations
Donations are included recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

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

Donated services and gifts in kind
The value of donated services and gifts in kind provided to the Academy Trust are recognised at their open market value in the year in which they are receivable in incoming resources, where the benefit to the Academy Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate category and depreciated over the useful economic life in accordance with Academy Trust's policies.

Interest receivable
Interest receivable is included in the Statement of Financial Activities on a receivable basis, and is stated inclusive of related tax credits.

Resources expended
All expenditure is recognised in the year in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated to each activity cost category on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities are costs incurred on the Academy Trust's educational operations.

Governance costs include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and governors' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

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 Governors.

Restricted General funds are resources subject to specific restrictions imposed by funders or donors, and include grants from the Education Funding Agency and Department for Education.

Restricted Fixed Assets Funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency, Department for Education, or other funders, where the asset acquired or created is held for a specific purpose.

Where fixed assets are purchased out of unrestricted or general restricted funds then an amount equivalent to the additions are transferred to the restricted fixed asset fund in the year incurred and shown separately within the SOFA.

Tangible fixed assets
Tangible fixed assets costing £2,500 or more are capitalised at cost 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 the related grants require the asset to be held for a specific purpose they are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet, with this amount being reduced over the useful economic life of the related asset on a basis consistent with the depreciation policy.

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

Leasehold property	2% Straight line
Assets under construction	Nil depreciation
Fixtures, fittings and equipment	20% Straight line
Computer equipment	33.33% Straight line

Land is not depreciated

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

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

Taxation
The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 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 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.

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

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, are contracted out of the State Earnings-Related Pension Scheme ('SERPS') (until April 2016), and the assets are held separately from those of the Academy Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective benefit method. As stated in Note 23, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the year until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

Agency arrangements
The Academy Trust acts as an agent in the administering of 16-19 Bursary Funds from the EFA. Related payments received from the EFA and subsequent disbursements to students are excluded from the statement of financial activities to the extent that the Academy Trust does not have a beneficial interest in the individual transactions. The allowance of 5% as a contribution to administration costs is however recognised in statement of financial activities. Where funds have not been fully applied in the year then an amount will be included as amounts due to the EFA.

1 GENERAL ANNUAL GRANT (GAG)

Under the funding agreement with the Secretary of State the academy trust was subject to limits at 31 August 2015 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes. The academy trust has not exceeded these limits during the year ended 31 August 2015.

2 VOLUNTARY INCOME

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed asset funds £'000	2015 Total £'000	2014 Total £'000
DfE/EFA capital grant for building	-	-	490	490	478
Other donations	-	-	-	-	1
	-	-	490	490	479

3 FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed asset funds £'000	Total 2015 £'000	Total 2014 £'000
DfE/EFA REVENUE GRANTS					
General annual grant (GAG) (note 1)	-	4,790	-	4,790	4,943
Other DfE/EFA grants	-	103	-	103	105
	-	4,893	-	4,893	5,048
OTHER GOVERNMENT GRANTS					
Special educational projects	-	37	-	37	42
		37		37	42
Other income	-	43	-	43	57
	-	4,973	-	4,973	5,147

4 ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed asset funds £'000	Total 2015 £'000	Total 2014 £'000
Catering income	201	-	-	201	193
	201	-	-	201	193

5 RESOURCES EXPENDED

	Staff costs £'000	Non pay expenditure Premises £'000	Non pay expenditure Other costs £'000	Total 2015 £'000	Total 2014 £'000
Costs of activities for generating funds	99	-	142	241	228
Academy's educational operations					
Direct costs	3,515	354	187	4,056	4,164
Allocated support costs	491	232	379	1,102	1,154
	4,006	586	566	5,158	5,318
Governance costs including allocated support costs	-	-	25	25	45
	4,105	586	733	5,424	5,591

Net incoming/(outgoing) resources for the year include:	2015 £'000	2014 £'000
Operating leases - plant and machinery	-	-
- other	22	24
Fees payable to RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP) and its associates for:		
- audit of financial statements	8	8
- audit of EFA March 2015 Return	-	8
- other services	7	7

6 CHARITABLE ACTIVITIES – ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £'000	Restricted General £'000	Restricted Asset Funds £'000	Total 2015 £'000	Total 2014 £'000
DIRECT COSTS					
Teaching and educational support staff costs	-	3,515	-	3,515	3,586
Depreciation	-	-	354	354	339
Educational supplies	-	56	-	56	90
Examination fees	-	111	-	111	115
Staff development	-	20	-	20	34
	-	3,702	354	4,056	4,164
ALLOCATED SUPPORT COSTS					
Support staff costs	-	491	-	491	503
IT Expenditure & support	-	85	-	85	93
Recruitment and support	-	39	-	39	32
Printing, postage, stationery and telephone	-	58	-	58	89
Maintenance of premises and equipment	-	75	-	75	76
Hire of equipment	-	22	-	22	24
Cleaning	-	30	-	30	33
Rent and rates	-	27	-	27	27
Heat, light, water & waste disposal	-	129	-	129	121
Insurance	-	32	-	32	38
Legal & professional	-	15	-	15	3
Security and transport	-	22	-	22	19
Other support costs	-	50	-	50	64
Bank interest and charges	1	-	-	1	1
Pension interest	-	26	-	26	31
	1	1,101	-	1,102	1,154
	1	4,803	354	5,158	5,318

7 GOVERNANCE COSTS

	2015 £'000	2014 £'000
Legal and professional fees	10	14
Auditors' remuneration		
Audit of financial statements	11	27
Other services	4	4
	25	45

8 STAFF COSTS

Staff costs during the year were:	2015 £'000	2014 £'000
Wages and salaries	3,269	3,416
Social security costs	224	203
Pension costs	451	459
	3,944	4,078
Supply teacher costs	130	78
Staff restructure costs	31	32
	4,105	4,188

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

	2015 No	2014 No
Teachers	59	65
Administration and support	43	41
Management	7	7
	109	113

The number of employees whose emoluments fell within the following bands was:

	2015 No	2014 No
£60,001 - £70,000	1	1
£90,001 - £100,000	1	1

The above employees participated in the Teacher's Pension Scheme. During the year ended 31 August 2015, pension contributions for these staff amounted to £21,862 (2014: £21,645).

9 GOVERNORS' REMUNERATION AND EXPENSES

Principal and staff governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff members under their contracts of employment and not in respect of their services as governors. Other governors did not receive any payments from the Academy Trust in respect of their role as governors. The value of the Principal's remuneration was £92,528 for the year to 31 August 2015 (2014: £91,612). The principal accrues retirement benefits under TPS and has accrued entitlement of £13,046 under the scheme at the year end (2014: £12,917).

During the year ended 31 August 2015, travel and subsistence expenses totalling £Nil (£2014: Nil) were reimbursed to governors.

10 GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £500,000 on any one claim and the cost for the year ended 31 August 2015 was £1,431 (2014: £1,431).

The cost of this insurance is included in the total insurance cost.

11 TANGIBLE FIXED ASSETS

	Leasehold land and buildings £'000	Fixtures and fittings £'000	Computer equipment £'000	Assets under construction £'000	Total £'000
Cost:					
31August 2014	13,044	90	239	155	13,528
Additions	-	4	21	246	271
Transfer	219	-	-	(219)	-
31 August 2015	13,263	94	260	182	13,799
Depreciation					
31 August 2014	588	23	121	-	732
Charged in the year	257	14	83	-	354
31 August 2015	845	37	204	-	1,086
Net book value					
31 August 2015	12,418	57	56	182	12,713
31 August 2014	12,456	67	118	155	12,796

The Trustees of the Society Sisters Faithful Companion of Jesus own the land and buildings from which the academy operates. The academy has entered into an agreement with the Trustees whereby the Trustees have agreed to make available the land and buildings for the academy on a 'grace and favour' basis in perpetuity.

The terms of this agreement transfer substantially all the risks and rewards of ownership of the land and buildings to the academy trust and consequently the assets are recognised as a fixed asset.

The land and buildings transferred on conversion were independently professionally valued by Mason Owen Chartered Surveyors in March 2012 and are included in the financial statements at this valuation together with the cost of additions since that date.

Included within leasehold land and buildings is land valued at £220,000.

12 DEBTORS

	2015 £'000	2014 £'000
Trade debtors	2	-
VAT debtor	87	84
Prepayments and accrued income	50	152
	139	236

13	CREDITORS: Amounts falling due within one year	2015 £'000	2014 £'000
	Trade creditors	63	227
	Other taxation and social security	75	70
	Other creditors	110	122
	Accruals and deferred income	228	151
		476	570

Deferred income	£'000
Deferred income at 1 September 2014	23
Resources deferred in the year	51
Amounts released from previous years	(23)
Deferred income at 31 August 2015	51

At the balance sheet date the academy trust was holding funds received in advance in relation to projects commencing in the 15/16 year, together with pupil premium and rates rebate funding received in advance to be spent next year.

14 FUNDS

	At 1 September 2014 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses and transfers £'000	At 31 August 2015 £'000
RESTRICTED GENERAL FUNDS					
General Annual Grant (GAG)	-	4,790	(4,758)	(32)	-
Pension reserve	(894)	-	(26)	(59)	(979)
Other DfE/EFA grants	220	103	-	-	323
Other government grants	196	80	(98)	-	178
Transfer from local authority on conversion	275	-	-	-	275
	(203)	4,973	(4,882)	(91)	(203)
RESTRICTED FIXED ASSET FUNDS					
DfE capital grants	2,152	468	(69)	32	2,583
Devolved capital grants	27	22	(1)	-	48
Other capital grants	64	-	(2)	-	62
Capital expenditure from GAG	9	-	-	-	9
Transfer from local authority on conversion	10,682	-	(282)	-	10,400
	12,934	490	(354)	32	13,102
TOTAL RESTRICTED FUNDS	12,731	5,463	(5,236)	(59)	12,899
UNRESTRICTED FUNDS					
Unrestricted funds	430	204	(188)	-	446
TOTAL UNRESTRICTED FUNDS	430	204	(188)	-	446
TOTAL FUNDS	13,161	5,667	(5,424)	(59)	13,345

Under the funding agreement with the Secretary of State, the academy trust was subject to a limit on the GAG that it could carry forward at 31 August 2015. Note 1 discloses whether the limit was exceeded.

The DfE capital grants are provided by the Government for specific capital projects.

A total of £32k of restricted funds have been transferred to the restricted fixed asset fund to represent fixed assets purchased out of GAG income.

15 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £'000	Restricted general £'000	Restricted fixed asset funds £'000	Total funds £'000
Tangible fixed assets	-	-	12,713	12,713
Current assets	446	1,252	389	2,087
Current liabilities	-	(476)	-	(476)
Pension scheme liability	-	(979)	-	(979)
TOTAL NET ASSETS AT 31 AUGUST 2015	446	(203)	13,102	13,345

16 CAPITAL COMMITMENTS

	2015 £'000	2014 £'000
Contracted for, but not provided in the financial statements	37	76

17 FINANCIAL COMMITMENTS

OPERATING LEASES

At 31 August the Academy Trust had annual commitments under non-cancellable operating leases as follows:

	2015 £'000	2014 £'000
Other:		
Expiring within one year	2	-
Expiring within two and five years inclusive	7	10
	9	10

18 RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2015 £'000	2014 £'000
Net income	243	232
Depreciation (note 11)	354	339
Capital grants from DfE and others	(490)	(478)
Interest receivable	(3)	(4)
FRS 17 pension cost less contributions payable (note 23)	-	4
FRS 17 pension finance costs (note 23)	26	31
Decrease in debtors	97	726
(Decrease) in creditors	(94)	(212)
NET CASH INFLOW FROM OPERATING ACTIVITIES	133	638

19 RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

Interest received	3	4
NET CASH INFLOW FROM RETURNS ON INVESTMENT AND SERVICING OF FINANCE	3	4

20 CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

Purchase of tangible fixed assets	(271)	(376)
Capital grants from DfE/EFA	490	478
Capital funding received from sponsors and others	-	-
NET CASH INFLOW FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	219	102

21 ANALYSIS OF CHANGES IN NET FUNDS

	At 1 September 2014 £'000	Cash flows £'000	At 31 August 2015 £'000
Cash in hand and at bank	1,593	355	1,948
	1,593	355	1,948

22 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 he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

23 PENSION 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 Wirral Borough Council, both are defined-benefit schemes.

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

Total contributions amounting to £60,187 (2014: £61,896) were payable to the schemes at 31 August 2015 and are included within Creditors.

Teachers' Pension Scheme

The Teachers' Pensions Scheme ("TPS") is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010, and from 1 April 2014 by the Teachers' Pensions Scheme Regulations 2014. The TPS is an unfunded scheme and members contribute on a 'pay as-you-go' basis, and along with employers' contributions, are credited to the Exchequer.

Valuation of the Teachers' Pensions Scheme
Not less than every four years the Government Actuary ("GA"), using normal actuarial principles, conducts a formal actuarial review of the TPS. 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 was carried out as at 31 March 2012 in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation being published in June 2014. The key elements of the valuation and subsequent consultation are:

- Total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £191,500 million
- Value of the notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £176,600 million
- Assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings
- Rate of real earnings growth is assumed to be 2.75%
- Assumed nominal rate of return is 5.06%

During the year the employer contribution rate was 14.1%.

The TPS valuation for 2012 determined an employer rate of 16.4% from 1 September 2015 and an employer cost cap of 10.9%. The employer contribution rate will be payable until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

23 PENSION AND SIMILAR OBLIGATIONS (continued)

Teachers' Pension Scheme (continued)

The pension costs paid to TPS in the year amounted to £350,326.

Under the definitions set out in Financial Standards (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme.

Accordingly, the Academy Trust has taken the exemption in FRS 17 and 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 and the implications for the Academy Trust in terms of the anticipated rates.

Local Government Pension Scheme
The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £97,516 (2014: £97,007), of which employer's contributions totalled £69,899 (2014: £66,306) and employees' contribution totalled £27,617 (2014: £30,701). The agreed rates for future years are 14.1 per cent for employers and 6.4 per cent for employees.

Principal actuarial assumptions

	2015	2014
Rate of increase in salaries	3.8%	3.7%
Rate of increase for pensions in payment	2.3%	2.2%
Discount rate	4.0%	4.0%
Inflation (CPI)	2.3%	2.2%

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

	2015 Years	2014 Years
Retiring today:		
Males	22.4	22.3
Females	25.3	25.2
Retiring in 20 years:		
Males	24.8	24.7
Females	28.1	28.0

23 PENSION AND SIMILAR OBLIGATIONS (continued)

The Academy Trust's share of the assets and liabilities in the scheme and the expected rates of return were:

	Expected return at 31 August 2015	Fair value at 31 August 2015	Expected return at 31 August 2014	Fair value at 31 August 2014
Equities	6.5%	468	7.0%	391
Government Bonds	2.5%	108	2.9%	89
Other Bonds	3.6%	41	3.8%	15
Property	6.1%	67	6.2%	51
Cash/ liquidity	0.5%	23	0.5%	29
Other	6.5%	73	7.0%	76
TOTAL MARKET VALUE OF ASSETS		780		651
Present value of scheme liabilities - Funded		(1,759)		(1,545)
DEFICIT IN THE SCHEME		(979)		(894)

The actual return on scheme assets was £19,000 (2014: £35,000). The expected rate of return on plan assets is based on market expectations, at the beginning of the period, or investment returns over the entire life of the related obligation. The assumption used is the average of the above assumptions appropriate to the individual asset classes weighted by the proportion of the assets in the particular asset class.

23 PENSION AND SIMILAR OBLIGATIONS (continued)

Amounts recognised in the statement of financial activities	2015 £'000	2014 £'000
Current service cost (net of employee contributions)	(105)	(104)
Past service cost	-	-
Total operating charge	(105)	(104)

Analysis of pension finance income/(costs)		
Expected return on pension scheme assets	38	28
Interest on pension liabilities	(64)	(59)
Pension finance (costs)	(26)	(31)

The actuarial gains and losses for the current year are recognised in the SOFA. The cumulative amount of actuarial gains and losses recognised in the statement of recognised gains and losses since the adoption of FRS 17 is a loss of £3,000 (2014: £56,000 gain).

Movements in the present value of defined benefit obligations were as follows:	2015 £'000	2014 £'000
At 31 August 2014	1,545	1,244
Current service cost	105	104
Interest cost	64	59
Employee contributions	28	31
Actuarial loss	40	130
Benefits paid/ transferred	(23)	(23)
At 31 August 2015	1,759	1,545

Movements in the fair value of Academy Trust's share of scheme assets:		
At 31 August 2014	651	421
Expected return on assets	38	28
Actuarial (loss)/gain	(19)	95
Employer contributions	105	99
Employee contributions	28	31
Benefits paid	(23)	(23)
At 31 August 2015	780	651

The estimated value of employer contributions for the year ended 31 August 2016 is £107,000 (2015: £111,000).

23 PENSION AND SIMILAR OBLIGATIONS (continued)

The history of experience adjustments is as follows:

	2015 £'000	2014 £'000	2013 £'000
Present value of defined benefit obligations	(1,759)	(1,545)	(1,244)
Fair value of share of scheme assets	780	651	421
Deficit in the scheme	(979)	(894)	(823)
Experience adjustments on share of scheme assets Amount £'000	(19)	95	25
Experience adjustments on scheme liabilities: Amount £'000	-	(130)	-

24 RELATED PARTIES

Owing to the nature of the Academy Trust's operations and the composition of the board of governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

There have been no related party transactions during the year (2014: £nil).

25 AGENCY ARRANGEMENTS

The Academy administers the disbursement of the new discretionary support for learners, 16-19 Bursary Funds, on behalf of the EFA. In the year it received £13,097 (2014: £19,576) and disbursed £13,097 (2014: £19,576), with therefore an amount of £Nil (2014: £Nil) repayable to the Academy at the 31 August 2015.