

Upton Hall School FCJ
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended
31 August 2014

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COMPANIES HOUSE

Company Registration No. 07952451

Upton Hall School FCJ

STRATEGIC AND GOVERNORS' REPORT

Upton Hall School FCJ

Reference and Administrative Details Academy Trustees/ Members

Prof J Keaton
Sr Claire Sykes
Sr Moira Cashmore
Mrs C Green

School Governors

Prof J Keaton*
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)
Mr M Darby
Mrs P Young* (Ex Officio)
Mrs N Griffiths
Ms S Hannam*
Mr I Clarke
Mrs R Shields
Dr E Smears
Miss A Burnett
* 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

Baker Tilly UK Audit LLP
Steam Mill
Steam Mill Street
Chester
CH3 5AN

Bankers

Lloyds TSB
PO Box 1000
Andover
BX1 1LT

Upton Hall School FCJ

STRATEGIC AND GOVERNORS' REPORT

The Governors present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2014.

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 2014.

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 law. The Charitable Company is known as Upton Hall School FCJ.

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 2014-2016 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.

Upton Hall School FCJ

STRATEGIC AND GOVERNORS' REPORT

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.

Upton Hall School FCJ

STRATEGIC AND GOVERNORS' REPORT

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.

Achievements and Performance

The year covered by these financial statements reflects the academic year 2013-2014 for Upton Hall School FCJ.

The data below is based on the unvalidated data available to the school in November 2014.

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STRATEGIC AND GOVERNORS' REPORT

There were 143 GCSE candidates, 100% of which gained GCSE in Mathematics and English. 98.6% of pupils gained 5+ grades A*-C including mathematics and English. The average number of points per student was 542. The % of students obtaining the Ebacc was 91% this was the best on the Wirral. 97% of students made expected progress and 68% of students made more than expected progress in English. 95% of students made expected progress and 66.1 % of students made better than expected progress in mathematics. 24 candidates entered mathematics and further mathematics; 82.3% of whom achieved an A*/A grade in further mathematics with nine candidates achieving A* with distinction. 99.7% of the 219 entries at Advanced Level were A*-E, with some outstanding individual performances: one student achieved three A* grades for her A level subjects, another student achieved two A* grades and two A grades for her A level subjects.

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 this 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 received from the EFA during the year amounted to £478K. 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 £339k.

Grants of £5.15m were received from the EFA and Local Authority. Expenditure covered by these grants amounted to £5.05m. 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 £197k and £202k respectively.

At 31 August 2014 the net book value of fixed assets was £12.796m 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 £376k of which £322k 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.

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STRATEGIC AND GOVERNORS' REPORT

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 DFE.

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

Upton Hall School FCJ

STRATEGIC AND GOVERNORS' REPORT

- 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 £430k in free reserves.

The school's pension liability is £894,000 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 2014/15 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

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 4/12/14.... and signed on its behalf by:



Mrs C Green
Chair of Governors

Upton Hall School FCJ

GOVERNANCE STATEMENT

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 4 times in the academic year. Attendance at the our meetings of the governing body was as follows:

Governor	Meetings attended	Out of possible
Professor J Keaton	4	4
Mr B Larkin	3	4
Sr M Cashmore	3	4
Sr B Halligan	4	4
Mr M Clarke Illness	0	4
Mr T Duffy	3	4
Mrs H Fleming	4	4
Mr D Norton	2	4
Mr P Hoskinson	4	4
Mr J Prothero	4	4
Mrs N Teare	4	4
Mr S Duggan (Headteacher – St Anselm's College)	0	4
Mr M Darby	0	4
Mrs P Young (Headteacher and accounting officer)	4	4
Mrs N Griffiths (Staff Governor) until December 13	0	2
Ms S Hannam (Staff Governor)	3	4
Mrs C Green	4	4
Mr I Clarke	4	4
Mrs R Shields	2	4
Dr E Smears	3	4
Miss A Burnett (Staff Governor from March 2014)	2	2

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.

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GOVERNANCE STATEMENT

- 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
Professor J Keaton	2	4
Mr B Larkin	4	4
Sr B Halligan	3	4
Mr P Hoskinson	3	4
Mrs N Teare	4	4
Mrs P Young (Headteacher and accounting officer)	4	4
Ms S Hannam (Staff Governor)	4	4
Mr J Prothero	1	4

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 2014 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 2014 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 an external auditor 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.

Upton Hall School FCJ

GOVERNANCE STATEMENT

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 from the auditors
- 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 4/12 2014 and signed on its behalf by:



Mrs C Green
Chair of Governors



Mrs P Young
Accounting Officer

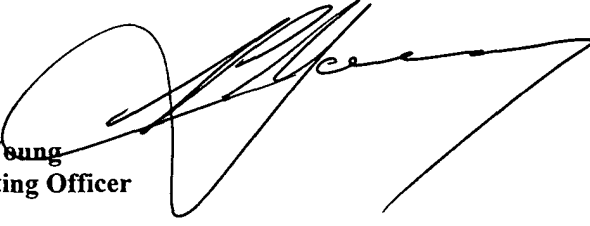
Upton Hall School FCJ -

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 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

12/12/14

Upton Hall School FCJ

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The governors (who act as trustees for charitable activities of Upton Hall School FCJ Academy Trust Limited and 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 Requirements 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 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 4/12/2014 and signed on its behalf by:



Mrs C Green
Chair of Governors

Upton Hall School FCJ

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 2014 on pages 15 to 35. 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 2013 to 2014 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 12, the governors (who act as trustees for the charitable activities of the charitable company, and 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 2014 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 2013 to 2014 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.

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Matters on which we are required to report by exception

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

- 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.

Baker Tilly UK Audit W

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

Date

18th December 2014

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 2014

	Notes	Unrestricted funds £'000	Restricted General funds £'000	Restricted fixed asset funds £'000	Total 2014 £'000	Total 2013 £'000
INCOMING RESOURCES						
Income from generated funds:						
Voluntary income	2	-	1	478	479	1,562
Activities for generating funds	4	193	-	-	193	175
Investment income		4	-	-	4	4
Income from charitable activities:						
Funding for the Academy's educational operations	3	-	5,147	-	5,147	5,087
Total incoming resources		197	5,148	478	5,823	6,828
RESOURCES EXPENDED						
Cost of generating funds:						
Costs of activities for generating funds	5	201	27	-	228	222
Charitable activities:						
Academy's educational operations	6	1	4,978	339	5,318	5,253
Governance costs	7	-	45	-	45	38
Total resources expended		202	5,050	339	5,591	5,513
NET INCOMING RESOURCES BEFORE TRANSFERS						
Gross transfers between funds		(5)	98	139	232	1,315
NET INCOME/(EXPENDITURE) FOR THE YEAR		(5)	98	139	232	1,315
OTHER RECOGNISED GAINS AND LOSSES						
Actuarial gain/ (loss) on defined benefit schemes	23	-	(35)	-	(35)	25
NET MOVEMENT IN FUNDS		(5)	63	139	197	1,340
RECONCILIATION OF FUNDS						
Total funds brought forward		435	(266)	12,795	12,964	11,624
TOTAL FUNDS CARRIED FORWARD AT 31 AUGUST	14	430	(203)	12,934	13,161	12,964

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 2014

Company Registration No. 07952451

	Notes	2014 £'000	2014 £'000	2013 £'000	2013 £'000
FIXED ASSETS					
Tangible assets	11		12,796		12,758
			<u>12,796</u>		<u>12,758</u>
CURRENT ASSETS					
Debtors	12	236		962	
Cash at bank and in hand		1,593		849	
		<u>1,829</u>		<u>1,811</u>	
CREDITORS: Amounts falling due within one year	13	(570)		(782)	
NET CURRENT ASSETS			1,259		1,029
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>14,055</u>		<u>13,787</u>
NET ASSETS EXCLUDING PENSION LIABILITY			14,055		13,787
Pension scheme liability	23		(894)		(823)
NET ASSETS INCLUDING PENSION LIABILITY			<u>13,161</u>		<u>12,964</u>
FUNDS OF THE ACADEMY TRUST:					
RESTRICTED FUNDS					
Fixed asset fund	14		12,934		12,795
General fund	14		691		557
			<u>13,625</u>		<u>13,352</u>
Restricted funds excluding pension reserve					
Pension reserve	14		(894)		(823)
			<u>12,731</u>		<u>12,529</u>
TOTAL RESTRICTED FUNDS			12,731		12,529
TOTAL UNRESTRICTED FUNDS	14		430		435
			<u>13,161</u>		<u>12,964</u>
TOTAL FUNDS			<u>13,161</u>		<u>12,964</u>

The financial statements on pages 15 to 35 were approved by the governors and authorised for issue on 4th December 2014, and are signed on their behalf by:

Mrs C Green
Chair

C Green

Upton Hall School FCJ
CASH FLOW STATEMENT
for the year ended 31 August 2014

	Notes	2014 £'000	2013 £'000
NET CASH FLOW FROM OPERATING ACTIVITIES	18	638	(382)
Returns on investments and servicing of finance	19	4	4
Capital expenditure	20	102	(163)
		<hr/>	<hr/>
INCREASE/ (DECREASE) IN CASH IN THE YEAR	21	744	(541)
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS		<hr/>	<hr/>
NET FUNDS AT 1 SEPTEMBER 2013		849	1,390
		<hr/>	<hr/>
NET FUNDS AT 31 AUGUST 2014	21	1,593	849
		<hr/>	<hr/>

Upton Hall School FCJ

ACCOUNTING POLICIES (continued)

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 2013 to 2014 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 £13m after providing for long term pension scheme commitments of £894k in respect of the support staff defined benefit pension scheme. Net current assets were £1,259k (2013: £1,029k).

The Governors have reviewed and approved budgets and cashflow forecasts for 2014/15 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.

Upton Hall School FCJ

ACCOUNTING POLICIES (continued)

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.

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:

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

Upton Hall School FCJ

ACCOUNTING POLICIES (continued)

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

Tangible fixed assets (continued)

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.

Upton Hall School FCJ

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2014

1 GENERAL ANNUAL GRANT (GAG)

Under the funding agreement with the Secretary of State the academy trust was subject to limits at 31 August 2014 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 2014.

2 VOLUNTARY INCOME

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed asset funds £'000	2014 Total £'000	2013 Total £'000
DfE/EFA capital grant for building	-	-	478	478	1,495
Donations – capital	-	-	-	-	66
Other donations	-	1	-	1	1
	<u>-</u>	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>
	-	1	478	479	1,562
	<u>-</u>	<u>1</u>	<u>478</u>	<u>479</u>	<u>1,562</u>

3 FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed asset funds £'000	Total 2014 £'000	Total 2013 £'000
DfE/EFA REVENUE GRANTS					
General annual grant (GAG) (note 1)	-	4,943	-	4,943	4,884
Other DfE/EFA grants	-	105	-	105	65
	<u>-</u>	<u>5,048</u>	<u>-</u>	<u>5,048</u>	<u>4,949</u>
OTHER GOVERNMENT GRANTS					
School Standard Funds	-	-	-	-	-
Special educational projects	-	42	-	42	44
	<u>-</u>	<u>42</u>	<u>-</u>	<u>42</u>	<u>44</u>
Other income	-	57	-	57	94
	<u>-</u>	<u>5,147</u>	<u>-</u>	<u>5,147</u>	<u>5,087</u>
	<u>-</u>	<u>5,147</u>	<u>-</u>	<u>5,147</u>	<u>5,087</u>

Upton Hall School FCJ
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2014

4 ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed asset funds £'000	Total 2014 £'000	Total 2013 £'000
Catering income	193	-	-	193	175
	<u>193</u>	<u>-</u>	<u>-</u>	<u>193</u>	<u>175</u>

5 RESOURCES EXPENDED

	Staff costs £'000	Non pay expenditure Premises £'000	Other costs £'000	Total 2014 £'000	Total 2013 £'000
Costs of activities for generating funds	99	-	129	228	222
Academy's educational operations					
Direct costs	3,586	339	239	4,164	4,141
Allocated support costs	503	223	428	1,154	1,112
	<u>4,089</u>	<u>562</u>	<u>667</u>	<u>5,318</u>	<u>5,253</u>
Governance costs including allocated support costs	-	-	45	45	38
	<u>4,188</u>	<u>562</u>	<u>841</u>	<u>5,591</u>	<u>5,513</u>
Net incoming/(outgoing) resources for the year include:				2014 £'000	2013 £'000
Operating leases - plant and machinery				-	-
- other				24	10
Fees payable to Baker Tilly UK Audit LLP and its associates for:					
- audit of financial statements				8	12
- audit of EFA March 2014 Return				8	-
- other services				7	6

Upton Hall School FCJ
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2014

6 CHARITABLE ACTIVITIES – ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £'000	Restricted General £'000	Restricted Asset Funds £'000	Total 2014 £'000	Total 2013 £'000
DIRECT COSTS					
Teaching and educational support staff costs	-	3,586	-	3,586	3,584
Depreciation	-	-	339	339	271
Educational supplies	-	90	-	90	149
Examination fees	-	115	-	115	106
Staff development	-	34	-	34	31
Other direct costs	-	-	-	-	-
	-	3,825	339	4,164	4,141
ALLOCATED SUPPORT COSTS					
Support staff costs	-	503	-	503	493
IT Expenditure & support	-	93	-	93	59
Recruitment and support	-	32	-	32	28
Printing, postage, stationery and telephone	-	89	-	89	84
Maintenance of premises and equipment	-	76	-	76	92
Hire of equipment	-	24	-	24	17
Cleaning	-	33	-	33	21
Rent and rates	-	27	-	27	28
Heat, light, water & waste disposal	-	121	-	121	136
Insurance	-	38	-	38	38
Legal & professional	-	3	-	3	1
Security and transport	-	19	-	19	15
Other support costs	-	64	-	64	67
Bank interest and charges	1	-	-	1	1
Pension interest	-	31	-	31	32
	1	1,153	-	1,154	1,112
	1	4,978	339	5,318	5,253

Upton Hall School FCJ
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2014

7 GOVERNANCE COSTS

	2014 £'000	2013 £'000
Legal and professional fees	14	11
Auditors' remuneration		
Audit of financial statements	27	23
Other services	4	4
Governors' reimbursed expenses	-	-
	<hr/>	<hr/>
	45	38
	<hr/> <hr/>	<hr/> <hr/>

8 STAFF COSTS

	2014 £'000	2013 £'000
Staff costs during the year were:		
Wages and salaries	3,416	3,439
Social security costs	203	225
Pension costs	459	421
	<hr/>	<hr/>
	4,078	4,085
	<hr/>	<hr/>
Supply teacher costs	78	75
Compensation payments	32	18
	<hr/>	<hr/>
	4,188	4,178
	<hr/> <hr/>	<hr/> <hr/>

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

	2014 No	2013 No
Teachers	65	64
Administration and support	41	42
Management	7	7
	<hr/>	<hr/>
	113	113
	<hr/> <hr/>	<hr/> <hr/>

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

	2014 No	2013 No
£60,001 - £70,000	1	1
£90,001 - £100,000	1	1
	<hr/> <hr/>	<hr/> <hr/>

Upton Hall School FCJ

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2014

The above employees participated in the Teacher's Pension Scheme. During the year ended 31 August 2014, pension contributions for these staff amounted to £21,645 (2013: £21,431).

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 £91,612 for the year to 31 August 2014 (2013: £90,704). The principals accrue retirement benefits under TPS and have accrued entitlement of £12,917 under the scheme at the year end (2013: £12,789).

During the year ended 31 August 2014, travel and subsistence expenses totalling £Nil (£2013: 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 2014 was £1,431 (2013: £1,431).

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

Upton Hall School FCJ
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2014

11 TANGIBLE FIXED ASSETS

	Leasehold land and buildings £'000	Fixtures and fittings £'000	Computer equipment £'000	Assets under construction £'000	Total £'000
Cost:					
31 August 2013	12,898	40	214	-	13,151
Additions	167	29	25	155	376
Transfer	(21)	21	-	-	-
31 August 2014	13,044	90	239	155	13,528
Depreciation					
31 August 2013	334	12	47	-	393
Charged in the year	254	11	74	-	339
31 August 2014	588	23	121	-	732
Net book value					
31 August 2014	12,456	67	118	155	12,796
31 August 2013	12,563	28	167	-	12,758

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 term of this agreement transfers 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 2013 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	2014 £'000	2013 £'000
VAT debtor	84	326
Prepayments and accrued income	152	636
	236	962

Upton Hall School FCJ
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2014

13	CREDITORS: Amounts falling due within one year	2014 £'000	2013 £'000
	Trade creditors	227	185
	Other taxation and social security	70	74
	Other creditors	122	109
	Accruals and deferred income	151	414
		<hr/>	<hr/>
		570	782
		<hr/>	<hr/>
	Deferred income	£'000	£'000
	Deferred income at 1 September 2013	-	11
	Resources deferred in the year	-	-
	Amounts released from previous years	-	(11)
		<hr/>	<hr/>
	Deferred income at 31 August 2014	-	-
		<hr/>	<hr/>

Deferred income in the prior year related to various grant funding and tuition fees due for the year to 31 August 2013 received before the beginning of the year. There is no deferred income in the current year.

Upton Hall School FCJ

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2014

14 FUNDS

	At 1 September 2013 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses and transfers £'000	At 31 August 2014 £'000
RESTRICTED GENERAL FUNDS					
General Annual Grant (GAG)	20	4,943	(4,963)	-	-
Pension reserve	(823)	-	(36)	(35)	(894)
	<u>(803)</u>	<u>4,943</u>	<u>(4,999)</u>		
Other DfE/EFA grants	115	105	-	-	220
Other government grants	147	100	(51)	-	196
Transfer from local authority on conversion	275	-	-	-	275
	<u>(266)</u>	<u>5,148</u>	<u>(5,050)</u>	<u>(35)</u>	<u>(203)</u>
RESTRICTED FIXED ASSET FUNDS					
DfE capital grants	1,749	457	(54)	-	2,152
Devolved capital grants	7	21	(1)	-	27
Other capital grants	66	-	(2)	-	64
Capital expenditure from GAG	9	-	-	-	9
Transfer from local authority on conversion	10,964	-	(282)	-	10,682
	<u>12,795</u>	<u>478</u>	<u>(339)</u>	<u>-</u>	<u>12,934</u>
TOTAL RESTRICTED FUNDS	<u>12,529</u>	<u>5,626</u>	<u>(5,389)</u>	<u>(35)</u>	<u>12,731</u>
UNRESTRICTED FUNDS					
Unrestricted funds	435	197	(202)	-	430
TOTAL UNRESTRICTED FUNDS	<u>435</u>	<u>197</u>	<u>(202)</u>	<u>-</u>	<u>430</u>
TOTAL FUNDS	<u>12,964</u>	<u>5,823</u>	<u>(5,591)</u>	<u>(35)</u>	<u>13,161</u>

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 2014. Note 1 discloses whether the limit was exceeded.

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

Upton Hall School FCJ
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2014

15	ANALYSIS OF NET ASSETS BETWEEN FUNDS	Unrestricted funds £'000	Restricted general £'000	Restricted fixed asset funds £'000	Total funds £'000
	Tangible fixed assets	-	-	12,796	12,796
	Current assets	430	1,261	138	1,829
	Current liabilities	-	(570)	-	(570)
	Pension scheme liability	-	(894)	-	(894)
		<hr/>	<hr/>	<hr/>	<hr/>
	TOTAL NET ASSETS AT 31 AUGUST 2014	430	(203)	12,934	13,161
		<hr/>	<hr/>	<hr/>	<hr/>

16	CAPITAL COMMITMENTS	2014 £'000	2013 £'000
	Contracted for, but not provided in the financial statements	76	208
		<hr/>	<hr/>

17 FINANCIAL COMMITMENTS

OPERATING LEASES

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

	2014 £'000	2013 £'000
Other:		
Expiring within one year	-	-
Expiring within two and five years inclusive	10	10
	<hr/>	<hr/>
	10	10
	<hr/>	<hr/>

Upton Hall School FCJ
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2014

18	RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES	2014 £'000	2013 £'000
	Net income	232	1,315
	Depreciation (note 11)	339	271
	Capital grants from DfE and others	(478)	(1,561)
	Interest receivable	(4)	(4)
	FRS 17 pension cost less contributions payable (note 24)	4	9
	FRS 17 pension finance costs (note 24)	31	32
	Decrease/(increase) in stocks	-	23
	Decrease/ (increase) in debtors	726	(745)
	(Decrease)/ increase in creditors	(212)	278
		<hr/>	<hr/>
	NET CASH INFLOW/ (OUTFLOW) FROM OPERATING ACTIVITIES	638	(382)
		<hr/> <hr/>	<hr/> <hr/>
19	RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
	Interest received	4	4
		<hr/>	<hr/>
	NET CASH INFLOW FROM RETURNS ON INVESTMENT AND SERVICING OF FINANCE	4	4
		<hr/> <hr/>	<hr/> <hr/>
20	CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		
	Purchase of tangible fixed assets	(376)	(1,724)
	Capital grants from DfE/EFA	478	1,495
	Capital funding received from sponsors and others	-	66
		<hr/>	<hr/>
	NET CASH INFLOW/ (OUTFLOW) FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	102	(163)
		<hr/> <hr/>	<hr/> <hr/>
21	ANALYSIS OF CHANGES IN NET FUNDS	At 1 September 2013 £'000	At 31 August 2014 £'000
	Cash in hand and at bank	849	1,593
		<hr/>	<hr/>
		849	1,593
		<hr/> <hr/>	<hr/> <hr/>

Upton Hall School FCJ

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2014

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 £61,896 (2013: £57,556) were payable to the schemes at 31 August 2014 and are included within Creditors.

Teachers' Pension Scheme

The Teachers' Pensions Scheme ("TPS") is a statutory, contributory, defined benefit scheme. The regulations under which the TPS operates are the Teachers' Pensions Regulations 2010. Retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament. Under the unfunded TPS, teachers' contributions on a 'pay as-you-go' basis, and employers' contributions, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pensions Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions increases). From 1 April 2001 to 31 March 2011, the Account has been credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

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. Many of these were being discussed in the context of the design for a reformed TPS, and as set out in the Proposed Final Agreement, scheme valuations had been suspended since the last valuation in 2004.

The contribution rate paid into the TPS is assessed in two parts. First, a standard contribution rate ("SCR") is determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial investigation, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2014

23 PENSION AND SIMILAR OBLIGATIONS (continued)

Teachers' Pension Scheme (continued)

Valuations of the TPS are now required under the Public Service Pensions Act 2013 every 4 years and are required to be carried out in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury.

An actuarial valuation of the TPS in accordance with these Directions was published in June 2014 assessing the TPS as at 31 March 2012. The GA's report revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £191,500 million. The 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. 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%.

Employer and employee contribution rates

As from 1 January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable. The cost-sharing agreement also introduced – effective for the first time for the 2008 valuation – a 14% cap on employer contributions payable.

From 1 April 2013 to 31 March 2014, the employee contribution rate ranged between 6.4% and 11.2%, depending on a member's Full Time Equivalent salary and for 2014/15 will range between 6.4% and 12.4%. Thereafter members will be expected to pay an average contribution rate of 9.6%.

The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015 and an employee cost cap of 10.9%, both to be set in regulations. The employer contribution rate will be payable during the implementation period 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.

There will be further reforms and changes to the TPS with a new 2015 scheme.

The pension costs paid to TPS in the year amounted to £341,614.

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 2014 was £97,007 (2013: £90,833), of which employer's contributions totalled £66,306 (2013: £59,716) and employees' contribution totalled £30,701 (2013: £31,117). The agreed rates for future years are 14.1 per cent for employers and 6.4 per cent for employees.

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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2014

23 PENSION AND SIMILAR OBLIGATIONS (continued)

Principal actuarial assumptions

	2014	2013
Rate of increase in salaries	3.7%	3.9%
Rate of increase for pensions in payment	2.2%	2.4%
Discount rate	4.0%	4.6%
Inflation (CPI)	2.2%	2.4%

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

	2014 Years	2013 Years
Retiring today:		
Males	22.3	21.8
Females	25.2	24.7
Retiring in 20 years:		
Males	24.7	23.7
Females	28.0	26.6

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 2014	Fair value at 31 August 2014	Expected return at 31 August 2013	Fair value at 31 August 2013
Equities	7.0%	391	7.0%	240
Government Bonds	2.9%	89	3.4%	64
Other Bonds	3.8%	15	4.4%	11
Property	6.2%	51	5.7%	35
Cash/ liquidity	0.5%	29	0.5%	8
Other	7.0%	76	7.0%	63
TOTAL MARKET VALUE OF ASSETS		651		421
Present value of scheme liabilities - Funded		(1,545)		(1,244)
DEFICIT IN THE SCHEME		(894)		(823)

The actual return on scheme assets was £35,000 (2013: £44,000). 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.

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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2014

23 PENSION AND SIMILAR OBLIGATIONS (continued)

Amounts recognised in the statement of financial activities	2014	2013
	£'000	£'000
Current service cost (net of employee contributions)	(104)	(98)
Past service cost	-	-
	<u> </u>	<u> </u>
Total operating charge	(104)	(98)
	<u> </u>	<u> </u>
Analysis of pension finance income/(costs)		
Expected return on pension scheme assets	28	19
Interest on pension liabilities	(59)	(51)
	<u> </u>	<u> </u>
Pension finance (costs)	(31)	(32)
	<u> </u>	<u> </u>

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 gain of £56,000 (2013: £59,000 loss).

Movements in the present value of defined benefit obligations were as follows:	2014	2013
	£'000	£'000
At 31 August 2013	1,244	1,086
Current service cost	104	98
Interest cost	59	51
Employee contributions	31	31
Actuarial (gain)/loss	130	-
Benefits paid/ transferred	(23)	(22)
	<u> </u>	<u> </u>

At 31 August 2014	1,545	1,244
	<u> </u>	<u> </u>

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

At 31 August 2013	421	279
Expected return on assets	28	19
Actuarial gain/(loss)	95	25
Employer contributions	99	89
Employee contributions	31	31
Benefits paid	(23)	(22)
	<u> </u>	<u> </u>

At 31 August 2014	651	421
	<u> </u>	<u> </u>

The estimated value of employer contributions for the year ended 31 August 2015 is £111,000 (2013: £90,000).

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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2014

23 PENSION AND SIMILAR OBLIGATIONS (continued)

The history of experience adjustments is as follows:

	2014 £'000	2013 £'000	2012 £'000
Present value of defined benefit obligations	(1,545)	(1,244)	(1,086)
Fair value of share of scheme assets	651	421	279
	<u> </u>	<u> </u>	<u> </u>
Deficit in the scheme	(894)	(823)	(807)
	<u> </u>	<u> </u>	<u> </u>
Experience adjustments on share of scheme assets Amount £'000	95	25	(4)
Experience adjustments on scheme liabilities: Amount £'000	(130)	-	80

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.

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 £19,576 (2013: £17,958) and disbursed £19,576 (2013: £13,200), with therefore an amount of £nil (2013: £4,758) repayable to the Academy at the 31 August 2014 is included in other creditors.