

Company Registration No. 07556159 (England and Wales)

**UPPINGHAM COMMUNITY COLLEGE
(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2018**

UPPINGHAM COMMUNITY COLLEGE

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UPPINGHAM COMMUNITY COLLEGE

REFERENCE AND ADMINISTRATIVE DETAILS

Members

All current Trustees are also members.

Trustees

G Thompson (Chair of Governors)
B Solly (Principal and Accounting Officer)
M Topham (Vice Chair of Governors)
E Souter (Chair of Resources Committee)
J Woodhead (Chair of Education Committee)
E Cohen (Chair of Community and Partnerships Committee)
J Armstrong
S Berridge
M Deely
M Jennings
S W Kirk
K Rodgers
R Wills
L Redmond (Appointed 11 October 2017)
Dr S Furness (Appointed 5 December 2017)
N Davenport (Appointed 5 December 2017)
Dr M Stoate (Appointed 13 March 2018)
N Clarke (Appointed 11 September 2018)
F Ryan (Resigned 26 September 2017)
P Howard (Resigned 16 October 2017)
H Skannavis (Resigned 4 December 2017)
R Sawyer (Resigned 31 August 2018)

Senior management team

- Principal	B Solly
- Deputy Principal	D Anderson
- Deputy Principal	W Brooks
- Assistant Principal	P Rhodes
- Director of Specialism	M Knight (Resigned 31 August 2018)
- School Business Director	K Croote

Company secretary

K Croote

Company registration number

07556159 (England and Wales)

Registered office

London Road
Uppingham
Rutland
LE15 9TJ

Independent auditor

Smith Hodge & Baxter Audit Services
Thorpe House
93 Headlands
Kettering
Northamptonshire
NN15 6BL

UPPINGHAM COMMUNITY COLLEGE

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Lloyds Bank plc
263 Uppingham Road
Leicester
LE5 4DG

Market Harborough Building Society
Welland House
The Square
Market Harborough
Leicestershire
LE16 7PD

Solicitors

Stone King LLP
16 St. John's Lane
London
EC1M 4BS

UPPINGHAM COMMUNITY COLLEGE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

The trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates an academy for pupils aged 11 to 16 serving a catchment area including some of South West Rutland, some of Eastern Leicestershire and North Western Northamptonshire. It has a pupil capacity of 915 and had a roll of 910 in the school census on 18 January 2018.

Structure, governance and management

Constitution

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

The charitable company operates as Uppingham Community College.

The trustees of Uppingham Community College are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year, and to the date these accounts are approved, are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

The academy trust provides indemnity insurance to cover the liability of Governors by which virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of trust or breach of duty of which they may be guilty in relation to the academy trust provided that any such insurance shall not extend to any claim arising from any act or omission which the Governors knew to be a breach of trust or breach of duty or which was committed by the Governors in reckless disregard of whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Governors in their capacity as Governors.

UPPINGHAM COMMUNITY COLLEGE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Method of recruitment and appointment or election of trustees

The Governing Body comprises around twenty Governors including the Principal as an Ex Officio Governor. Broadly, 50% are elected (up to seven are Parent Governors and three are staff Governors) and 50% are appointed (maximum of twelve). Two Governors can be co-opted. Governors shall be appointed or elected as the case may be, under the Articles of Association.

Each Governor is entitled to be a Member of the academy trust, although this is not a requirement. All current Governors have opted to do so.

The number of Governors shall be not less than 3 but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum.

The members may appoint Staff Governors through such process as they determine provided that the total number of Governors (including the Principal) who are employees of the academy trust does not exceed one third of the total number of Governors.

The Parent Governors shall be elected by parents of registered pupils at the college. A Parent Governor must be a parent of a pupil at the college at the time they are elected. Any election of Parent Governors which is contested shall be held by secret ballot. The number of Parent Governors required shall be made up by Parent Governors appointed by the Governing Body if the number of parents standing for election is less than the number of vacancies.

The Secretary of State may also appoint such further Governors as he thinks fit if a Special Measures Termination Event (as defined in the funding Agreement) occurs in respect of the academy trust.

The term of office for any Governor shall be four years, save that:

- this time limit shall not apply to the Principal;
- a Staff Governor shall only hold office for so long as they continue to be employed by the college;
- the term of office may be shorter than four years if so resolved by the Members on appointing a Governor;
- subject to remaining eligible to be a particular type of Governor, any Governor may be re-appointed or re-elected.

Policies and procedures adopted for the induction and training of trustees

Candidates for the position of Governor are interviewed by the Chair of Governors to outline the commitment and accountability of the role. Newly appointed Governors then attend every sub-committee for one year in an observer capacity before deciding on the most relevant sub-committee(s) for them to join on a regular basis. All newly appointed Governors are given a full DBS clearance and every Governor is linked to a specific curriculum area or specialism within the college. Governor visits to those areas are reported back to the appropriate sub-committee using a standard template.

Governors receive safeguarding and child protection training from EPM (the college HR advisors) and the College Designated Child Protection Officer. The Governors hold relevant training sessions per year, using external agencies such as Education Development Trust or our legal advisors Stone King. The Chair of Governors attends any relevant Schools and Colleges Briefing initiated by the Local Authority, with whom we retain a positive working relationship.

Governors also take part in activities such as school trips, success assemblies and musical events, as well as attending more formal events such as Presentation and Open Evenings. Governors have a presence at Parents Evenings and also maintain parent/Governor relationships through 'Parent Forms'.

UPPINGHAM COMMUNITY COLLEGE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Organisational structure

The business of the academy trust is managed by the Governors who may exercise all the powers of the academy trust. In the exercise of their powers and functions, the Governors may consider any advice given by the Principal and any other executive officer.

The Governing Body may delegate to any Governor, committee, the Principal or any other holder of an executive office, such of their powers or functions as they consider desirable to be exercised by them.

The Governors appoint the Principal. The Governors may delegate such powers and functions as they consider are required by the Principal for the internal organisation, management and control of the academy trust (including the implementation of all policies approved by the Governors and for the direction of the teaching and curriculum at the academy trust). The Principal is the Accounting officer.

The work of the Governing Body is facilitated through full Governing Body meetings, various committees, plus Special Areas and Curriculum Links. Governors are also involved in other day to day activities in support of the Principal and staff as required.

The academy trust holds an Annual General Meeting each year and at least three full Governing Body meetings per year. The committees include a Resources Committee and an Education Committee.

The establishment, terms of reference, constitution and membership of any committee of the Governors is review at least once every twelve months. The membership of any committee of the Governors may include persons who are not Governors, provided that a majority of members of any such committee shall be Governors.

Arrangements for setting pay and remuneration of key management personnel

The Governors Pay Committee meet to review the appraisal process of all members of staff including the Principal and the details of this process can be found in the college Appraisal and Pay policies. It applies to all members of teaching and non-teaching staff. The appraisal of the Principal includes an external evaluation of the progress made by the college and the successful completion of the targets set by the Governors each year. The college adheres to the spirit of the School Teachers Pay and Conditions Document and has set the remuneration of all staff to reflect national progression rates, including Teaching and Learning Responsibility points.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	3
Full-time equivalent employee number	2.40

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	3
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

Total cost of facility time	669
Total pay bill	4,076,810
Percentage of the total pay bill spent on facility time	-

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	1%
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UPPINGHAM COMMUNITY COLLEGE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Related parties and other connected charities and organisations

Harington School

The academy trust is a co-sponsor, along with Catmose College and Oakham School of this sixth form provision based in Oakham - a free school which opened in August 2015.

Objectives and activities

Objects and aims

The broad object of UCC is to advance education for the public benefit by establishing, maintaining, managing and developing a school which offers a broad and balanced curriculum. UCC, as an Academy, is also bound to comply with the Companies Act 2006 in the pursuit of this object.

As an Academy, we have greater freedom, scope and flexibility to deliver the very best education and development that we can for our students and are accountable for doing so within a legal framework.

Objectives, strategies and activities

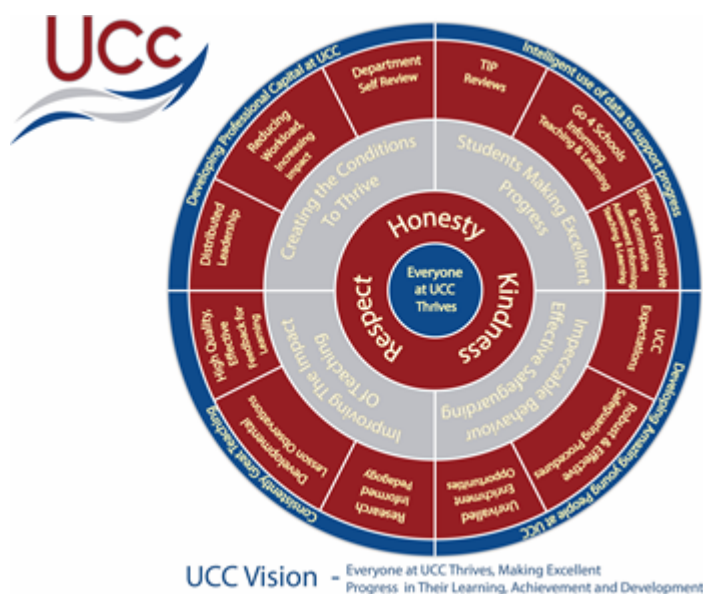
Our key values as a school community are: Respect, Honesty and Kindness. Everything we do is based upon these simple core principles.

We are committed to the highest standards of education and have invested in staff, facilities and resources to ensure all of our students acquire the knowledge and skills required to succeed in an ever changing world.

We offer a broad and balanced curriculum which meets the needs of each individual and we continually focus on developing teaching and learning by focusing on educational research and investing in staff development.

At Uppingham Community College we put the student at the heart of everything we do. Our vision as a school is simple:

"To ensure everyone at UCC thrives, making excellent progress in their learning, achievement and development."



UPPINGHAM COMMUNITY COLLEGE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

The 2018-2021 UCC Strategic Plan outlines the following priorities:

Education Priorities

- Creating the conditions for everyone at UCC to thrive
- Students making excellent progress
- Improving the impact of teaching
- Impeccable behaviour and effective safeguarding

Resources Priorities

- Creating financial sustainability through robust planning and monitoring of funding and expenditure
- Developing a highly effective workforce through a commitment to professional development and learning
- Creating the physical environment that keeps everyone at UCC safe and enables them to thrive
- Creating IT systems that enable students and staff to work effectively, efficiently and securely

Education Objectives

UCC has 3 major education objectives within the 2018-21 Strategic Plan:

- At UCC consistently high quality teaching ensures students make excellent academic progress
- At UCC the educational provision enables students to transition into adulthood as responsible and respectful individuals who are ready for life beyond school.
- At UCC all students are educated and cared for in a safe environment with specific focus on their individual needs

Public benefit

In setting the objectives and planning activities, the Governors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

We are an equal opportunities organisation and are committed to a working environment free from any form of discrimination on the grounds of colour, race, ethnicity, religion, sexual orientation or disability. We will make reasonable adjustments to meet the needs of staff or pupils who are, or become, disabled.

Uppingham Community College is committed to safeguarding and promoting the welfare of all pupils and expect all staff and volunteers to share this commitment.

Parents are given regular information about their children's social and academic progress through parents evenings in addition to written reports. We maintain regular contact with parents throughout the year via informal contact and through our newsletters.

The Governors believe that the college is meeting its obligations as a charity to deliver public benefit.

UPPINGHAM COMMUNITY COLLEGE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Strategic report

Achievements and performance

2017/18 was an extremely successful year for Uppingham Community College (UCC). The school achieved the highest ever GCSE results for the second consecutive year and secured a 'Good' Ofsted inspection in September 2017.

The inspection highlighted a number of key strengths of the school:

'The staff at Uppingham Community College are hardworking and dedicated to supporting the pupils. All staff model the school's core values of 'respect, honesty and kindness', creating clear expectations for pupils.'

'The school has many talented teachers, who work together to develop their skills.'

'Since the previous inspection, leaders have ensured that pupils' behaviour continues to be exemplary. Pupils' excellent conduct helps create an environment where they can learn well and thrive.'

'Pupils trust and value their teachers; they are clear about why their learning matters. Your pupils are happy at school and this has a positive impact on their attendance, which remains very high.'

Additionally, UCC was awarded the inaugural 'Ernie White Commitment to School Sport' award ahead of all other secondary schools in Leicester, Leicestershire and Rutland. This prestigious award recognises the school that achieves the highest number of individual students participating in competitive school sport across the three authority areas.

Key performance indicators

Our students achieved an exceptional set of GCSE results in 2018: the best ever in the history of the school. Below are the statistics from our 2018 GCSE results:

	2016 results	2017 results	2018 results
% of students achieving Grades 9-4 in English	79%	89%	95%
% of students achieving Grades 9-4 in Maths	82%	85%	82%
% of students achieving Grades 9-4 in English & Maths	72%	82%	80%
% of students achieving Grades 9-5 in English & Maths	N/A	57%	58%
Progress 8	0.13	0.13	0.21

UPPINGHAM COMMUNITY COLLEGE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Exclusions are decreasing at UCC as a result of proactive work from the Maximising Learning Team (MLT). The table below was presented to the governors in the Education Committee on 19 April 2018:

Exclusions (Numbers of fixed term & permanent)			
Fixed Term	2015-16	2016-17	2017-18
No of students on roll at any time during this period - Prospectus Analysis	907	905	922
Total number of exclusions	51	33	9
Number of students excluded	31	25	5
Number of students excluded as % of whole school	3.42 %	2.76 %	0.54 %
SEN - number on roll	96	120	122
SEN - no of students with FTE	15	6	2
SEN FTE -students as % of whole school	1.65 %	0.66 %	0.22 %
SEN FTE - students as % of SEN students	16%	5%	1.63 %
FSM no of students on roll	38	43	33
FSM - no of students with FTE	7	3	0
FSM FTE -students as % of whole school	0.77 %	0.33 %	
FSM FTE - students as % of FSM students	18%	7%	
No of repeat exclusions	12	4	2
SEN- no of students with repeat exclusion	9	2	1
SEN repeat exclusion -students as % of whole school	0.99 %	0.22 %	0.11 %
SEN repeat exclusion - students as % of SEN students	9.34 %	1.66 %	0.81 %
FSM - no of students with repeat exclusion	4	1	0
FSM repeat exclusion -students as % of whole school	0.44 %	0.11 %	
FSM repeat exclusion - students as % of FSM students	11%	2%	
Permanent			
Total number of exclusions	2	1	1
As % of whole school	0.22 %	0.11 %	0.11 %
SEN - no of students with permanent	2	0	0
FSM - no of students with permanent exclusion	2	0	0

UPPINGHAM COMMUNITY COLLEGE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Attendance at UCC is good and above the national average. The table below was presented to governors in the Education Committee on 19 April 2018:

Attendance			
Attendance	2015-16	2016-17	2017-18
Total	96.4%	96.3%	95.77%
SEN EHCP	94.8%	96%	95.6%
SEN Support			94.69%
FSM	92.86%	92.69%	91.09 %
Persistent Absence			
	2015-16	2016-17	2017-18
Total (% of UCC population)	6.5%	5.4%	8.38%
SEN	13.56%	4%	9.8% (12/122 students)
FSM	15.25%	7.31%	36.36% (12/33 students)

Going concern

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

Financial review

Most of the Academy's income is obtained from the Education and Skills Funding Agency (ESFA)/Department of Education (DfE) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA/DfE during the year ended 31 August 2018 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the ESFA/DfE. In accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice (Charities SORP (FRS 102)), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

In addition funds are received from various activities carried out to generate funds, such as any running costs of the Academy not met by restricted grants. Any surplus is carried forward as an unrestricted fund in the balance sheet.

During the year ended 31 August 2018 total expenditure was £5,663,000 (2017: £5,887,000) and total income and endowments from the DfE and other sources were £5,297,000 (2017: £5,662,000). However the Academy trust measures its financial performance on results excluding the LGPS accounting adjustment. Using this basis total expenditure was £5,424,000 (2017: £5,651,000) against total income of £5,297,000 (2017: £5,662,000).

At 31 August 2018 the net book value of tangible fixed assets was £6,329,000 (2017: £6,545,000) and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

Financial position

The Academy held fund balances at 31 August 2018 of £5,256,000 (2017: £5,457,000) comprising £4,733,000 (2017: £4,889,000) of restricted funds and £523,000 (2017: £568,000) of unrestricted funds. The restricted pension reserve is currently in deficit £1,596,000 (2017: £1,799,000). This deficit relates solely to the actuarial assessment of Local Government Pension Scheme and future contribution rates have been agreed to reduce this deficit.

UPPINGHAM COMMUNITY COLLEGE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Reserves policy

The Trustees review the reserve levels of the Academy annually. Given increasing salary costs (increases in salaries, Teachers' Pensions contributions and National Insurance costs) and the downward pressure on grant income the Trustees currently aim to hold reserves to cover future budget gaps.

The Academy's current level of free reserves is £523,000 (2017: £568,000).

Investment policy

The Academy Trust does not hold any investments other than cash at bank.

Principal risks and uncertainties

The Trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

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

Financial and risk management objectives and policies

The Trustees regularly review the risks faced by the Academy Trust. As far as possible the Trustees have put in place management controls to minimise/mitigate risks.

Fundraising

Fundraising activities in 2017-18 focused on raising money for local and national charities through a series of events in school. The details of these activities can be found below:

- Children in Need £3,352.14 (£936.59 to local charity)
- MacMillan Cancer Coffee Morning £475.21
- Sport Relief Various activities £1,617.36
- Brain Tumour Research Wear A Hat Day £534.22
- Save the Children Christmas Jumper Day £310.48

Plans for future periods

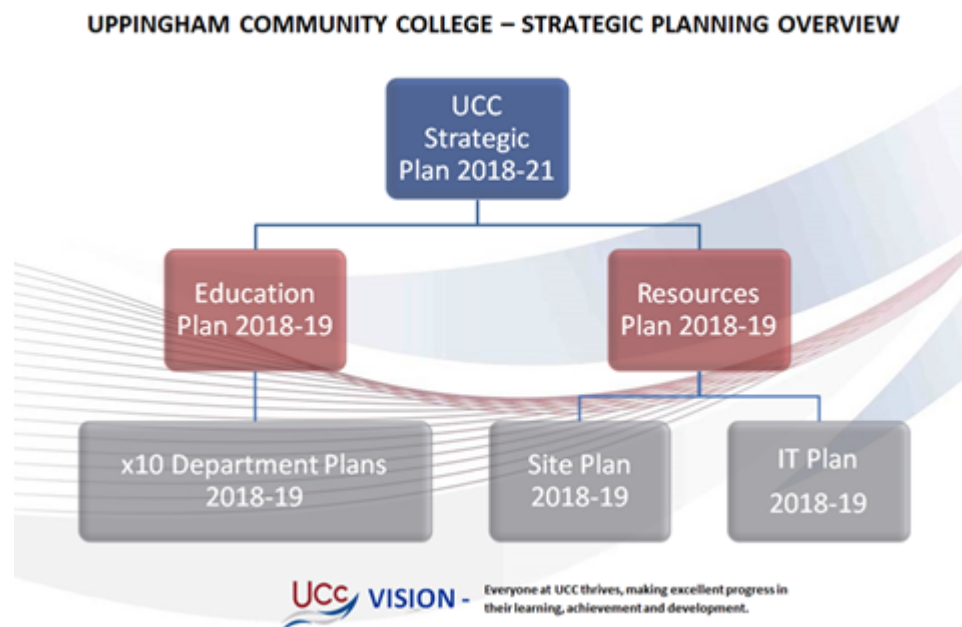
In the next 12 months the main strategic direction is to implement the School's 2018-19 Education Plan and the 2018-19 Resources Plans.

The planning cycle is outlined in the graphic below:

UPPINGHAM COMMUNITY COLLEGE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018



Auditor

In so far as the trustees are aware:

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

A resolution proposing that Smith Hodge & Baxter Audit Services be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 04 December 2018 and signed on its behalf by:

G Thompson
Chair of Governors

UPPINGHAM COMMUNITY COLLEGE

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2018

Scope of responsibility

As trustees we acknowledge we have overall responsibility for ensuring that Uppingham Community College has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The board of trustees has delegated the day-to-day responsibility to the principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Uppingham Community College and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 4 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
G Thompson (Chair of Governors)	4	4
B Solly (Principal and Accounting Officer)	4	4
M Topham (Vice Chair of Governors)	3	4
E Souter (Chair of Resources Committee)	3	4
J Woodhead (Chair of Education Committee)	4	4
E Cohen (Chair of Community and Partnerships Committee)	4	4
J Armstrong	1	4
S Berridge	4	4
M Deely	2	4
M Jennings	4	4
S W Kirk	1	3
K Rodgers	4	4
R Wills	2	4
L Redmond (Appointed 11 October 2017)	4	4
Dr S Furness (Appointed 5 December 2017)	2	2
N Davenport (Appointed 5 December 2017)	2	2
Dr M Stoate (Appointed 13 March 2018)	2	2
N Clarke (Appointed 11 September 2018)	0	0
F Ryan (Resigned 26 September 2017)	0	0
P Howard (Resigned 16 October 2017)	0	1
H Skannavis (Resigned 4 December 2017)	0	1
R Sawyer (Resigned 31 August 2018)	4	4

UPPINGHAM COMMUNITY COLLEGE

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

The main challenges facing the Governing Body are:

- Driving improvements in whole school performance with a particular focus on improving progress across all abilities, including a consolidation of the recent significant improvement in English results and supporting the maths department to match this high performance
- Continuing to fund site improvements, building on recent successes with the Maths block, the Science labs, window and roof renovations, with a focus on preventing costly deterioration and raising money to fund improvements in Sports and Drama facilities.
- Further developing the senior and extended leadership teams to provide effective risk management, business continuity, career development and overall effectiveness.
- Planning future admissions arrangements to maximise overall student numbers and minimise financial shortfalls.
- Tight cost controls and taking any necessary tough decisions to avoid financial shortfalls
- Providing and maintaining a fair and equitable pay policy in the light of tight financial constraints.
- Tracking proposed changes in government proposals for education to plan for impacts on the college at the earliest opportunity.
- Ensuring our main business objectives can be maintained to provide the best suited education for each individual student.
- Maintaining positive whole-school morale and high educational standards through periods of constant change.
- Implementation of the 2018-21 Strategic Plan.

A full review of governance was conducted in November 2015 – conducted by the chair of governors and reviewed externally by Sarah Bysouth. The next full review of governance will take place in November 2019.

As a result of the previous review, the Governing Body have subscribed to a service provided by Leicestershire Governors Training which deliver local training both physically and online. As part of this service, new governor induction training was provided and made available to all governors; professional minute-taking services have been employed; new governors have been allocated to committees and an annual safeguarding review now takes place.

Other conclusions were:

- Good working relationships between governors and the senior leadership team, providing the appropriate level of support and challenge
- Meetings are well organised and the required business of the college is completed in a professional manner and within the relevant legal framework.

Resources Committee

The resources committee is a sub-committee of the main board of trustees. Its purpose is to:

- monitor financial performance through the year
- review budget plans for the current and future years to be recommended to the Governing Body
- maintain, review and approve relevant financial and premises policies
- receive audit and internal assurance reports and ensure action is taken on any points raised.

UPPINGHAM COMMUNITY COLLEGE

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
G Thompson (Chair of Governors)	3	3
B Solly (Principal and Accounting Officer)	3	3
M Topham (Vice Chair of Governors)	2	3
E Souter (Chair of Resources Committee)	2	3
J Woodhead (Chair of Education Committee)	2	3
E Cohen (Chair of Community and Partnerships Committee)	2	3
S Berridge	3	3
M Deely	3	3
M Jennings	2	3
K Rodgers	3	3
L Redmond (Appointed 11 October 2017)	3	3
N Davenport (Appointed 5 December 2017)	1	1
Dr M Stoate (Appointed 13 March 2018)	1	1
R Sawyer (Resigned 31 August 2018)	2	3

Review of value for money

As accounting officer the principal 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 academy 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 with improved targeting of intervention staffing and reductions in general classroom assistance. Widening of enrichment activities to provide varied experiences for students while keeping costs at a manageable level
- Financial Governance and Oversight – minimising the financial shortfall by making cost reductions across the full range of college activities and continually reviewing staffing levels.

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 Uppingham Community College for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

UPPINGHAM COMMUNITY COLLEGE

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the resources 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 not to appoint an internal auditor. However with effect from September 2018 the Governors have appointed Smith, Hodge & Baxter, the external auditor, who will provide a termly internal assurance report after performing a range of checks on the Academy Trust's financial systems.

During 2017/18, reports from a Responsible Officer were provided 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 principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the Responsible Officer;
- the work of the external auditor;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the resources committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 04 December 2018 and signed on its behalf by:

G Thompson
Chair of Governors

B Solly
Principal and Accounting Officer

UPPINGHAM COMMUNITY COLLEGE

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2018

As accounting officer of Uppingham Community College I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

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

B Solly
Accounting Officer

04 December 2018

UPPINGHAM COMMUNITY COLLEGE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2018

The trustees (who are also the directors of Uppingham Community College for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Annual Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

The trustees 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 04 December 2018 and signed on its behalf by:

G Thompson
Chair of Governors

UPPINGHAM COMMUNITY COLLEGE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UPPINGHAM COMMUNITY COLLEGE

FOR THE YEAR ENDED 31 AUGUST 2018

Opinion

We have audited the accounts of Uppingham Community College for the year ended 31 August 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

UPPINGHAM COMMUNITY COLLEGE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UPPINGHAM COMMUNITY COLLEGE (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the accounts

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

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

UPPINGHAM COMMUNITY COLLEGE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UPPINGHAM COMMUNITY COLLEGE (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Use of our report

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

Mr Paul Tyler (Senior Statutory Auditor)
for and on behalf of Smith Hodge & Baxter Audit Services

7 December 2018

Statutory Auditor

Thorpe House
93 Headlands
Kettering
Northamptonshire
NN15 6BL

UPPINGHAM COMMUNITY COLLEGE

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO UPPINGHAM COMMUNITY COLLEGE AND THE EDUCATION & SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2018

In accordance with the terms of our engagement letter dated 8 May 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Uppingham Community College during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Uppingham Community College's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Uppingham Community College's funding agreement with the Secretary of State for Education dated 8 March 2011 and the Academies Financial Handbook, extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Assessment of the internal audit work undertaken and reliance placed upon this work for the review of internal control procedures
- Further testing of the internal control procedures has been carried out in the following areas:
 - Sample test of delegated authority procedures
 - Enquiry and review of transactions with connected persons
 - Review of governance procedures including inspection of trustee and relevant board minutes
 - Sample test of procurement procedures
- Communication with the Accounting Officer

UPPINGHAM COMMUNITY COLLEGE

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO UPPINGHAM COMMUNITY COLLEGE AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Conclusion

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

Reporting Accountant

Smith Hodge & Baxter Audit Services
Thorpe House
93 Headlands
Kettering
Northamptonshire
NN15 6BL

Dated: 07 December 2018

UPPINGHAM COMMUNITY COLLEGE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2018 £'000	Total 2017 £'000
Income and endowments from:						
Donations and capital grants	3	6	2	39	47	241
Charitable activities:						
- Funding for educational operations	4	669	4,393	-	5,062	4,458
Other trading activities	5	165	21	-	186	956
Investments	6	2	-	-	2	7
Total		<u>842</u>	<u>4,416</u>	<u>39</u>	<u>5,297</u>	<u>5,662</u>
Expenditure on:						
Charitable activities:						
- Educational operations	8	810	4,853	277	5,940	6,181
Total	7	<u>810</u>	<u>4,853</u>	<u>277</u>	<u>5,940</u>	<u>6,181</u>
Net income/(expenditure)		32	(437)	(238)	(643)	(519)
Transfers between funds	19	(77)	56	21	-	-
Other recognised gains/(losses)						
Actuarial gains on defined benefit pension schemes	21	-	442	-	442	726
Net movement in funds		<u>(45)</u>	<u>61</u>	<u>(217)</u>	<u>(201)</u>	<u>207</u>
Reconciliation of funds						
Total funds brought forward		568	(1,657)	6,546	5,457	5,250
Total funds carried forward		<u>523</u>	<u>(1,596)</u>	<u>6,329</u>	<u>5,256</u>	<u>5,457</u>

UPPINGHAM COMMUNITY COLLEGE

BALANCE SHEET

AS AT 31 AUGUST 2018

	Notes	2018 £'000	2017 £'000
Fixed assets			
Intangible assets	12	-	1
Tangible assets	13	6,329	6,545
		<u>6,329</u>	<u>6,546</u>
Current assets			
Stocks	14	5	8
Debtors	15	267	330
Cash at bank and in hand		639	920
		<u>911</u>	<u>1,258</u>
Current liabilities			
Creditors: amounts falling due within one year	16	(377)	(533)
		<u>534</u>	<u>725</u>
Net current assets			
		<u>6,863</u>	<u>7,271</u>
Total assets less current liabilities			
Creditors: amounts falling due after more than one year	17	(11)	(15)
		<u>6,852</u>	<u>7,256</u>
Net assets excluding pension liability			
Defined benefit pension scheme liability	21	(1,596)	(1,799)
		<u>5,256</u>	<u>5,457</u>
Net assets			
		<u><u>5,256</u></u>	<u><u>5,457</u></u>
Funds of the academy trust:			
Restricted funds	19		
- Fixed asset funds		6,329	6,546
- Restricted income funds		-	142
- Pension reserve		(1,596)	(1,799)
		<u>4,733</u>	<u>4,889</u>
Total restricted funds			
		<u>523</u>	<u>568</u>
Unrestricted income funds	19		
		<u>5,256</u>	<u>5,457</u>
Total funds			
		<u><u>5,256</u></u>	<u><u>5,457</u></u>

The accounts on pages 24 to 46 were approved by the trustees and authorised for issue on 04 December 2018 and are signed on their behalf by:

G Thompson
Chair of Governors

Company Number 07556159

UPPINGHAM COMMUNITY COLLEGE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	2018 £'000	£'000	2017 £'000	£'000
Cash flows from operating activities					
Net cash (used in)/provided by operating activities	22		(258)		72
Cash flows from investing activities					
Dividends, interest and rents from investments		2		7	
Capital grants from DfE Group		19		19	
Capital funding received from sponsors and others		20		-	
Purchase of tangible fixed assets		(60)		(25)	
		<u> </u>		<u> </u>	
Net cash (used in)/provided by investing activities			(19)		1
Cash flows from financing activities					
Repayment of borrowings		(4)		(4)	
		<u> </u>		<u> </u>	
Net cash used in financing activities			(4)		(4)
			<u> </u>		<u> </u>
Net (decrease)/increase in cash and cash equivalents in the reporting period			(281)		69
Cash and cash equivalents at beginning of the year			920		851
			<u> </u>		<u> </u>
Cash and cash equivalents at end of the year			<u> </u> <u> </u>		<u> </u> <u> </u>

UPPINGHAM COMMUNITY COLLEGE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

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

1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Uppingham Community College meets the definition of a public benefit entity under FRS 102 and is a private charitable company, limited by guarantee and register in England and Wales. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the trustees' report.

The financial statements are prepared in Sterling, being the functional currency of the charitable company. Monetary amounts presented in these financial statements have been rounded to the nearest £'000.

1.2 Going concern

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

1.3 Income

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

Grants

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

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Donations

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

UPPINGHAM COMMUNITY COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

Other income

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

Donated goods, facilities and services

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

Donated fixed assets

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

1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

1.5 Intangible fixed assets and amortisation

Computer software is capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible 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:

- Purchased computer software - 3 years

UPPINGHAM COMMUNITY COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

1.6 Tangible fixed assets and depreciation

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Land and buildings	50 years
Computer equipment	3 years
Fixtures, fittings & equipment	3 years

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

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

1.7 Liabilities

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

1.8 Leased assets

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

1.9 Financial instruments

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

Financial assets

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

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

UPPINGHAM COMMUNITY COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

Financial liabilities

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

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

1.10 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

1.11 Taxation

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

1.12 Pensions benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

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

1.13 Fund accounting

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

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

UPPINGHAM COMMUNITY COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
Capital grants	-	19	19	221
Other donations	6	22	28	20
	<u>6</u>	<u>41</u>	<u>47</u>	<u>241</u>

The income from donations and capital grants was £47,000 (2017: £443,000) of which £6,000 was unrestricted (2017: £20,000), £2,000 was restricted (2017: £202,000) and £39,000 was restricted fixed assets (2017: £221,000).

UPPINGHAM COMMUNITY COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

4 Funding for the academy trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
DfE / ESFA grants				
General annual grant (GAG)	-	4,156	4,156	4,203
Other DfE group grants	-	135	135	105
	-----	-----	-----	-----
	-	4,291	4,291	4,308
	=====	=====	=====	=====
Other government grants				
Local authority grants	-	87	87	150
	=====	=====	=====	=====
Other funding				
Other incoming resources	669	15	684	-
	=====	=====	=====	=====
Total funding	669	4,393	5,062	4,458
	=====	=====	=====	=====

The income from funding for educational operations was £5,062,000 (2017: £4,458,000) of which £669,000 was unrestricted (2017: £-) and £4,393,000 was restricted (2017: £4,458,000).

5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
Hire of facilities	32	-	32	42
Catering income	43	-	43	343
Other income	90	21	111	571
	-----	-----	-----	-----
	165	21	186	956
	=====	=====	=====	=====

The income from other trading activities was £186,000 (2017: £956,000) of which £165,000 was unrestricted (2017: £956,000) and £21,000 was restricted (2017: £-).

6 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
Short term deposits	2	-	2	7
	=====	=====	=====	=====

The income from funding for investment income was £2,000 (2017: £7,000) of which £2,000 was unrestricted (2017: £7,000).

UPPINGHAM COMMUNITY COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

7 Expenditure

	Staff costs £'000	Non Pay Expenditure Premises £'000	Other £'000	Total 2018 £'000	Total 2017 £'000
Academy's educational operations					
- Direct costs	3,360	277	381	4,018	4,691
- Allocated support costs	964	424	534	1,922	1,490
	<u>4,324</u>	<u>701</u>	<u>915</u>	<u>5,940</u>	<u>6,181</u>

Net income/(expenditure) for the year includes:

	2018 £'000	2017 £'000
Fees payable to auditor for:		
- Audit	9	9
- Other services	2	7
Operating lease rentals	12	14
Depreciation of tangible fixed assets	276	290
Amortisation of intangible fixed assets	1	4
Net interest on defined benefit pension liability	47	48
	<u>356</u>	<u>371</u>

Included within expenditure are the following transactions:

	2018 £'000
Unrecoverable debts - total	<u>8</u>

8 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
Direct costs - educational operations	180	3,838	4,018	4,691
Support costs - educational operations	630	1,292	1,922	1,490
	<u>810</u>	<u>5,130</u>	<u>5,940</u>	<u>6,181</u>

The expenditure on educational operations was £5,940,000 (2017: £6,181,000) of which £810,000 was unrestricted (2017: £1,133,000), £4,853,000 was restricted (2017: £4,754,000) and £277,000 was restricted fixed assets (2017: £294,000).

UPPINGHAM COMMUNITY COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

8 Charitable activities (Continued)

	2018 £'000	2017 £'000
Analysis of support costs		
Support staff costs	964	771
Technology costs	50	42
Premises costs	424	175
Other support costs	469	472
Governance costs	15	30
	<u>1,922</u>	<u>1,490</u>

9 Staff

Staff costs

Staff costs during the year were:

	2018 £'000	2017 £'000
Wages and salaries	3,187	3,246
Social security costs	289	284
Pension costs	778	743
	<u>4,254</u>	<u>4,273</u>
Staff costs	4,254	4,273
Agency staff costs	2	-
Staff restructuring costs	68	9
	<u>4,324</u>	<u>4,282</u>

Staff restructuring costs comprise:

Redundancy payments	61	9
Severance payments	7	-
	<u>68</u>	<u>9</u>

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £7,300 (2017: £Nil). Individually, the payments were: £7,300 made on 30 November 2017.

UPPINGHAM COMMUNITY COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

9 Staff

(Continued)

Staff numbers

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

	2018 Number	2017 Number
Teachers	53	51
Administration and support	65	70
Management	6	6
	<hr/>	<hr/>
	124	127
	<hr/> <hr/>	<hr/> <hr/>

Higher paid staff

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

	2018 Number	2017 Number
£60,001 - £70,000	1	-
£80,001 - £90,000	1	1
	<hr/> <hr/>	<hr/> <hr/>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £460,349 (2017: £401,968).

UPPINGHAM COMMUNITY COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

10 Trustees' remuneration and expenses

One or more of the trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees 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 trustees.

The value of trustees' remuneration and other benefits was as follows:

B Solly (principal):

- Remuneration £80,000 - £85,000 (2017: N/A)
- Employer's pension contributions £10,000 - £15,000 (2017: N/A)

L Redmond (staff):

- Remuneration £45,000 - £50,000 (2017: N/A)
- Employer's pension contributions £5,000 - £10,000 (2017: N/A)

S Berridge (staff):

- Remuneration £35,000 - £40,000 (2017: £35,000 - £40,000)
- Employer's pension contributions £5,000 - £10,000 (2017: £5,000 - £10,000)

K Rodgers (staff):

- Remuneration £40,000 - £45,000 (2017: £40,000 - £45,000)
- Employer's pension contributions £5,000 - £10,000 (2017: £5,000 - £10,000)

B McGregor (staff):

- Remuneration N/A (2017: £50,000 - £55,000)
- Employer's pension contributions N/A (2017: £5,000 - £10,000)

J Turner (former principal):

- Remuneration N/A (2017: £80,000 - £85,000)
- Employer's pension contributions N/A (2017: £10,000 - £15,000)

During the year, travel and subsistence payments totalling £Nil (2017: £Nil) were reimbursed or paid directly to trustees.

Other related party transactions involving the trustees are set out within the related parties note.

11 Trustees and officers insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £2,000,000 on any one claim and the costs of the insurance forms part of the overall insurance cost for the Academy Trust which was £27,197 (2017: £29,892).

UPPINGHAM COMMUNITY COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

12 Intangible fixed assets

	Computer software £'000
Cost	
At 1 September 2017 and at 31 August 2018	59
Amortisation	
At 1 September 2017	58
Charge for year	1
At 31 August 2018	59
Carrying amount	
At 31 August 2018	-
At 31 August 2017	1

13 Tangible fixed assets

	Land and buildings £'000	Computer equipment £'000	Fixtures, fittings & equipment £'000	Total £'000
Cost				
At 1 September 2017	7,263	460	380	8,103
Additions	-	50	10	60
At 31 August 2018	7,263	510	390	8,163
Depreciation				
At 1 September 2017	854	402	302	1,558
Charge for the year	145	52	79	276
At 31 August 2018	999	454	381	1,834
Net book value				
At 31 August 2018	6,264	56	9	6,329
At 31 August 2017	6,409	58	78	6,545

14 Stocks

	2018 £'000	2017 £'000
Catering stock	5	8

UPPINGHAM COMMUNITY COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

15 Debtors	2018	2017
	£'000	£'000
Trade debtors	120	157
VAT recoverable	23	33
Other debtors	1	2
Prepayments and accrued income	123	138
	<u>267</u>	<u>330</u>
	<u><u>267</u></u>	<u><u>330</u></u>
16 Creditors: amounts falling due within one year	2018	2017
	£'000	£'000
Government loans	4	4
Trade creditors	10	54
Other taxation and social security	70	141
Other creditors	14	15
Accruals and deferred income	279	319
	<u>377</u>	<u>533</u>
	<u><u>377</u></u>	<u><u>533</u></u>
17 Creditors: amounts falling due after more than one year	2018	2017
	£'000	£'000
Government loans	11	15
	<u>11</u>	<u>15</u>
	<u><u>11</u></u>	<u><u>15</u></u>
Analysis of loans		
Wholly repayable within five years	15	19
Less: included in current liabilities	(4)	(4)
	<u>11</u>	<u>15</u>
Amounts included above	<u><u>11</u></u>	<u><u>15</u></u>
Loan maturity		
Debt due in one year or less	4	4
Due in more than one year but not more than two years	4	4
Due in more than two years but not more than five years	7	11
	<u>15</u>	<u>19</u>
	<u><u>15</u></u>	<u><u>19</u></u>

Loan funding is from Salix Loan Financing Ltd under the "Schools energy efficiency loans programme", as approved by ESFA. This loan is interest free and repayable over 8 years.

UPPINGHAM COMMUNITY COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

18	Deferred income	2018	2017
		£'000	£'000
	Deferred income is included within:		
	Creditors due within one year	221	224
		<u> </u>	<u> </u>
	Deferred income at 1 September 2017	224	215
	Released from previous years	(224)	(215)
	Resources deferred in the year	221	224
		<u> </u>	<u> </u>
	Deferred income at 31 August 2018	221	224
		<u> </u>	<u> </u>

Deferred income held at 31 August 2018 and 31 August 2017 related to trip income and prepaid bus fares.

19	Funds	Balance at			Gains,	Balance at
		1 September	Income	Expenditure	losses and	31 August
		2017	£'000	£'000	transfers	2018
		£'000		£'000	£'000	£'000
	Restricted general funds					
	General Annual Grant (GAG)	142	4,156	(4,354)	56	-
	Other DfE / ESFA grants	-	135	(135)	-	-
	Other government grants	-	87	(87)	-	-
	Other restricted funds	-	38	(38)	-	-
	Pension reserve	(1,799)	-	(239)	442	(1,596)
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
		(1,657)	4,416	(4,853)	498	(1,596)
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	Restricted fixed asset funds					
	Fixed assets	6,546	-	(277)	60	6,329
	DfE group capital grants	-	19	-	(19)	-
	Private sector capital sponsorship	-	20	-	(20)	-
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
		6,546	39	(277)	21	6,329
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	Total restricted funds	4,889	4,455	(5,130)	519	4,733
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	Unrestricted funds					
	General funds	568	842	(810)	(77)	523
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	Total funds	5,457	5,297	(5,940)	442	5,256
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

UPPINGHAM COMMUNITY COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

19 Funds

(Continued)

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

Unrestricted funds represent donations on conversion and lettings during the period. The funds can be utilised towards meeting any of the charitable objects of the academy trust at the discretion of the Governors.

Restricted general funds arise from funding from the Department for Educations and the Local Authority.

Restricted fixed asset funds represent the assets acquired on conversion to an academy, plus subsequent additions and disposals. Depreciation and capital grants are also attributed to this fund.

During the year, a transfer of £20,975 (2017: £6,254) was made from unrestricted reserves to restricted fixed asset funds for fixed assets purchased using unrestricted funds. A further transfer of £56,000 (2017: £Nil) was made from unrestricted funds to restricted general funds to cover an overspend on GAG funds during the year.

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

	Balance at 1 September 2016 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2017 £'000
Restricted general funds					
General Annual Grant (GAG)	-	4,203	(4,061)	-	142
Other DfE / ESFA grants	-	307	(307)	-	-
Other government grants	-	150	(150)	-	-
Pension reserve	(2,289)	-	(236)	726	(1,799)
	<u>(2,289)</u>	<u>4,660</u>	<u>(4,754)</u>	<u>726</u>	<u>(1,657)</u>
Restricted fixed asset funds					
Fixed assets	6,815	-	(294)	25	6,546
DfE group capital grants	-	19	-	(19)	-
	<u>6,815</u>	<u>19</u>	<u>(294)</u>	<u>6</u>	<u>6,546</u>
Total restricted funds	<u>4,526</u>	<u>4,679</u>	<u>(5,048)</u>	<u>732</u>	<u>4,889</u>
Unrestricted funds					
General funds	724	983	(1,133)	(6)	568
	<u>724</u>	<u>983</u>	<u>(1,133)</u>	<u>(6)</u>	<u>568</u>
Total funds	<u>5,250</u>	<u>5,662</u>	<u>(6,181)</u>	<u>726</u>	<u>5,457</u>

UPPINGHAM COMMUNITY COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

19 Funds

(Continued)

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

	Balance at 1 September 2016 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2018 £'000
Restricted general funds					
General Annual Grant (GAG)	-	8,359	(8,415)	56	-
Other DfE / ESFA grants	-	442	(442)	-	-
Other government grants	-	237	(237)	-	-
Other restricted funds	-	38	(38)	-	-
Pension reserve	(2,289)	-	(475)	1,168	(1,596)
	<u>(2,289)</u>	<u>9,076</u>	<u>(9,607)</u>	<u>1,224</u>	<u>(1,596)</u>
Restricted fixed asset funds					
Fixed assets	6,815	-	(571)	85	6,329
DfE group capital grants	-	38	-	(38)	-
Private sector capital sponsorship	-	20	-	(20)	-
	<u>6,815</u>	<u>58</u>	<u>(571)</u>	<u>27</u>	<u>6,329</u>
Total restricted funds	<u>4,526</u>	<u>9,134</u>	<u>(10,178)</u>	<u>1,251</u>	<u>4,733</u>
Unrestricted funds					
General funds	724	1,825	(1,943)	(83)	523
	<u>724</u>	<u>1,825</u>	<u>(1,943)</u>	<u>(83)</u>	<u>523</u>
Total funds	<u>5,250</u>	<u>10,959</u>	<u>(12,121)</u>	<u>1,168</u>	<u>5,256</u>

20 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	6,329	6,329
Current assets	523	388	-	911
Creditors falling due within one year	-	(377)	-	(377)
Creditors falling due after one year	-	(11)	-	(11)
Defined benefit pension liability	-	(1,596)	-	(1,596)
Total net assets	<u>523</u>	<u>(1,596)</u>	<u>6,329</u>	<u>5,256</u>

UPPINGHAM COMMUNITY COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

20 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2017 are represented by:				
Intangible fixed assets	-	-	1	1
Tangible fixed assets	-	-	6,545	6,545
Current assets	568	690	-	1,258
Creditors falling due within one year	-	(533)	-	(533)
Creditors falling due after one year	-	(15)	-	(15)
Defined benefit pension liability	-	(1,799)	-	(1,799)
Total net assets	568	(1,657)	6,546	5,457

21 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 Leicestershire County Council. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £Nil (2017: £70,199) were payable to the schemes at 31 August 2018 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

UPPINGHAM COMMUNITY COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

21 Pension and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £343,918 (2017: £360,654).

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 21.79% for employers and 5.5% to 12.5% for employees.

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

Total contributions made	2018	2017
	£'000	£'000
Employer's contributions	247	225
Employees' contributions	60	63
	<hr/>	<hr/>
Total contributions	307	288
	<hr/> <hr/>	<hr/> <hr/>

Principal actuarial assumptions	2018	2017
	%	%
Rate of increase in salaries	3.4	3.4
Rate of increase for pensions in payment/inflation	2.4	2.4
Discount rate for scheme liabilities	2.8	2.5
Inflation assumption (CPI)	2.4	2.4
Commutation of pensions to lump sums - pre-April 2008	50.00	50.00
Commutation of pensions to lump sums - post-April 2008	75.00	75.00
	<hr/> <hr/>	<hr/> <hr/>

UPPINGHAM COMMUNITY COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

21 Pension and similar obligations

(Continued)

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

	2018	2017
	Years	Years
Retiring today		
- Males	22.1	22.1
- Females	24.3	24.3
Retiring in 20 years		
- Males	23.8	23.8
- Females	26.2	26.2
	<u> </u>	<u> </u>

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

	2018	2017
	£'000	£'000
Discount rate + 0.1%	123	117
Discount rate - 0.1%	(123)	(117)
Mortality assumption + 1 year	211	203
Mortality assumption - 1 year	(211)	(203)
CPI rate + 0.1%	102	94
CPI rate - 0.1%	(102)	(94)
	<u> </u>	<u> </u>

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

	2018	2017
	Fair value	Fair value
	£'000	£'000
Equities	2,277	2,190
Bonds	991	654
Property	330	261
Other assets	74	163
	<u> </u>	<u> </u>
Total market value of assets	3,672	3,268
	<u> </u>	<u> </u>

The actual return on scheme assets was £159,000 (2017: £202,000).

Amount recognised in the Statement of Financial Activities

	2018	2017
	£'000	£'000
Current service cost	412	408
Past service cost	27	5
Interest income	(85)	(59)
Interest cost	132	107
	<u> </u>	<u> </u>
Total operating charge	486	461
	<u> </u>	<u> </u>

UPPINGHAM COMMUNITY COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

21 Pension and similar obligations	(Continued)	
	2018	2017
	£'000	£'000
Changes in the present value of defined benefit obligations		
At 1 September 2017	5,067	5,130
Current service cost	412	408
Interest cost	132	107
Employee contributions	60	63
Actuarial gain	(368)	(583)
Benefits paid	(62)	(63)
Past service cost	27	5
	<u>5,268</u>	<u>5,067</u>
Changes in the fair value of the academy trust's share of scheme assets		
	2018	2017
	£'000	£'000
At 1 September 2017	3,268	2,841
Interest income	85	59
Actuarial gain	74	143
Employer contributions	247	225
Employee contributions	60	63
Benefits paid	(62)	(63)
	<u>3,672</u>	<u>3,268</u>
22 Reconciliation of net expenditure to net cash flow from operating activities		
	2018	2017
	£'000	£'000
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(643)	(519)
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(39)	(19)
Investment income receivable	(2)	(7)
Defined benefit pension costs less contributions payable	192	188
Defined benefit pension net finance cost	47	48
Depreciation of tangible fixed assets	276	290
Amortisation of intangible fixed assets	1	4
Decrease/(increase) in stocks	3	(4)
Decrease in debtors	63	55
(Decrease)/increase in creditors	(156)	36
	<u>(258)</u>	<u>72</u>

UPPINGHAM COMMUNITY COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

23 Contingent liabilities

During the period of the funding agreement, in the event of the sale or disposal by other means, of any asset for which a government capital grant was received, the academy trust is required either to re-invest the proceeds, or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the funding agreement, whether as a result of the Secretary of State or the academy trust serving notice, the academy trust shall repay to the Secretary of State sums determined by reference to:

- (a) the value at that time of the academy site and premises and other assets held for the purposes of the academy trust; and
- (b) the extent to which expenditure incurred in providing those assets was met by the Secretary of State under the funding agreement.

24 Commitments under operating leases

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

	2018	2017
	£'000	£'000
Amounts due within one year	10	12
Amounts due in two and five years	23	16
	<u>33</u>	<u>28</u>
	<u><u>33</u></u>	<u><u>28</u></u>

25 Related party transactions

No related party transactions took place in the period of account other than certain trustees' remuneration and expenses already disclosed in note 10.

26 Members' liability

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