Company registration number 08714780 (England and Wales)

UNIVERSITY TECHNICAL COLLEGE WARRINGTON

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2024

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UNIVERSITY TECHNICAL COLLEGE WARRINGTON

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UNIVERSITY TECHNICAL COLLEGE WARRINGTON

REFERENCE AND ADMINISTRATIVE DETAILS

Members	
	M Houghton
	T Liskiewicz
	S Wittridge
Trustees	L Barber
	P Gibbens (Resigned 29 April 2024)
	M Houghton (Chair of Trustees)
	T Jennings (Resigned 29 April 2024)
	N Wallwork (Resigned 29 April 2024)
	J Patterson
	J Thomason
	C Hatherall (Principal and Accounting Officer)
	W McCann
	C Bates
	R Cosgrove
	L Bibby
Senior management team	
- Principal	C Hatherall
- Vice principal	P Rigby
- Chief Financial Officer	T Fabian (Resigned 31 December 2023)
- Chief Financial Officer	S Dolman (Appointed 1 Janauary 2024, resigned 1 July 2024)
- Chief Financial Officer	C Barnard (Appointed 2 July 2024)
Company secretary	L Devine
Company registration number	08714780 (England and Wales)
Principal address	Dallam Lane
	Warrington
	WA2 7NG
Registered office	Dallam Lane
	Warrington
	WA2 7NG
Independent auditor	JS. Audit Limited
	James House
	Stonecross Business Park
	Yew Tree Way
	Warrington
	Cheshire
	WA3 3JD
Bankers	Lloyds Bank plc
	Horsemarket Street
	Warrington
	Cheshire
	WA1 1TP

UNIVERSITY TECHNICAL COLLEGE WARRINGTON

REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors	Hill Dickinson LLP No.1 St Paul's Square Old Hall Street Liverpool Merseyside L3 9SJ

UNIVERSITY TECHNICAL COLLEGE WARRINGTON

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2024

The trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2023 to 31 August 2024. The annual report serves the purposes of both a trustees' report, and a directors' report and strategic report under company law.

The academy trust operates an academy for pupils aged 14-19 serving a catchment area in North West England. It has a pupil capacity of 620 and had a roll of 262 in the school census Summer 2024.

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 trustees of University Technical College Warrington 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

UTC Warrington has granted indemnities to each of its Governors and other officers to the extent permitted by law. Qualifying third party indemnity provisions (as defined by section 236 of the Companies Act 2006) were in force during the period and remain in force, in relation to certain losses and liabilities which the Governors or other officers may incur to third parties in the course of acting as Governors or officers of UTC Warrington.

Method of recruitment and appointment or election of trustees

Under the terms of its Articles and Funding Agreement, UTC Warrington must provide to the Secretary of State the names of all new or replacement Charity Trustees and Members of the Academy Trust. Stating whether they have been appointed or elected, the date of their appointment or election and, where applicable, the name of the Charity Trustee or Member they replaced as soon as is practicable and in any event within 14 days of their appointment or election. UTC Warrington must not appoint any new or replacement Charity Trustees or Members until it has first informed them, and they have agreed that their names will be shared with the Secretary of State to enable them to assess their suitability. UTC Warrington must not amend or remove the provisions in its Articles relating to the appointment, election, resignation or removal of Charity Trustees or Members ("the Governance Articles") without the Secretary of State's consent.

Policies and procedures adopted for the induction and training of trustees

During the year under review the Trust Board met on a monthly basis at board meetings with members of the board also representing committees of the Trust Board. Trustees attend an annual induction, which includes a skills audit and general training/updates, the outcome of the skills audit then forms part of a training plan for the year dependent on their individual and group needs. All new Trustees meet with the Chair and the Clerk and are given an induction, which includes a tour of the college and the chance to meet with staff and students. All Trustees are provided with copies of policies, procedure minutes, accounts, budgets, business development strategic plans and other documents that they will need to undertake their role as a Trustee.

Organisational structure

The organisational structure consists of three levels: The Trust Board (which includes Members and Trustees), the Senior Leadership Team and the extended Senior Leadership Team, which includes middle leaders. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels. The Trust Board are responsible for appointing the Principal, setting general policy, adopting an annual plan and budget, monitoring the use of budgets and making major decisions about the direction of UTC Warrington.

The Senior Leadership Team comprises of the Principal and Vice Principal. The Principal also acts as the Accounting Officer. These Senior Leaders control the Academy at an executive level implementing the policies laid down by the trustees and reporting back to them. As a group, the Senior Leadership Team are responsible for the authorisation of spending up to a level delegated to them within agreed budgets and the appointment of staff, although appointment boards for posts in the Senior Leadership Team always contain a Trustee. Some spending control is devolved to Budget Holders, who are generally members of the middle management team. Any limits above are authorised by the Principal. The Middle Management Team includes Faculty Leaders and Heads of Subject. Along with the Senior Leadership Team, these managers are responsible for the day to day operation of UTC Warrington, organising the teaching staff, facilities and students. The key management personnel of UTC Warrington comprise the trustees and senior leadership team as disclosed on page 1.

The day to day running of the remuneration policy is delegated to the Principal and monitored by the Pay Committee. All details for setting pay and remuneration of key management personnel are set out in the staff appraisal policy and pay policy which are reviewed annually by the Board of Trustees. The Principal's salary is set by a pay committee of 3 Trustees, chaired by the Chair of Trustees. Advice is also sought from external sources, such as the Baker Dearing Education Trust who advise appropriately. Benchmark data is also used at the annual review.

Remuneration of key management personnel is set at an individual level, and where possible the trustees have taken external professional advice which includes benchmarking, market trends and advice on structuring of incentives. Senior management salaries are linked to pay spines (i.e. National Teachers or Local Government Pay Scales), helping trustees conclude that each individual's remuneration is at an appropriate level, and also linked to factors such as length of service and experience. Total remuneration packages include employer pension contribution rates at specific approved rates.

The board are always mindful of the charitable status of UTC Warrington and recognise the fact the trust receives funding under a funding agreement with the Secretary of State for Education, and therefore ensures the remuneration paid to senior management personnel never exceeds a reasonable amount that provides value for money to the trust. The performance of senior management personnel is reviewed on a regular basis to ensure continuing value for money.

Related parties and other connected charities and organisations

UTC Warrington is sponsored by Manchester Metropolitan University. Connected organisations include: Sellafield Ltd, Sudlows, Jacobs, Cavendish Nuclear, Nation Skills Academy Nuclear (NSAN), NHS and the Royal Engineers (British Army). Related Party Questionnaires are completed by Trustees and the Clerk keeps a register of related parties / declarations of interest which are also included on UTCW's website.

Objectives and activities

Objects and aims

UTC Warrington's object ("the Object") is specifically restricted to the following: to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on managing and developing a school offering a broad and balanced curriculum which includes provision for technical education. UTC Warrington ("the Academy") specialises in Science & Engineering and provides education for students aged 14-19.

Objectives, strategies and activities

UTC Warrington aims to create an outstanding academic and technical institution, with support from our employer and university partners, to achieve the following objectives:

- Address the skills gap, as identified by the science, engineering and digital industries and government. As trends evolve, UTC Warrington will be adding T-levels to its specialist Post 16 curriculum;
- Be known as a pioneering institution for outstanding quality STEM (Science Technology, Engineering & Maths) education in Warrington;
- Prepare a generation of skilled, career-ready young people with the necessary technical, academic and softer skills to succeed;
- Establish a modern, progressive college with an innovative and forward-thinking curriculum, valued by students and employers alike;
- Support female engineers into the profession, working alongside high profile aspirational women in Engineering;
- Embed a culture of excellence and kindness, which delivers outstanding outcomes and destinations for young people;
- Provide a platform for social mobility for disadvantaged students, by accessing high calibre STEM careers through our vast employer network.

Public benefit

UTC Warrington is a Single Academy Trust catering for students aged 14 to 19, striving to promote and support the advancement of education within the Warrington area. UTC Warrington provides an extensive programme of academic and technical education — all designed to contribute to the overall education of its students focussing on areas such as Science, Technology Engineering, Construction and the Built Environment and Mathematics.

The vision is for students to be inspired by the relevance and challenge of solving real-life problems and developing the skills and confidence to succeed throughout their journey into their working lives.

UTC Warrington works with:

- Manchester Metropolitan University, our University sponsor;
- A large network of local employers;
- Secondary and Further Education educational establishments;
- Apprenticeship training providers;
- Professional bodies.

UTC Warrington also aims to contribute to the benefit of the wider public, by making available the premises to third parties for the provision of educational and other opportunities. For example:

- Use of a state of the art lecture theatre;
- Use of high quality engineering equipment/machinery and/or science laboratories;
- Use of high quality conferencing and catering spaces;
- Loan of specialist technical equipment and expertise through its local growth fund projects.

In setting our objectives and planning our activities the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit. The Trustees believe that the Academy Trust's aims, together with the activities outlined above, are demonstrably to the public benefit.

Strategic report

Achievements and performance

Trustees and the Senior Leadership Team identified 4 key areas of school improvement, which were identified at the beginning of the academic year. Staff focused on:

1. T-level implementation
2. Development of evidence informed practice
3. Personal development
4. Essential literacy skills

UTC Warrington had its first Ofsted inspection in May 2019 and achieved a 'Good' grade in all areas, with particular strengths identified in the 6th form and within the Personal Development Behaviour and Welfare. At the point this report was signed, UTC Warrington has had it's second Ofsted inspection. However, the report has not yet been published.

In 2024 students progressing onto ambitious destinations remains a key indicator of success with 46% of the year 13 cohort moving onto higher status degree and higher apprenticeships with a variety of national and international employer partners. This is significantly higher than the national average of 5% and above the rate for UTCs nationally. The UTC is currently ranked 10th of 4416 providers nationally for students progressing onto a higher or degree apprenticeship at 18 and has an excellent record of supporting learners so they do not become NEET (at 0% in 2024).

Key performance indicators

The Trust Board recognises the financial challenges faced in operating a university technical college. Estimated and fluctuating student numbers each year present a real challenge in developing a steady budget and therefore presents challenges in staff recruitment and planning. The UTC has right sized the staff team in recent years and uses the ICFP planning tool effectively to deliver its intended educational aims within its allocated budget. The turbulence the UTC has faced in recent years remains a threat but a growth in student numbers is helping to mitigate these challenges:

- Many UTCs do not have economies of scale, as they are smaller than some primary and average secondary schools. They largely all start as single academy trusts, too.
- Students are disadvantaged by 3 transition points rather than 2, which impacts on standards.
- UTCs struggle to recruit good secondary specialists, without a KS3.
- Accountability measures in England are not fit for purpose for the UTC model; Progress 8 and Ebacc fail to recognise UTC curricula and employer priorities.
- Recruitment at 14 is challenging, the 'Baker' clause in careers legislation is starting to have a positive impact helping to improve relationships with local schools.

The Trust Board identified the following priorities pertaining to financial management:

- Increase student recruitment numbers in line with growth projections and local basic need by improving levels of school engagement locally and sub-regionally, to improve access to students. With a particular focus on successfully recruiting for the new T-level qualifications.
- Operate within an agreed (and funded) budget from the ESFA, creating sufficient surplus.
- Assess student numbers early and place emphasis on creating the right staffing structure for the number of students achieved.
- Develop long-term sustainability plans through a Trust Business Development Strategy, looking for opportunities to increase revenue streams through expanding age range, delivering apprenticeship provision and development of the curriculum offer.
- Transition to Aldridge Education Multi-Academy Trust in the academic year 2024-25.

UTC Warrington secured a first, very positive Ofsted inspection report, which highlighted a good quality of education and it noted 'Leaders know what the college does well and what it still needs to do to improve. They are prepared to address aspects that have not been fully successful, so that there is the best possible provision for pupils.' Moreover that 'Effective governance is a strength of the college. Governors, who are also trustees, have skills and experience that help them to provide good challenge to leaders.'

Student Recruitment

Year Group	Pupil Numbers 2018/19	Pupil Numbers 2019/20	Pupil Numbers 2020/21	Pupil Numbers 2021/22	Pupil Numbers 2022/23	Pupil Numbers 2023/24	Pupil Numbers 2024/25
10	93	53	55	84	100	91	89
11	77	82	54	52	87	106	91
12	60	58	58	33	40	49	74
13	35	38	40	42	25	31	39
TOTAL	**265**	**231**	**207**	**211**	**252**	**277**	**293**

Overall student recruitment figures improved again in 2024/25, due to a sharp rise in KS5 numbers, particularly year 12. In KS4, the number of pupils reflects the nature of the KS4 intake, a significant percentage of which were previously home-educated students.

Further positive trends are being seen in application numbers which can be attributed to positive destinations outcomes and the successful introduction of the UTC's T-level programme.

The UTC has further developed its technical curriculum in line with government policy and from September 2024 has been delivering T-levels in each of its specialist areas. These are Engineering and Manufacturing, Construction Design and Surveying with Civil Engineering, Science with Laboratory Techniques and Digital Support Services.

Each T-Level programme of study has been carefully considered with the UTCs employer partner organisations to ensure learners will have access to meaningful industry placements and well-defined progression routes into a variety of early career frameworks with the UTCs employer partners. To support the development of the T-level programme the UTC successfully secured over 1 million pounds of capital funding from the DfE to enable refurbishment work to take place in summer 2024 and half a million-pound grant for specialist equipment; ensuring T-level learners have the access to the best learning facilities and equipment on the UTC site.

Going concern

The trustees are required to assess whether the use of going concern basis of accounting is appropriate for the Academy and consider whether there are any material uncertainties relating to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. Where such conditions are identified, which are beyond the control of the Academy then these are disclosed in the financial statements. The trustees make their assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements. The trustees have identified the following matters when making their assessment:

1. At the year-end, the Academy owed £825K to the ESFA mainly owed to incorrect VAT claims from previous years. The College has worked with the ESFA and have agreed and signed off a deficit recovery plan with an achievable repayment payment plan based on conservative student number growth. Full repayment of amounts owed has been profiled over 15 years with the first repayment made in May 23 and scheduled in equal payments over the term of the loan.
2. The academy has seen strong student growth in the current academic year 24/25, and positive pupil number adjustment figures since 21-22.
3. A surplus budget has been achieved since 20-21 and future surpluses are forecast with conservative student growth and the established T-Level curriculum.
4. The Academy is currently a single academy trust and has been working within a set of financial targets as guided by the ESFA and DfE and is achieving financial surpluses and a continued positive cash position.
5. The Academy is planning to join the Aldridge Education Trust in April 2025, subject to a legally binding agreement being put in place.

The Trustees have reviewed the 3-year forecast and taken note of the assumptions and risks, they are aware of the requirement for continued strong financial management. They will maintain a close relationship with the ESFA and will take part in discussions with the ESFA each month reviewing financial forecasts and requesting support for positive pupil number adjustment where necessary.

They have received positive feedback from the ESFA on the improvement in financial performance over the last 4 years and the ESFA have shown understanding and agree the college is addressing the challenges that the UTC model and single academy trust status brings. The trustees have a reasonable expectation that the Academy will have adequate resources to continue in operational existence for the foreseeable future, being twelve months from the date of the approval of these financial statements and thus they continue to use the going concern basis.

When the Academy joins the Aldridge Education Trust it will cease to be a going concern at that time. As a legally binding agreement has not yet been put in place, this indicates that a material uncertainty exists that may cast significant doubt on the academy trust's ability to continue as a going concern.

If the Academy were unable to continue in operational existence for the foreseeable future, adjustments would have to be made to reduce balance sheet values to their recoverable amounts, to provide for future liabilities that may arise and to reclassify fixed assets to current assets.

Financial review

During the year to 31 August 2024 the academy has continued to implement the foundations of which it will operate for the foreseeable future. Most of the Academy's income is obtained from the DfE via the ESFA in the form of its General Annual Grant (GAG), the use of which is restricted to particular purposes i.e. the objects of the Academy Trust. The GAG received during the period covered by this report and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

There were unrestricted income funds of deficit £72,807 (2023: £22,801) as at the balance sheet date. Restricted general funds (GAG only) were overdrawn by £920,501 (2023: £928,550). This can be expected with the academy becoming established at an early stage in its life.

In accordance with the Charities SORP 2019, the capital income received is shown in the Statement of Financial Activities (SOFA) as restricted fixed asset funds. The academy generated a surplus of £222,259 (2023: £394,121) before actuarial gains or losses. The academy has a net current liability position of £140,489 (2023: £81,795) and cash reserves of £547,968 (2023: £536,019) at the balance sheet date.

Financial effect of significant events

Effective financial management and monitoring throughout the academic year has seen an increase in surplus outturn achieved compared to the initial budget set.

Achieving student numbers and aligning any increase in staffing to the conservative growth has allowed all other budget lines and contingency elements to remain in operation as planned.

The continuation of ESFA recovery premium and tuition fund grants, has allowed the college to provide academic tuition support to pre and post 16 students with an aim to close the gap in knowledge from lost learning time owed to COVID 19. This has taken place in small group intervention sessions and out of curriculum time catch up events. The college had been successful at bidding for capital funding, securing a Wave 5 capital grant totalling just over £618,000. This project has seen a successful refurbishment during Summer 2023-24 and Autumn 2024-25 to support further Engineering T-Level routes and refurbishment of their working environment.

A specialist equipment grant of £526k was also secured to purchase specialist items to use in the T-Levels from September 2024, these funds have complimented the capital works and will enable learners to thrive in their new spaces and have an enhanced experience throughout their course.

The focus for the college financially over the next year will be to continue operating in a surplus position in line with repayments planned to the ESFA and continue to increase Post 16 recruitment via T-Level pathways.

Reserves policy

The Trustees will review the reserve levels of UTC Warrington annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees will always try to match income with expenditure in the current year and set and manage a balanced budget. UTC Warrington will only carry forward reserves that it considers necessary and will have a clear plan for how it will be used to benefit the students. At the balance sheet date, UTC Warrington had total restricted funds of £8,364,651 (2023: £8,106,386) comprising of fixed asset funds of £9,285,152 (2023: £9,034,936), restricted income reserves deficit of £920,501 (2023: £928,550), a pensions reserve of £nil (2023: £nil) and unrestricted income funds deficit of £72,807 (2023: £22,801).

Investment policy

UTC Warrington held no investments within the financial year other than a bank deposit account.

Principal risks and uncertainties

The Trustees have assessed the major risks to which UTC Warrington is exposed, in particular those relating to the specific teaching, outcomes, student recruitment, finances and operational matters such as facilities (including ensuring the trust's estate is safe, well maintained and complies with relevant regulations), IT and Cyber security risks The Trustees held risk workshops and regularly reviewed a risk register. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of college grounds and internal financial controls in order to manage risk). UTC Warrington 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

Within the financial year, UTC Warrington has established a full set of key financial policies to meet its obligations. Guidance from the Academies Financial Handbook has been used to inform an internal financial manual, which is reviewed regularly. The Trust Board met 6 times during the financial year, providing support and scrutiny, ensuring adequate financial controls are in place. This year, the meeting structure was designed so that all Trustees were to attend full trust board meetings where financial management information is discussed at a high level.

UTC Warrington has kept a risk register, which has been reviewed on a termly basis; the biggest risks identified are on-going student recruitment, retention of students, financial sustainability (including cash flow), IT systems and the external building cladding.

Fundraising

UTC Warrington carries out a limited amount of fundraising, mindful of the communities within which it operates. In the circumstances when fundraising is undertaken, systems and controls are in place to separate and protect funds. The trust is mindful of its responsibilities under the Charities (Protection and Social Investment) Act 2016 and legal rules, and ensures all activities are agreed and monitored at Senior Leadership Team level in compliance with relevant legal rules. Recognised standards are applied to ensure that fundraising is open, honest and respectful, protecting the public from undue pressure to donate. Complaints are handled and monitored through the Trust's complaints procedure.

Plans for future periods

UTC Warrington is currently working on a business development strategy in order to ensure long term sustainability. Trustees have discussed and agreed to the following:

- Join a Multi Academy Trust suitable to the needs and values of UTC Warrington
- Extend pupil intake to include a year 9 cohort from September 2026
- Further develop local relationships to improve access for young people
- Establish the UTC as Warrington's T-level centre of excellence with a narrow and focused technical curriculum that aligns with workforce demand and high-status industries

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.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 17 December 2024 and signed on its behalf by:

M Houghton
Chair of Trustees

UNIVERSITY TECHNICAL COLLEGE WARRINGTON

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2024

Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that University Technical College Warrington 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 Head of College, 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 University Technical College Warrington and the Secretary of State for Education. The accounting officer is 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 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
L Barber	0	6
P Gibbens (Resigned 29 April 2024)	1	4
M Houghton (Chair of Trustees)	5	6
T Jennings (Resigned 29 April 2024)	0	4
N Wallwork (Resigned 29 April 2024)	0	4
J Patterson	6	6
J Thomason	5	6
C Hatherall (Principal and Accounting Officer)	6	6
W McCann	4	6
C Bates	2	6
R Cosgrove	2	6
L Bibby	1	6

UTC Warrington currently has a vacancy for a Parent Trustee/Governor. As a Single Academy Trust, the Department for Education requests that we appoint two parents of students attending the college as members of our Trust Board.

Key performance data is produced by way of monthly reports covering detailed information around student performance and college life. The CFO provides monthly management accounts giving trustees up to date financial performance month to date and variances to budget as well as future years forecasting. Senior leaders present key information to Trustees, regarding pastoral, curriculum and other trends, with mitigating actions. The Head of College leads a robust process of self-evaluation and college improvement, which is cognisant of the college's long term strategic aims and objectives.

Many of the Trustees have worked with the college from its inception. They are very knowledgeable about the college and the way that it has developed over time. This, together with their strong links with significant local employers and Manchester Metropolitan University (MMU), gives them the insight that they need to provide strategic guidance and challenge to leaders.

Trustees are appropriately involved in the strategic use of the college's funding. They work very closely with statutory agencies to account for the college's overall current and future spending plans. They know how the additional funding available is used to support disadvantaged pupils and those with SEND. Trustees ensure that this funding supports pupils' achievement.

Governance reviews

There has been scrutiny of Governance in the form of an external peer review of Financial Governance by UTC South Durham. In the review outcome, it was clearly evidenced that trustee support and challenge was present, and that Trustees were informed of key changes in Governance throughout the year.

The Trust Board is still advised by an external clerk, and they will look to review their governance practices in the new year as well as aim to recruit more trustees from university sponsors.

The Trust Board structure is expected to change throughout the 2024-25 academic year, to a local governing body. This will provide an opportunity to further strengthen governance with additional members from:

- Manchester Metropolitan University
- Aldridge Education Trust
- Academy staff

Going forward, governors will provide additional time and support for Health & Safety reviews and their link governance responsibilities.

As a matter of best practice, the UTC will carry out an annual self-assessment and commission independent external reviews routinely, as part of a wider programme of self-assessment and improvement in subsequent years.

Following the UTC South Durham peer review, the findings were that Governance at the Academy shows stability and consistently achieves compliance. No further action needs to be taken.

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, as well as estates safety and management, achieved in return for the taxpayer resources received.

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 University Technical College Warrington for the period 1 September 2023 to 31 August 2024 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 2023 to 31 August 2024 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

The risk and control framework

UTC Warrington'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:

- A comprehensive budgeting and monitoring system with an annual budget and periodic financial reports which are reviewed and agreed by the Trust Board
- Monthly reviews by the Trust Board, 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 Trust Board has considered the need for a specific internal audit function and has decided to appoint Baker Dearing Trust to complete a Financial and Governance peer review and Dukefield to complete an internal audit on their in-house catering facility.

The peer review role this academic year was to audit, Payroll & Human Resources, Procurement & Supplier Payments, Financial Administration & Monitoring, Staff Expenses, Fixed Assets, Income, Credit Cards, Cash Handling, Governance and Cyber Security. A full audit report was made available to trustees including recommendations, which have either been completed or placed on an audit review document.

All areas of internal scrutiny are reviewed at an operational level and reviewed formally at Finance, Audit & Risk committee meetings.

Review of effectiveness

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

- The work of the internal auditor and a peer reviewer;
- The work of a School Resource Management Advisor
- 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 Audit & Risk Commitee 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 17 December 2024 and signed on its behalf by:

M Houghton
Chair of Trustees

C Hatherall
Principal and Accounting Officer

UNIVERSITY TECHNICAL COLLEGE WARRINGTON

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2024

As accounting officer of University Technical College Warrington, I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, 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 Academy Trust Handbook 2023, including responsibilities for estates safety and management.

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 Academy Trust Handbook 2023.

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.

C Hatherall
Accounting Officer and Principal

17 December 2024

UNIVERSITY TECHNICAL COLLEGE WARRINGTON

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2024

The trustees (who are also the directors of University Technical College Warrington for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2023 to 2024 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the 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 2019 and the Academies Accounts Direction 2023 to 2024;
- 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 17 December 2024 and signed on its behalf by:

M Houghton
Chair of Trustees

UNIVERSITY TECHNICAL COLLEGE WARRINGTON

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNIVERSITY TECHNICAL COLLEGE WARRINGTON

FOR THE YEAR ENDED 31 AUGUST 2024

Opinion

We have audited the accounts of University Technical College Warrington for the year ended 31 August 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the accounts, including 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 2019 and the Academies Accounts Direction 2023 to 2024 issued by the Education and 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 2024 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 2019 and the Academies Accounts Direction 2023 to 2024.

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.

Material uncertainty related to going concern

We draw attention to note 1.2 in the financial statements which indicates that the academy trust is planning to join the Aldridge Education Trust in April 2025 but a legally binding agreement is not yet in place. As stated in note 1.2, these events or conditions, along with the other matters as set forth in note 1.2, indicate that a material uncertainty exists that may cast significant doubt on the academy trust's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in preparation of the financial statements is appropriate.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the accounts themselves. 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.

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 has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the academy and sector, we identified that the principal risks of non-compliance with laws and regulations related to, but were not limited to, the Companies Act 2006, the Charities Act 2011, employment, pension, health and safety and safeguarding legislation, the Academies Accounts Direction 2023 to 2024, The Academy Trust Handbook 2023 and the academy's funding agreement with the Education and Skills Funding Agency and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities' Statement of Recommended Practice, the Academies Accounts Direction 2023 to 2024 and the Academy Trust Handbook 2023.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to management bias in accounting estimates and judgements and risk of fraudulent revenue recognition.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNIVERSITY TECHNICAL COLLEGE WARRINGTON (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management about actual and potential litigation and claims, their policies and procedures to prevent and detect fraud as well as whether they have knowledge of any actual, suspected or alleged fraud;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing regulatory correspondence with the Secretary of State for Education;
- obtaining an understanding of provisions; and
- in addressing the risk of fraud through management override of controls: testing the appropriateness of journal entries; assessing whether the accounting estimates, judgements and decisions made by management are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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.

JS. Audit Limited

Christopher Moss BSc F.C.A. (Senior Statutory Auditor)
for and on behalf of JS. Audit Limited

19 December 2024

Chartered Accountants
Statutory Auditor

James House
Stonecross Business Park
Yew Tree Way
Warrington
Cheshire
WA3 3JD

UNIVERSITY TECHNICAL COLLEGE WARRINGTON

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO UNIVERSITY TECHNICAL COLLEGE WARRINGTON AND THE EDUCATION AND SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2024

In accordance with the terms of our engagement letter dated 7 October 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2023 to 2024, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by University Technical College Warrington during the period 1 September 2023 to 31 August 2024 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 University Technical College Warrington and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the University Technical College Warrington 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 University Technical College Warrington and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of University Technical College Warrington's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of University Technical College Warrington's funding agreement with the Secretary of State for Education dated 26 March 2015 and the Academy Trust Handbook, extant from 1 September 2023, 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 2023 to 2024. 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 2023 to 31 August 2024 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts 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 our conclusions included:

- An assessment of the risk of material irregularity across the academy trust's activities;
- Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary
- Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion

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 2023 to 31 August 2024 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

JS. Audit Limited

Reporting Accountant

JS. Audit Limited

Dated: 19 December 2024

UNIVERSITY TECHNICAL COLLEGE WARRINGTON

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2024

	Notes	Unrestricted funds £	Restricted funds: General £	Restricted funds: Fixed asset £	Total 2024 £	Total 2023 £
Income and endowments from:						
Donations and capital grants	3	-	-	567,583	567,583	657,549
Charitable activities:						
- Funding for educational operations	4	-	2,697,442	-	2,697,442	1,978,384
Other trading activities	5	45,629	-	-	45,629	83,623
Investments	6	4,757	-	-	4,757	38
Total		50,386	2,697,442	567,583	3,315,411	2,719,594
Expenditure on:						
Raising funds	7	49,040	-	-	49,040	61,689
Charitable activities:						
- Educational operations	8	51,352	2,675,393	317,367	3,044,112	2,263,784
Total	7	100,392	2,675,393	317,367	3,093,152	2,325,473
Net income/(expenditure)		(50,006)	22,049	250,216	222,259	394,121
Other recognised gains/(losses)						
Actuarial (losses)/gains on defined benefit pension schemes	20	-	(14,000)	-	(14,000)	12,000
Net movement in funds		(50,006)	8,049	250,216	208,259	406,121
Reconciliation of funds						
Total funds brought forward		(22,801)	(928,550)	9,034,936	8,083,585	7,677,464
Total funds carried forward		(72,807)	(920,501)	9,285,152	8,291,844	8,083,585

UNIVERSITY TECHNICAL COLLEGE WARRINGTON

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

FOR THE YEAR ENDED 31 AUGUST 2024

Comparative year information Year ended 31 August 2023	Notes	Unrestricted funds £	Restricted funds: General £	Restricted funds: Fixed asset £	Total 2023 £
Income and endowments from:					
Donations and capital grants	3	-	-	657,549	657,549
Charitable activities:					
- Funding for educational operations	4	-	1,978,384	-	1,978,384
Other trading activities	5	83,623	-	-	83,623
Investments	6	38	-	-	38
Total		83,661	1,978,384	657,549	2,719,594
Expenditure on:					
Raising funds	7	61,689	-	-	61,689
Charitable activities:					
- Educational operations	8	44,773	1,944,262	274,749	2,263,784
Total	7	106,462	1,944,262	274,749	2,325,473
Net income/(expenditure)		(22,801)	34,122	382,800	394,121
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	20	-	12,000	-	12,000
Net movement in funds		(22,801)	46,122	382,800	406,121
Reconciliation of funds					
Total funds brought forward		-	(974,672)	8,652,136	7,677,464
Total funds carried forward		(22,801)	(928,550)	9,034,936	8,083,585

UNIVERSITY TECHNICAL COLLEGE WARRINGTON

BALANCE SHEET

AS AT 31 AUGUST 2024

	Notes	2024 £	2024 £	2023 £	2023 £
Fixed assets					
Tangible assets	**12**		9,187,333		8,990,380
Current assets					
Stock	**13**	2,933		620	
Debtors	**14**	47,124		482,590	
Cash at bank and in hand		547,968		536,019	
		598,025		1,019,229	
Current liabilities					
Creditors: amounts falling due within one year	**15**	(738,514)		(1,101,024)	
Net current liabilities			(140,489)		(81,795)
Total assets less current liabilities			9,046,844		8,908,585
Creditors: amounts falling due after more than one year	**16**		(755,000)		(825,000)
Net assets excluding pension asset			8,291,844		8,083,585
Defined benefit pension scheme asset	**20**		-		-
Total net assets			8,291,844		8,083,585
Funds of the academy trust:					
Restricted funds	**18**				
- Fixed asset funds			9,285,152		9,034,936
- Restricted income funds			(920,501)		(928,550)
Total restricted funds			8,364,651		8,106,386
Unrestricted income funds	**18**		(72,807)		(22,801)
Total funds			8,291,844		8,083,585

The accounts on pages 21 to 43 were approved by the trustees and authorised for issue on 17 December 2024 and are signed on their behalf by:

M Houghton
Chair of Trustees

Company registration number 08714780 (England and Wales)

UNIVERSITY TECHNICAL COLLEGE WARRINGTON

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2024

	Notes	2024 £	2024 £	2023 £	2023 £
Cash flows from operating activities					
Net cash (used in)/provided by operating activities	21		(634,103)		354,375
Cash flows from investing activities					
Dividends, interest and rents from investments		4,757		38	
Capital grants from DfE Group		966,867		278,146	
Capital funding received from others		-		19,403	
Purchase of tangible fixed assets		(325,572)		(183,993)	
Net cash provided by investing activities			646,052		113,594
Net increase in cash and cash equivalents in the reporting period			11,949		467,969
Cash and cash equivalents at beginning of the year			536,019		68,050
Cash and cash equivalents at end of the year			547,968		536,019

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 2023 to 2024 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

The trustees are required to assess whether the use of going concern basis of accounting is appropriate for the Academy and consider whether there are any material uncertainties relating to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. Where such conditions are identified, which are beyond the control of the Academy then these are disclosed in the financial statements. The trustees make their assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements. The trustees have identified the following matters when making their assessment:

- At the year-end, the Academy owed £825K to the ESFA mainly owed to incorrect VAT claims from previous years. The College has worked with the ESFA and have agreed and signed off a deficit recovery plan with an achievable repayment payment plan based on conservative student number growth. Full repayment of amounts owed has been profiled over 15 years with the first repayment made in May 23 and scheduled in equal payments over the term of the loan.
- The academy has seen strong student growth in the current academic year 24/25, and positive pupil number adjustment figures since 21-22.
- A surplus budget has been achieved since 20-21 and future surpluses are forecast with conservative student growth and the established T-Level curriculum.
- The Academy is currently a single academy trust and has been working within a set of financial targets as guided by the ESFA and DfE and is achieving financial surpluses and a continued positive cash position.
- The Academy is planning to join the Aldridge Education Trust in April 2025, subject to a legally binding agreement being put in place.

The Trustees have reviewed the 3-year forecast and taken note of the assumptions and risks, they are aware of the requirement for continued strong financial management. They will maintain a close relationship with the ESFA and will take part in discussions with the ESFA each month reviewing financial forecasts and requesting support for positive pupil number adjustment where necessary.

They have received positive feedback from the ESFA on the improvement in financial performance over the last 4 years and the ESFA have shown understanding and agree the college is addressing the challenges that the UTC model and single academy trust status brings. The trustees have a reasonable expectation that the Academy will have adequate resources to continue in operational existence for the foreseeable future, being twelve months from the date of the approval of these financial statements and thus they continue to use the going concern basis.

When the Academy joins the Aldridge Education Trust it will cease to be a going concern at that time. As a legally binding agreement has not yet been put in place, this indicates that a material uncertainty exists that may cast significant doubt on the academy trust's ability to continue as a going concern.

If the Academy were unable to continue in operational existence for the foreseeable future, adjustments would have to be made to reduce balance sheet values to their recoverable amounts, to provide for future liabilities that may arise and to reclassify fixed assets to current assets.

1 Accounting policies **(Continued)**

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.

Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

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.

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 accounts 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 Accounting policies **(Continued)**

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 Tangible fixed assets and depreciation

Assets costing £500 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/reducing balance basis over its expected useful life, as follows:

Leasehold land and buildings	2% per annum straight line basis
Computer equipment	25% per annum straight line basis
Fixtures, fittings & equipment	5% - 25% per annum reducing balance

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

1.6 Liabilities

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

1 Accounting policies **(Continued)**

1.7 Leased assets

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

1.8 Financial instruments

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

Financial assets

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

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

Financial liabilities

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

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

1.9 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.

1.10 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.

1.11 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 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 based on quadrennial valuations using a prospective unit credit 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.

1 Accounting policies **(Continued)**

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 net income or expenditure are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.12 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.

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

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 20, 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 2022 has been used by the actuary in valuing the pensions liability at 31 August 2024. 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. The surplus of the calculated value of assets over liabilities has not been recognised. The basis for this is that there is uncertainty around the actual receipt of economic benefits in respect of this asset.

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

Critical areas of judgement

The critical area of judgement relates to the going concern assessment in note 1.2.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2024 £	Total 2023 £
Capital grants	-	567,583	567,583	657,549

4 Funding for the academy trust's charitable activities

	Unrestricted funds £	Restricted funds £	Total 2024 £	Total 2023 £
DfE/ESFA grants				
General annual grant (GAG)	-	2,311,248	2,311,248	1,829,552
Other DfE/ESFA grants:				
- Others	-	281,731	281,731	100,850
	-	2,592,979	2,592,979	1,930,402
Other government grants				
Local authority grants	-	90,443	90,443	36,028
Other income	-	14,020	14,020	11,954
	-	104,463	104,463	47,982
Total funding	-	2,697,442	2,697,442	1,978,384

Other grants includes £87,829 (2023: £86,542) in respect of apprenticeship funding.

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2024 £	Total 2023 £
Hire of facilities	1,530	-	1,530	5,822
Catering income	33,046	-	33,046	57,846
Staff consultancy	1,800	-	1,800	7,722
Parental contributions	-	-	-	1,386
Other income	9,253	-	9,253	10,847
	45,629	-	45,629	83,623

6 Investment income

	Unrestricted funds	Restricted funds	Total 2024	Total 2023
	£	£	£	£
Other investment income	4,757	-	4,757	38

7 Expenditure

	Staff costs	Non-pay expenditure: Premises	Non-pay expenditure: Other	Total 2024	Total 2023
	£	£	£	£	£
Expenditure on raising funds					
- Direct costs	-	-	49,040	49,040	61,689
Academy's educational operations					
- Direct costs	1,640,230	-	253,705	1,893,935	1,361,369
- Allocated support costs	289,875	546,155	314,147	1,150,177	902,415
	1,930,105	546,155	616,892	3,093,152	2,325,473

Net (income)/expenditure for the year includes:	2024	2023
	£	£
Fees payable to auditor for:		
- Audit	12,000	8,240
- Other services	3,680	4,240
Operating lease rentals	36,270	2,602
Depreciation of tangible fixed assets	317,367	274,749
Net interest on defined benefit pension liability	(3,000)	-

8 Charitable activities

	Unrestricted funds	Restricted funds	Total 2024	Total 2023
	£	£	£	£
Direct costs				
Educational operations	-	1,893,935	1,893,935	1,361,369
Support costs				
Educational operations	51,352	1,098,825	1,150,177	902,415
	51,352	2,992,760	3,044,112	2,263,784

	2024	2023
	£	£

8 Charitable activities **(Continued)**

Analysis of support costs

Support staff costs	290,504	270,619
Depreciation	317,367	274,749
Technology costs	63,442	59,836
Premises costs	228,788	195,296
Legal costs	71,616	20,382
Other support costs	160,595	66,294
Governance costs	17,865	15,239
	1,150,177	902,415

9 Staff

Staff costs and employee benefits

Staff costs during the year were:

	2024	2023
	£	£
Wages and salaries	1,410,658	1,095,357
Social security costs	142,512	109,472
Pension costs	298,975	235,321
Staff costs - employees	1,852,145	1,440,150
Agency staff costs	77,960	12,938
	1,930,105	1,453,088
Staff development and other staff costs	2,307	6,937
Total staff expenditure	1,932,412	1,460,025

Staff numbers

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

	2024	2023
	Number	Number
Teachers	16	13
Administration and support	22	15
Management	2	2
	40	30

9 Staff **(Continued)**

Higher paid staff

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

	2024 Number	2023 Number
£60,001 - £70,000	-	1
£70,001 - £80,000	1	1
£90,001 - £100,000	1	-

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 £246,896 (2023: £205,228).

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 Head of College and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Head of College 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:

C. Hatherall (Head of College and trustee)
Remuneration: £90,001 - £95,000 (2023: £75,001- £80,000)
Pension contributions: £20,001 - £25,000 (2023: £15,001 - £20,000)

P. Rigby (Vice Principal)
Remuneration: £70,001 - £75,000 (2023: £65,001 - £70,000)
Pension contributions: £15,001 - £20,000 (2023: £15,001 - £20,000)

Other related party transactions involving the trustees are set out within the related party transactions 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 £10,000,000 on any one claim and the cost for the year ended 31 August 2024 was £6,371 (2023: £5,271). The cost of this insurance is included in the total insurance cost.

12 Tangible fixed assets

	Leasehold land and buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 September 2023	9,885,197	747,983	1,297,531	11,930,711
Additions	404,825	32,683	76,812	514,320
At 31 August 2024	10,290,022	780,666	1,374,343	12,445,031
Depreciation				
At 1 September 2023	1,297,795	670,214	972,322	2,940,331
Charge for the year	199,066	36,997	81,304	317,367
At 31 August 2024	1,496,861	707,211	1,053,626	3,257,698
Net book value				
At 31 August 2024	8,793,161	73,455	320,717	9,187,333
At 31 August 2023	8,587,402	77,769	325,209	8,990,380

13 Stock

	2024	2023
	£	£
Catering stock	2,933	620

14 Debtors

	2024	2023
	£	£
Trade debtors	14,851	5,157
Other debtors	-	90,217
Prepayments and accrued income	32,273	387,216
	47,124	482,590

15 Creditors: amounts falling due within one year

	2024	2023
	£	£
Trade creditors	324,359	452,533
Other taxation and social security	34,753	27,499
ESFA creditors	70,000	70,000
Other creditors	47,264	44,988
Accruals and deferred income	262,138	506,004
	738,514	1,101,024

16 Creditors: amounts falling due after more than one year

	2024	2023
	£	£
ESFA creditor	755,000	825,000

17 Deferred income

	2024	2023
	£	£
Deferred income is included within:		
Creditors due within one year	225,884	399,436
Deferred income at 1 September 2023	399,436	47,511
Released from previous years	(212,874)	(47,511)
Resources deferred in the year	39,322	399,436
Deferred income at 31 August 2024	225,884	399,436

Deferred income represents amounts received in advanced in relation to Catering of £nil (2023: £1,803), ESFA Support Grant of £nil (2023: £14,152), ESFA Pupil Premium of £nil (2023: £6,157), ESFA ECT (Early Careers Teaching) of £nil (2023: £5,000) T-Level funding of £nil (2023: £7,920), ESFA MSAG of £nil (2023: £20,852), ESFA T Level Specific Equipment £225,884 (2023: £343,552).

18 **Funds**

	Balance at 1 September 2023 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2024 £
Restricted general funds					
General Annual Grant (GAG)	(883,550)	2,311,248	(2,348,199)	-	(920,501)
Other DfE/ESFA grants	-	281,731	(281,731)	-	-
Other government grants	(45,000)	104,463	(59,463)	-	-
Pension reserve	-	-	14,000	(14,000)	-
	(928,550)	2,697,442	(2,675,393)	(14,000)	(920,501)
Restricted fixed asset funds					
DfE group capital grants	9,034,936	567,583	(317,367)	-	9,285,152
Total restricted funds	8,106,386	3,265,025	(2,992,760)	(14,000)	8,364,651
Unrestricted funds					
General funds	(22,801)	50,386	(100,392)	-	(72,807)
Total funds	8,083,585	3,315,411	(3,093,152)	(14,000)	8,291,844

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

The General Annual Grant (GAG) must be used for the normal running costs of the academy. Under the funding agreement with the Secretary of State for Education, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2024.

Other DfE/ ESFA grants relate to Teachers pay grant and pupil premium, funding received to assist pupils within the school.

Other government grants relate to local authority SEN funding.

The pension reserve is a restricted fund to account for the liability arising under the Local Government Pension Scheme.

The trust is carrying a net deficit of £920,501 (2023: £928,550) on restricted general funds (excluding pension reserve). The academy trust is taking the following action to return the academy to surplus:

- The College is currently a single academy trust and has a set of financial targets it is currently set to achieve in order to help return to a surplus budget.
- The College is also targeted to join a multi academy trust (MAT), in order to strengthen student recruitment and find economies of scale assisting better financial performance. Throughout the last academic year UTCW trustees completed an extensive process to identify a suitable MAT partner. Due diligence has now been completed and a formal application for the SAT to join the MAT was submitted in the Autumn of 2023. The formal transfer is due to be signed off by both parties in April 2025.

18 Funds *(Continued)*

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

	Balance at 1 September 2022	Income	Expenditure	Gains, losses and transfers	Balance at 31 August 2023
	£	£	£	£	£
Restricted general funds					
General Annual Grant (GAG)	(975,672)	1,829,552	(1,737,430)	-	(883,550)
Other DfE/ESFA grants	-	100,850	(100,850)	-	-
Other government grants	-	47,982	(92,982)	-	(45,000)
Pension reserve	1,000	-	(13,000)	12,000	-
	(974,672)	1,978,384	(1,944,262)	12,000	(928,550)
Restricted fixed asset funds					
DfE group capital grants	8,652,136	657,549	(274,749)	-	9,034,936
Total restricted funds	7,677,464	2,635,933	(2,219,011)	12,000	8,106,386
Unrestricted funds					
General funds	-	83,661	(106,462)	-	(22,801)
Total funds	7,677,464	2,719,594	(2,325,473)	12,000	8,083,585

19 Analysis of net assets between funds

	Unrestricted Funds	Restricted funds: General	Restricted funds: Fixed asset	Total Funds
	£	£	£	£
Fund balances at 31 August 2024 are represented by:				
Tangible fixed assets	-	-	9,187,333	9,187,333
Current assets	-	598,025	-	598,025
Current liabilities	(72,807)	(763,526)	97,819	(738,514)
Non-current liabilities	-	(755,000)	-	(755,000)
Total net assets	(72,807)	(920,501)	9,285,152	8,291,844

19 Analysis of net assets between funds **(Continued)**

	Unrestricted Funds	Restricted funds: General	Restricted funds: Fixed asset	Total Funds
	£	£	£	£
Fund balances at 31 August 2023 are represented by:				
Tangible fixed assets	-	-	8,990,380	8,990,380
Current assets	-	974,673	44,556	1,019,229
Current liabilities	(22,801)	(1,078,223)	-	(1,101,024)
Non-current liabilities	-	(825,000)	-	(825,000)
Total net assets	(22,801)	(928,550)	9,034,936	8,083,585

20 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 Cheshire pension Fund. 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 2020, and that of the LGPS related to the period ended 31 March 2022.

The actuary has considered the current and ongoing court cases and their impact on the scheme. Allowances have been made where actuary deems there to be an impact on the scheme and exclusions have been made for cases where the outcome is uncertain or it has no affect on the scheme.

Contributions amounting to £Nil (2023: £Nil) were payable to the schemes at 31 August 2024 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 teachers in academy trusts. All teachers have the option to opt out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary. These contributions 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 every 4 years. The aim of the review is to ensure scheme costs are recognised and managed appropriately and the review specifies 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 2020. The valuation report was published by the Department for Education on 27 October 2023.

20 Pension and similar obligations **(Continued)**

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 28.68% of pensionable pay (including a 0.08% employer administration charge). This is an increase of 5% in employer contributions and the cost control result is such that no change in member benefits is needed.
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million giving a notional past service deficit of £39,800 million.
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 1.7% above the rate of CPI.

The result of this valuation will be implemented from 1 April 2024.The next valuation result is due to be implemented from 1 April 2028.

The employer's pension costs paid to the TPS in the period amounted to £195,165 (2023: £154,236).

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 is unable to identify its share of the underlying assets and liabilities of the plan. Accordingly, the academy trust has taken advantage of the exemption in FRS 102 and has 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 pension 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 17.7% to 19.5% 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 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

Total contributions made	**2024**	**2023**
	£	**£**
Employer's contributions	83,000	60,000
Employees' contributions	28,000	19,000
Total contributions	111,000	79,000

Principal actuarial assumptions	**2024**	**2023**
	%	**%**
Rate of increase in salaries	3.35	3.65
Rate of increase for pensions in payment/inflation	2.65	2.95
Discount rate for scheme liabilities	5.0	5.2

20 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:

	2024 Years	2023 Years
Retiring today		
- Males	20.9	21.0
- Females	24.4	24.4
Retiring in 20 years		
- Males	20.5	21.1
- Females	24.8	24.9

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

	2024	2023
Discount rate - 0.1%	17,000	14,000
Mortality assumption + 1 year	21,000	16,000
CPI rate + 0.1%	18,000	15,000

Defined benefit pension scheme net asset	2024 £	2023 £
Scheme assets	532,000	411,000
Scheme obligations	(532,000)	(411,000)
Net asset	-	-

The academy trust's share of the assets in the scheme	2024 Fair value £	2023 Fair value £
Equities	326,000	239,000
Bonds	203,000	151,000
Cash	6,000	5,000
Property	80,000	64,000
Asset ceiling restriction	(83,000)	(48,000)
Total market value of assets	532,000	411,000

The actual return on scheme assets was £12,000 (2023: £(56,000)).

20 Pension and similar obligations **(Continued)**

Amount recognised in the statement of financial activities	**2024**	**2023**
	£	**£**
Current service cost	72,000	73,000
Interest cost	(3,000)	-
Total operating charge	69,000	73,000

Changes in the present value of defined benefit obligations	**2024**
	£
At 1 September 2023	411,000
Current service cost	72,000
Interest cost	24,000
Employee contributions	28,000
Actuarial gain	(1,000)
Benefits paid	(2,000)
At 31 August 2024	532,000

Changes in the fair value of the academy trust's share of scheme assets	**2024**
	£
At 1 September 2023	411,000
Interest income	27,000
Actuarial loss	(15,000)
Employer contributions	83,000
Employee contributions	28,000
Benefits paid	(2,000)
At 31 August 2024	532,000

21 Reconciliation of net income to net cash flow from operating activities

	Notes	2024 £	2023 £
Net income for the reporting period (as per the statement of financial activities)		222,259	394,121
Adjusted for:			
Capital grants from DfE and other capital income		(966,867)	(657,549)
Investment income receivable	6	(4,757)	(38)
Defined benefit pension costs less contributions payable	20	(11,000)	13,000
Defined benefit pension scheme finance income	20	(3,000)	-
Depreciation of tangible fixed assets		317,367	274,749
(Increase) in stocks		(2,313)	(6)
Decrease/(increase) in debtors		435,466	(56,342)
(Decrease)/increase in creditors		(621,258)	386,440
Net cash (used in)/provided by operating activities		(634,103)	354,375

22 Analysis of changes in net funds

	1 September 2023 £	Cash flows £	31 August 2024 £
Cash	536,019	11,949	547,968

23 Long-term commitments

Operating leases

At 31 August 2024 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2024 £	2023 £
Amounts due within one year	21,555	2,280
Amounts due in two and five years	20,700	3,705
	42,255	5,985

24 Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook 2023, including notifying ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and in accordance with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

25 Members' liability

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