

Company Registration No. 08714780 (England and Wales)

UNIVERSITY TECHNICAL COLLEGE WARRINGTON

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2021

UNIVERSITY TECHNICAL COLLEGE WARRINGTON

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UNIVERSITY TECHNICAL COLLEGE WARRINGTON

REFERENCE AND ADMINISTRATIVE DETAILS

Members	M Houghton Sellafield Ltd (Nominated person: J O'Brien) T Liskiewicz
Trustees	I Critchley P Gibbens M Houghton (Chair of Trustees) T Jennings W J McCann P Middlehurst (Appointed 9 December 2020) N Merriman J Patterson J Thomason C J Hatherall (Accounting Officer) (Appointed 27 May 2021)
Senior management team	
- Principal (until 26 May 2021)	L Barber
- Principal (from 27 May 2021)	C Hatherall
- Vice principal	A Downing
- Assistant principal - curriculum	J Varey
- Assistant principal - operations	M O'Donoghue
- Assistant principal	P Rigby
Company secretary	L Devine (appointed 13 September 2021) M Ward (resigned 17 September 2021)
Company registration number	08714780 (England and Wales)
Principal address	Dallam Lane Warrington WA2 7NG
Registered office	Dallam Lane Warrington WA2 7NG
Independent auditor	Jackson Stephen LLP 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 Pauls Square
Liverpool
Merseyside
L3 9SJ

UNIVERSITY TECHNICAL COLLEGE WARRINGTON

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

The trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates an academy for pupils aged 14-19 serving a catchment area in North West England. It has a pupil capacity of 620 and had a roll of 207 in the school census in June 2021.

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.

UNIVERSITY TECHNICAL COLLEGE WARRINGTON

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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 & Chief Executive, 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 & Chief Executive / Head of College (since 27 May 2021), Vice Principal and Assistant Principals. The Principal & Chief Executive / Head of College 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 Progress Leaders. 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 & Chief Executive / Head of College 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 / Head of College'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: Sellafeld Ltd, Wood Plc, Fujitsu, Jacobs, Cavendish Nuclear, Stanley Engineered Fastenings 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.

UNIVERSITY TECHNICAL COLLEGE WARRINGTON

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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, UTCW will be adding Healthcare to its specialisms;
- 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, Arts and Maths.

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.

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.

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.

UNIVERSITY TECHNICAL COLLEGE WARRINGTON

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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 intently on improving:

1. The quality of teaching, learning and assessment in KS4
2. Attendance; increasing in line with national averages
3. 'The UTC promise'; delivering on our unique employer-driven curriculum as a UTC
4. Literacy, including technical literacy, across the curriculum

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. Outcomes for students in summer '20 reinforced the Good status of the college, with continued improvements in KS4 outcomes, most notably English, and continued success in the 6th form technical curriculum, where the average grade in Engineering was Distinction. Attendance rose steadily throughout the year, finishing above national averages for both key stages. Despite the challenges presented by Covid-19, the Trust Board are confident in the robustness of process underlying the centre assessed grades our students received.

Key performance indicators

The Trust Board recognises the financial challenges faced in operating a university technical college. Fluctuating student numbers each year present a real challenge in developing a steady budget and therefore staff team; a range of student numbers from 375 to 207 presents the need for reactive budgeting and early dialogue with ESFA colleagues. Moreover, the curriculum delivered in a UTC carries a technical premium cost not as prevalent in most school settings. The strategic environment any UTC finds itself operating within is extremely turbulent:

- 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 extremely challenging, with no sign of that changing despite better 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.
- 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. Rightsizing of the college has led to a reduction in the staff team, but not to the detriment of the curriculum.
- 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.
- Identify and join a Multi-Academy Trust that can help the UTC derive economies of scale and provide support with student recruitment.

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.'

UNIVERSITY TECHNICAL COLLEGE WARRINGTON

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Student outcomes in the summer exam series were extremely positive; centre assessed grades were externally validated with no corrections. As a number of courses on the UTCW curriculum are modular (particularly in 6th Form), a significant element of each course had already been completed and verified prior to college closure and remote learning period. As these grades won't be published in any accountability tables, we have decided against publishing them in this trustees' report out of respect for fellow institutions.

This year more UTC students than ever have been successful in securing high status apprenticeships and progression to university to study STEM related degrees has remained strong. A small number of students in year 13 are NEET. This is a combination of the reduction in contact with the individuals concerned and ongoing mental health issues that have been exacerbated by the global COVID-19 pandemic. A number of enterprising Year 13 students secured employment during the lockdown period and have decided to continue with their current employer and revisit apprenticeship opportunities in 2022

Student Recruitment

Year Group	Pupil Numbers 2018/19	Pupil Numbers 2019/20	Pupil Numbers 2020/21
10	93	53	55
11	77	82	54
12	60	58	58
13	35	38	40
Total	265	231	207

Student recruitment figures reduced from 231 to 207 students in this academic year 2020-21, however strong recruitment figures within KS4 are likely for next year proven by applications at this stage. COVID-19 significantly reduced our marketing capability from March 20 onwards; many aspects of the marketing calendar were curtailed early, meaning potential students did not get as much exposure to the UTC offer. We accept it is difficult for students and families to choose to change school at 14 or choose a 6th form college at 16 if they can not visit in person and meet the staff. Our main keep warm opportunities would usually take place at this time and because of COVID-19 we were unable to interact with all applicants as effectively as we would have liked.

UNIVERSITY TECHNICAL COLLEGE WARRINGTON

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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 material uncertainties in making their assessment:

1. At the year end, the Academy owed £1,115,798 to the ESFA mainly due to incorrect VAT claims from previous years (£965k) and in year pupil number adjustment funding (£150k). The college reduced the deficit they owe significantly in the year and are working with the ESFA to agree a repayment plan to repay the remaining amounts owed. As part of the latest deficit recovery plan, the amount owed would be fully repaid over the next 10 years using conservative pupil number growth.
2. The academy has failed to achieve estimated pupil numbers over the last three years which has led to negative pupil number adjustments, affecting ability to achieve a surplus budget. The Trust Board have now provided realistic minimum viable numbers for future forecasting as a single academy trust and alongside this they have completed a staff restructure to right size the leadership team for the number of current students (maximum reaching 240 in 2023/24) and in order to maintain a surplus budget. Recruitment figures for 21/22 has seen an increase and provided in year positive pupil numbers adjustment funding.
3. The Academy is currently a single academy trust and has financial targets previously linked to the receipt of transitional funding which ended in this current year. These targets included joining a multi academy trust (MAT), despite the end of the linked funding, the ESFA are still encouraging UTCW to join a MAT in order to strengthen student recruitment and find economies of scale assisting better financial performance. UTCW trustees are still seeking a suitable MAT partner but are engaged with a number of suitable possibilities, which they will explore in 21/22.

The uncertainties described above relating to the ministerial approval by the ESFA of the deficit recovery plan and previous trend of failure to achieve forecast pupil numbers means UTCW require the continued support of the ESFA. However, trustees remain in close contact with the ESFA and have continued positive and upfront dialogue with them. They have received positive feedback from the ESFA on the improvement in financial performance over the last 2 years and the ESFA have shown understanding and agree the college is addressing the challenges, so therefore Trustees anticipate that the required support will be forthcoming. 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

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.

UNIVERSITY TECHNICAL COLLEGE WARRINGTON

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Financial review

During the year to 31 August 2021 the academy has aimed 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 no unrestricted fund balances as at the balance sheet date. Restricted general funds (GAG only) were overdrawn by £1,053,713 (2020: £1,094,873). This can be expected with the academy becoming established at an early stage in its life. There were no large capital grants during the year from the ESFA, the only capital income received was the Devolved Formula Capital Grant (DFC). Other capital funding received was from the Combined Cadet force, which was offset by expenditure, donations of computer equipment, mainly laptops from the Department for education (DfE) to support remote learning and from the Local Enterprise Project as part of 3 resourced projects with linked outputs. In accordance with the Charities SORP 2015, the capital income received is shown in the Statement of Financial Activities (SOFA) as restricted fixed asset funds. The difference between the fixed asset fund and the net book value of fixed assets relates to a small amount of DFC carried forward. The academy generated a deficit of £234,320 (2020: £699,876) before actuarial losses. The academy has a net current liability position of £1,064,145 (2020: £1,085,408) and cash reserves of £132,636 (2020: £478,246) at the balance sheet date.

Financial effect of significant events

There were a number of key events during the academic year that have had a significant impact on the financial performance of the college.

In order to address the deficit that the reduction of student numbers had created, a staff restructure took place in year commencing in November 2020, this took steps to change the staff structure to suit 30-40 fewer students and to move closer to a more financially sustainable future and in year surplus. The senior leadership team has been restructured from 6 positions to 3, now consisting of Head of college and 2 Assistant Principals, which has significantly reduced the staff costs in future years without detriment to the current college curriculum.

The global pandemic of COVID-19 has had a continued effect on the college's performance and operations. It resulted in closure of most parts of the college from October 2020, due to increasing COVID cases and offering only a provision on site for vulnerable students and for students of key workers. Due to our size and expertise in remote learning, we were comfortably able to offer a full package of remote learning to students quickly and hope that this has helped with any lost learning time, this in turn similarly to the previous year allowed some efficiency savings in utilities, contracted cleaning, reprographics and capitation purchasing.

With the return of on-site learning in January 21, there have been a number of operational changes required, including additional cleaning, social distancing and on site testing. These changes have been linked to a number of additional expenditure items in order to adhere to government guidance and keep students and staff safe. The ESFA have provided some financial support for onsite testing and extraordinary expenditure but daily use items such as sanitiser and increased ventilation have all been costs incurred within the college budget, which is likely to continue into future years.

This year has seen the first set of ESFA funding designated for COVID catch up, to support students with the lost learning that remote learning and the pandemic has created. Funding for pre and post 16 in year has mainly been spent on one to one intervention and tuition by in house staff, additional resources have been used to address student wellbeing and resources to aid and enhance remote learning now and in the future. A small amount of funding has been carried over into next year's funds, which will be used with other COVID catch up funding to address the gaps in knowledge and support those students affected by the college closures.

UNIVERSITY TECHNICAL COLLEGE WARRINGTON

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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 funds of £7,400,503 comprising fixed asset funds of £8,914,216 (2020: £9,124,697), restricted income reserves deficit of £1,053,713 (2020: £1,094,873), a pensions deficit of £460,000 (2020: £225,000) and unrestricted income funds of £nil (2020: £nil).

Investment policy

UTC Warrington held no investments within the financial year.

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. 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 13 times during the financial year, providing support and scrutiny, ensuring adequate financial controls are in place. The meeting structure is designed so that all Trustees are to attend all meetings as opposed to committee structures; this is to give more emphasis on financial management and to be able to review areas more regularly.

UTC Warrington has kept a risk register, which has been reviewed on a half-termly basis; The biggest risks identified are on-going student recruitment, retention of students, financial sustainability (including cash flow) and IT Systems and its robustness to support future remote learning.

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
- Further develop local relationships to improve access for young people
- Diversify revenue streams through apprenticeship provision

UNIVERSITY TECHNICAL COLLEGE WARRINGTON

TRUSTEES' REPORT (CONTINUED)

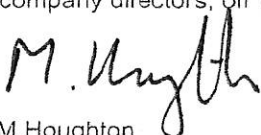
FOR THE YEAR ENDED 31 AUGUST 2021

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 10 December 2021 and signed on its behalf by:



M Houghton
Chair of Trustees


C J Hatherall
Accounting Officer

UNIVERSITY TECHNICAL COLLEGE WARRINGTON

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2021

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 13 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
I Critchley	9	13
P Gibbens	7	13
M Houghton (Chair of Trustees)	11	13
T Jennings	3	13
W J McCann	10	13
P Middlehurst (Appointed 9 December 2020)	8	8
N Merriman	7	13
J Patterson	12	13
J Thomason	7	13
C J Hatherall (Accounting Officer) (Appointed 27 May 2021)	2	2

L Barber attended 10 meetings out of a possible 11 whilst Accounting Officer until 1 June 2021. He resigned as a trustee on 1 February 2020.

The key changes in the composition of the Trust Board within the financial year were the resignations and change of Accounting Officer on June 21, when the Principal Lee Barber resigned and Chris Hatherall was appointed as Head of College and accounting officer. Paul Middlehurst was appointed as a Parent Trustee on December 20 and has offered a wealth of knowledge and skills in mechanical engineering and cyber security and has supported UTCW with facilities management and information technology support systems as well as offering a parental view and contribution.

The growth in knowledge and experience of existing trustees newly appointed last year has resulted in more robust and consistent challenge of the leadership team during the year and more importantly better support during a period of instability due to COVID 19 and the new challenges seen when offering remote learning. Link governance has continued remotely which has improved meeting attendance and provided effective support during the COVID 19 pandemic. Continued financial monitoring and strong link governance has ensured that an improved in year financial position and student recruitment has been achieved. The Trust Board have self-evaluated their own effectiveness through the completion of a skills analysis, which has formed a trustee development programme for 21-22.

UNIVERSITY TECHNICAL COLLEGE WARRINGTON

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Key performance data is produced by way of monthly Principal 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 Principal leads a robust process of self-evaluation and college improvement, which is cognisant of the college's long-term strategic aims and objectives.

During the UTC's first Ofsted inspection in May 2019, governance was reviewed as part of the scrutiny of leadership & management. The UTC's first Ofsted report states 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. There have been no formal reviews in this academic year. In addition, the report comments:

'Effective governance in the college is one of its strengths. Many of the Trustees, who also act as governors, 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.'

'Governors are appropriately involved in the strategic use of the college's funding. They work 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. Governors ensure that this funding supports pupils' achievement'.

Due to a number of concurrent challenges faced in a hugely important inspection year for the college, the Trust Board felt it was necessary to revert to a flat structure, with all areas of governance being covered in monthly trust board meetings attended by all Trustees. This year there has been a creation of the Risk and Audit Committee who have met termly to discuss Audit recommendations in detail and review the risk register and its outcomes in detail. John Patterson chairs this committee and attendance is open to all trustees.

Review of value for money

As accounting officer, the principal has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The 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 2020 to 31 August 2021 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 2020 to 31 August 2021 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

UNIVERSITY TECHNICAL COLLEGE WARRINGTON

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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 Redrambler Ltd as internal auditor for the accounting period 1 September 2020 to 31 August 2021.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on UTC Warrington's financial systems. On a termly basis, the auditor reports to the Trust Board on the operation of the systems of control and on the discharge of the board of Trustees' financial responsibilities.

In particular the checks carried out in the current period included:

- Testing of payroll systems
- Testing of purchase systems
- Testing of control account / bank reconciliations
- External audit arrangements
- Budget planning, monitoring and reporting
- Internal controls
- Governance
- Risk management
- Assets
- Catering income
- Pupil Premium
- Website

The programme of internal scrutiny was delivered as intended and a programme for 2021-22 is under review and the programme will be designed to address and monitor the highest risks highlighted in the risk register. The internal auditors view from the final visit, the overall risk is graded HIGH due to the low pupil numbers, challenging student recruitment in future years, significant deficit, Budget Recovery Plan, and change in staff post restructure. There are no day-to-day operational risks of an urgent nature to bring to the attention of the Academy.

Review of effectiveness

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

- the work of the internal auditor and a peer reviewer;
- 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.

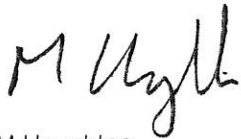
UNIVERSITY TECHNICAL COLLEGE WARRINGTON

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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

Approved by order of the board of trustees on 10 December 2021 and signed on its behalf by:



M Houghton
Chair of Trustees



C J Batherall
Accounting Officer

UNIVERSITY TECHNICAL COLLEGE WARRINGTON

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2021

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 received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2020.

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 J Matherall

Accounting Officer and Principal

10 December 2021

UNIVERSITY TECHNICAL COLLEGE WARRINGTON

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2021

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 2020 to 2021 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:

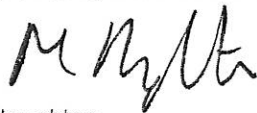
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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.

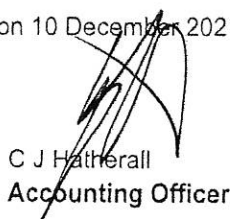
The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring that grants received from ESFA/DfE have 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 10 December 2021 and signed on its behalf by:



M Houghton
Chair of Trustees



C J Hatherall
Accounting Officer

UNIVERSITY TECHNICAL COLLEGE WARRINGTON

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

FOR THE YEAR ENDED 31 AUGUST 2021

Opinion

We have audited the accounts of University Technical College Warrington for the year ended 31 August 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 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 2021 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 2020 to 2021.

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 reliant upon the ESFA for the continuation of financial support additional to the core funding. 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 trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

UNIVERSITY TECHNICAL COLLEGE WARRINGTON

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

FOR THE YEAR ENDED 31 AUGUST 2021

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 and health and safety legislation and regulation through the Secretary of State for Education as principal regulator, acting through 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 and the Academies Financial Handbook.

UNIVERSITY TECHNICAL COLLEGE WARRINGTON

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

FOR THE YEAR ENDED 31 AUGUST 2021

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.

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