

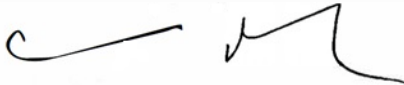
UNIVERSITY TECHNICAL COLLEGE WARRINGTON

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

FOR THE YEAR ENDED 31 AUGUST 2021

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.



Christopher Moss BSc F.C.A. (Senior Statutory Auditor)
for and on behalf of Jackson Stephen LLP

16 December 2021

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 2021

In accordance with the terms of our engagement letter dated 12 June 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, 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 2020 to 31 August 2021 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 Academies Financial Handbook, extant from 1 September 2020, 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 2020 to 2021. 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 2020 to 31 August 2021 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 to our conclusion includes:

- A review of the systems in place that govern sales, purchases, credit/charge card and payroll as outlined in the Financial Procedures Manual
- Substantive testing of the income and expenditure of the academy
- Analytical review
- Obtaining evidence relevant to the regularity and propriety of the academy's income and expenditure.

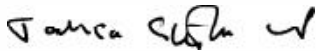
UNIVERSITY TECHNICAL COLLEGE WARRINGTON

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

FOR THE YEAR ENDED 31 AUGUST 2021

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 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant

Jackson Stephen LLP

Dated: 16 December 2021

UNIVERSITY TECHNICAL COLLEGE WARRINGTON

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted funds £	Restricted funds: General £ Fixed asset £	Total 2021 £	Total 2020 £
Income and endowments from:					
Donations and capital grants	3	-	-	100,122	22,845
Charitable activities:					
- Funding for educational operations	4	-	1,768,632	1,768,632	1,771,038
Other trading activities	5	187,373	-	187,373	218,635
Investments	6	28	-	28	253
Total		<u>187,401</u>	<u>1,768,632</u>	<u>2,056,155</u>	<u>2,012,771</u>
Expenditure on:					
Raising funds	7	24,698	-	24,698	29,530
Charitable activities:					
- Educational operations	8	88,695	1,866,479	2,265,777	2,683,117
Total	7	<u>113,393</u>	<u>1,866,479</u>	<u>2,290,475</u>	<u>2,712,647</u>
Net income/(expenditure)		74,008	(97,847)	(234,320)	(699,876)
Transfers between funds	17	(74,008)	74,008	-	-
Other recognised gains/(losses)					
Actuarial (losses)/gains on defined benefit pension schemes	19	-	(170,000)	(170,000)	39,000
Net movement in funds		-	(193,839)	(404,320)	(660,876)
Reconciliation of funds					
Total funds brought forward		-	(1,319,873)	7,804,824	8,465,700
Total funds carried forward		<u>-</u>	<u>(1,513,712)</u>	<u>7,400,504</u>	<u>7,804,824</u>

UNIVERSITY TECHNICAL COLLEGE WARRINGTON

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

FOR THE YEAR ENDED 31 AUGUST 2021

Comparative year information Year ended 31 August 2020	Notes	Unrestricted funds £	Restricted funds: General	Fixed asset £	Total 2020 £
Income and endowments from:					
Donations and capital grants	3	-	-	22,845	22,845
Charitable activities:					
- Funding for educational operations	4	-	1,771,038	-	1,771,038
Other trading activities	5	218,635	-	-	218,635
Investments	6	253	-	-	253
Total		<u>218,888</u>	<u>1,771,038</u>	<u>22,845</u>	<u>2,012,771</u>
Expenditure on:					
Raising funds	7	29,530	-	-	29,530
Charitable activities:					
- Educational operations	8	165,782	2,059,785	457,550	2,683,117
Total	7	<u>195,312</u>	<u>2,059,785</u>	<u>457,550</u>	<u>2,712,647</u>
Net income/(expenditure)		23,576	(288,747)	(434,705)	(699,876)
Transfers between funds	17	(23,576)	23,576	-	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	19	-	39,000	-	39,000
Net movement in funds		-	(226,171)	(434,705)	(660,876)
Reconciliation of funds					
Total funds brought forward		-	(1,093,702)	9,559,402	8,465,700
Total funds carried forward		-	<u>(1,319,873)</u>	<u>9,124,697</u>	<u>7,804,824</u>

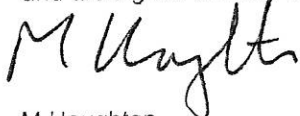
UNIVERSITY TECHNICAL COLLEGE WARRINGTON

BALANCE SHEET


AS AT 31 AUGUST 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Tangible assets	12		8,924,648		9,115,232
Current assets					
Stocks	13	759		6,030	
Debtors	14	71,360		108,787	
Cash at bank and in hand		132,636		478,246	
			<u>204,755</u>		<u>593,063</u>
Current liabilities					
Creditors: amounts falling due within one year	15	(1,268,900)		(1,678,471)	
Net current liabilities			<u>(1,064,145)</u>		<u>(1,085,408)</u>
Net assets excluding pension liability			<u>7,860,503</u>		<u>8,029,824</u>
Defined benefit pension scheme liability	19		(460,000)		(225,000)
Total net assets			<u><u>7,400,503</u></u>		<u><u>7,804,824</u></u>
Funds of the academy trust:					
Restricted funds	17				
- Fixed asset funds			8,914,216		9,124,697
- Restricted income funds			(1,053,713)		(1,094,873)
- Pension reserve			(460,000)		(225,000)
Total restricted funds			<u>7,400,503</u>		<u>7,804,824</u>
Unrestricted income funds	17		-		-
Total funds			<u><u>7,400,503</u></u>		<u><u>7,804,824</u></u>

The accounts on pages 24 to 45 were approved by the trustees and authorised for issue on 10 December 2021 and are signed on their behalf by:



M Houghton
Chair of Trustees



CJ Hatherall
Accounting Officer

Company Number 08714780

UNIVERSITY TECHNICAL COLLEGE WARRINGTON

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Net cash used in operating activities	20		(325,740)		(107,485)
Cash flows from investing activities					
Dividends, interest and rents from investments		28		253	
Capital grants from DfE Group		8,343		8,877	
Capital funding received from sponsors and others		91,779		13,968	
Purchase of tangible fixed assets		(120,020)		(13,380)	
Net cash (used in)/provided by investing activities			(19,870)		9,718
Net decrease in cash and cash equivalents in the reporting period			(345,610)		(97,767)
Cash and cash equivalents at beginning of the year			478,246		576,013
Cash and cash equivalents at end of the year			132,636		478,246

UNIVERSITY TECHNICAL COLLEGE WARRINGTON

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

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 2020 to 2021 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 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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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.

UNIVERSITY TECHNICAL COLLEGE WARRINGTON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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.

UNIVERSITY TECHNICAL COLLEGE WARRINGTON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

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 or services it must provide.

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.

UNIVERSITY TECHNICAL COLLEGE WARRINGTON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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 19, 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. 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 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.

UNIVERSITY TECHNICAL COLLEGE WARRINGTON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

3	Donations and capital grants			
	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Capital grants	-	100,122	100,122	22,845
	<u>-</u>	<u>100,122</u>	<u>100,122</u>	<u>22,845</u>
4	Funding for the academy trust's educational operations			
	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
DfE / ESFA grants				
General annual grant (GAG)	-	1,409,049	1,409,049	1,337,438
Other DfE / ESFA grants:				
Others	-	336,484	336,484	417,010
	<u>-</u>	<u>336,484</u>	<u>336,484</u>	<u>417,010</u>
	<u>-</u>	<u>1,745,533</u>	<u>1,745,533</u>	<u>1,754,448</u>
Other government grants				
Local authority grants	-	17,779	17,779	11,590
Other income	-	5,320	5,320	5,000
	<u>-</u>	<u>23,099</u>	<u>23,099</u>	<u>16,590</u>
	<u>-</u>	<u>1,768,632</u>	<u>1,768,632</u>	<u>1,771,038</u>
Total funding	<u>-</u>	<u>1,768,632</u>	<u>1,768,632</u>	<u>1,771,038</u>
5	Other trading activities			
	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Hire of facilities	900	-	900	1,417
Catering income	30,825	-	30,825	46,748
Staff consultancy	103,138	-	103,138	117,886
Parental contributions	84	-	84	1,116
Other income	52,426	-	52,426	51,468
	<u>187,373</u>	<u>-</u>	<u>187,373</u>	<u>218,635</u>
6	Investment income			
	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Other investment income	28	-	28	253
	<u>28</u>	<u>-</u>	<u>28</u>	<u>253</u>

UNIVERSITY TECHNICAL COLLEGE WARRINGTON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

7 Expenditure

	Staff costs	Non-pay expenditure		Total	Total
	£	Premises	Other	2021	2020
	£	£	£	£	£
Expenditure on raising funds					
- Direct costs	-	-	24,698	24,698	29,530
Academy's educational operations					
- Direct costs	1,263,862	-	92,316	1,356,178	1,612,769
- Allocated support costs	302,512	440,883	166,204	909,599	1,070,348
	<u>1,566,374</u>	<u>440,883</u>	<u>283,218</u>	<u>2,290,475</u>	<u>2,712,647</u>

Net income/(expenditure) for the year includes:

	2021	2020
	£	£
Fees payable to auditor for:		
- Audit	8,925	8,750
- Other services	2,390	805
Operating lease rentals	5,982	2,061
Depreciation of tangible fixed assets	310,603	457,550
Net interest on defined benefit pension liability	5,000	5,000
	<u>333,900</u>	<u>914,616</u>

8 Charitable activities

	Unrestricted funds	Restricted funds	Total	Total
	£	£	2021	2020
	£	£	£	£
Direct costs				
Educational operations	39,829	1,316,349	1,356,178	1,612,769
Support costs				
Educational operations	48,866	860,733	909,599	1,070,348
	<u>88,695</u>	<u>2,177,082</u>	<u>2,265,777</u>	<u>2,683,117</u>

	2021	2020
	£	£
Analysis of support costs		
Support staff costs	302,512	301,098
Depreciation	310,603	457,550
Technology costs	61,970	54,967
Premises costs	130,280	112,935
Legal costs	23,723	25,521
Other support costs	70,146	85,125
Governance costs	10,365	33,152
	<u>909,599</u>	<u>1,070,348</u>

UNIVERSITY TECHNICAL COLLEGE WARRINGTON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

9 Staff

Staff costs

Staff costs during the year were:

	2021 £	2020 £
Wages and salaries	1,127,268	1,293,781
Social security costs	108,764	120,355
Pension costs	299,152	327,269
	<u>1,535,184</u>	<u>1,741,405</u>
Staff costs - employees	1,535,184	1,741,405
Agency staff costs	-	23,388
Staff restructuring costs	31,190	-
	<u>1,566,374</u>	<u>1,764,793</u>
Staff development and other staff costs	2,033	4,556
	<u>1,568,407</u>	<u>1,769,349</u>

Staff restructuring costs comprise:

Redundancy payments	31,190	-
---------------------	--------	---

Staff numbers

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

	2021 Number	2020 Number
Teachers	15	17
Administration and support	10	11
Management	2	2
	<u>27</u>	<u>30</u>

Higher paid staff

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

	2021 Number	2020 Number
£60,001 - £70,000	1	1
£70,001 - £80,000	1	-
£100,001 - £110,000	1	1

UNIVERSITY TECHNICAL COLLEGE WARRINGTON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

9 Staff

(Continued)

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 £596,068 (2020: £669,452).

10 Trustees' remuneration and expenses

One or more of the trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their services as trustees.

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

L Barber (principal and trustee)

Remuneration: £100,001 - £105,000 (2020: £105,001 - £110,000)

Pension contributions: £20,001 - £25,000 (2020: £15,001 - £20,000)

C Hatherall (principal and trustee)

Remuneration: £15,001 - £20,000 (2020: £nil)

Pension contributions: £nil- £5,000 (2020: £nil)

During the period ended 31 August 2021, travel and subsistence expenses totalling £nil were reimbursed or paid directly to nil trustees (2020: £280 to 1 trustee).

Other related party transactions involving the governors 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 2021 was £4,158 (2020: £4,752). The cost of this insurance is included in the total insurance cost.

UNIVERSITY TECHNICAL COLLEGE WARRINGTON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

12 Tangible fixed assets

	Leasehold land and buildings £	Computer equipment £	Fixtures, fittings & equipment £	Total £
Cost				
At 1 September 2020	9,461,107	607,874	1,114,316	11,183,297
Additions	23,000	87,022	9,998	120,020
At 31 August 2021	9,484,107	694,896	1,124,314	11,303,317
Depreciation				
At 1 September 2020	733,408	582,426	752,231	2,068,065
Charge for the year	187,822	29,761	93,021	310,604
At 31 August 2021	921,230	612,187	845,252	2,378,669
Net book value				
At 31 August 2021	8,562,877	82,709	279,062	8,924,648
At 31 August 2020	8,727,699	25,448	362,085	9,115,232

13 Stocks

	2021 £	2020 £
School uniform	-	5,066
Catering stock	759	964
	759	6,030

14 Debtors

	2021 £	2020 £
Trade debtors	23,963	53,312
Other debtors	3,684	6,106
Prepayments and accrued income	43,713	49,369
	71,360	108,787

UNIVERSITY TECHNICAL COLLEGE WARRINGTON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

15 Creditors: amounts falling due within one year	2021	2020
	£	£
Trade creditors	6,857	2,882
Other taxation and social security	31,189	29,955
ESFA creditors	1,115,798	1,528,190
Other creditors	47,903	44,687
Accruals and deferred income	67,153	72,757
	<u>1,268,900</u>	<u>1,678,471</u>

16 Deferred income	2021	2020
	£	£
Deferred income is included within:		
Creditors due within one year	22,224	38,755
	<u>22,224</u>	<u>38,755</u>
Deferred income at 1 September 2020	38,755	22,898
Released from previous years	(38,775)	(22,898)
Resources deferred in the year	22,244	38,755
	<u>22,224</u>	<u>38,755</u>
Deferred income at 31 August 2021	<u>22,224</u>	<u>38,755</u>

Deferred income represents amounts received in advanced in relation to rates relief of £14,635 (2020: £14,634), Erasmus project of £nil (2020: £17,873), catering of £834 (2020: £nil), Ski trip income of £3,850 (2020: £nil) and WBC admission of £2,905 (2020: £6,248).

UNIVERSITY TECHNICAL COLLEGE WARRINGTON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

17 Funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
Restricted general funds					
General Annual Grant (GAG)	(1,094,874)	1,409,049	(1,441,896)	74,008	(1,053,713)
Other DfE / ESFA grants	-	336,484	(336,484)	-	-
Other government grants	-	23,099	(23,099)	-	-
Pension reserve	(225,000)	-	(65,000)	(170,000)	(460,000)
	<u>(1,319,874)</u>	<u>1,768,632</u>	<u>(1,866,479)</u>	<u>(95,992)</u>	<u>(1,513,713)</u>
Restricted fixed asset funds					
DfE group capital grants	<u>9,124,697</u>	<u>100,122</u>	<u>(310,603)</u>	<u>-</u>	<u>8,914,216</u>
Total restricted funds	<u>7,804,823</u>	<u>1,868,754</u>	<u>(2,177,082)</u>	<u>(95,992)</u>	<u>7,400,503</u>
Unrestricted funds					
General funds	<u>-</u>	<u>187,401</u>	<u>(113,393)</u>	<u>(74,008)</u>	<u>-</u>
Total funds	<u>7,804,823</u>	<u>2,056,155</u>	<u>(2,290,475)</u>	<u>(170,000)</u>	<u>7,400,503</u>

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 2021.

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 £1,053,713 on restricted general funds (excluding pension reserve).

UNIVERSITY TECHNICAL COLLEGE WARRINGTON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

17 Funds

(Continued)

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	(889,702)	1,337,438	(1,566,185)	23,576	(1,094,873)
Other DfE / ESFA grants	-	417,010	(417,010)	-	-
Other government grants	-	16,590	(16,590)	-	-
Pension reserve	(204,000)	-	(60,000)	39,000	(225,000)
	<u>(1,093,702)</u>	<u>1,771,038</u>	<u>(2,059,785)</u>	<u>62,576</u>	<u>(1,319,873)</u>
Restricted fixed asset funds					
DfE group capital grants	9,559,402	22,845	(457,550)	-	9,124,697
	<u>9,559,402</u>	<u>22,845</u>	<u>(457,550)</u>	<u>-</u>	<u>9,124,697</u>
Total restricted funds	<u>8,465,700</u>	<u>1,793,883</u>	<u>(2,517,335)</u>	<u>62,576</u>	<u>7,804,824</u>
Unrestricted funds					
General funds	-	218,888	(195,312)	(23,576)	-
	<u>-</u>	<u>218,888</u>	<u>(195,312)</u>	<u>(23,576)</u>	<u>-</u>
Total funds	<u>8,465,700</u>	<u>2,012,771</u>	<u>(2,712,647)</u>	<u>39,000</u>	<u>7,804,824</u>

18 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2021 are represented by:				
Tangible fixed assets	-	-	8,924,648	8,924,648
Current assets	-	204,755	-	204,755
Creditors falling due within one year	-	(1,258,468)	(10,432)	(1,268,900)
Defined benefit pension liability	-	(460,000)	-	(460,000)
Total net assets	<u>-</u>	<u>(1,513,713)</u>	<u>8,914,216</u>	<u>7,400,503</u>

UNIVERSITY TECHNICAL COLLEGE WARRINGTON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

18 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	9,115,232	9,115,232
Current assets	-	583,598	9,465	593,063
Creditors falling due within one year	-	(1,678,471)	-	(1,678,471)
Defined benefit pension liability	-	(225,000)	-	(225,000)
Total net assets	-	(1,319,873)	9,124,697	7,804,824

19 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 2016, and that of the LGPS related to the period ended 31 March 2019.

Contributions amounting to £nil (2020: £9,961) were payable to the schemes at 31 August 2021 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 academies. 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 specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019.

UNIVERSITY TECHNICAL COLLEGE WARRINGTON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

19 Pension and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to the TPS in the period amounted to £202,761 (2020: £245,272).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit 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 21% for employers and 6% for employees.

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

Total contributions made	2021	2020
	£	£
Employer's contributions	37,000	36,000
Employees' contributions	13,000	12,000
Total contributions	<u>50,000</u>	<u>48,000</u>

Principal actuarial assumptions	2021	2020
	%	%
Rate of increase in salaries	3.6	2.9
Rate of increase for pensions in payment/inflation	2.9	2.2
Discount rate for scheme liabilities	<u>1.65</u>	<u>1.7</u>

UNIVERSITY TECHNICAL COLLEGE WARRINGTON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

19 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:

	2021	2020
	Years	Years
Retiring today		
- Males	21.4	21.2
- Females	24.0	23.6
Retiring in 20 years		
- Males	22.4	21.9
- Females	25.7	25.0
	<u> </u>	<u> </u>

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

	2021	2020
Discount rate - 0.1%	32,000	21,200
Mortality assumption + 1 year	33,000	33,000
CPI rate + 0.1%	32,000	21,000
	<u> </u>	<u> </u>

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

	2021	2020
	Fair value	Fair value
	£	£
Equities	172,500	129,150
Bonds	157,500	117,670
Cash	7,500	11,480
Property	37,500	28,700
	<u> </u>	<u> </u>
Total market value of assets	375,000	287,000
	<u> </u>	<u> </u>

The actual return on scheme assets was £41,000 (2020: £43,000).

Amount recognised in the statement of financial activities

	2021	2020
	£	£
Current service cost	97,000	91,000
Interest cost	5,000	5,000
	<u> </u>	<u> </u>
Total operating charge	102,000	96,000
	<u> </u>	<u> </u>

UNIVERSITY TECHNICAL COLLEGE WARRINGTON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

19 Pension and similar obligations	(Continued)	
Changes in the present value of defined benefit obligations	2021	
	£	
At 1 September 2020	512,000	
Current service cost	97,000	
Interest cost	10,000	
Employee contributions	13,000	
Actuarial loss	206,000	
Benefits paid	(3,000)	
	<hr/>	
At 31 August 2021	835,000	
	<hr/> <hr/>	
Changes in the fair value of the academy trust's share of scheme assets	2021	
	£	
At 1 September 2020	287,000	
Interest income	5,000	
Actuarial gain	36,000	
Employer contributions	37,000	
Employee contributions	13,000	
Benefits paid	(3,000)	
	<hr/>	
At 31 August 2021	375,000	
	<hr/> <hr/>	
20 Reconciliation of net expenditure to net cash flow from operating activities	2021	2020
	£	£
Net expenditure for the reporting period (as per the statement of financial activities)	(234,320)	(699,876)
Adjusted for:		
Capital grants from DfE and other capital income	(100,122)	(22,845)
Investment income receivable	(28)	(253)
Defined benefit pension costs less contributions payable	60,000	55,000
Defined benefit pension scheme finance cost	5,000	5,000
Depreciation of tangible fixed assets	310,603	457,550
Decrease in stocks	5,271	870
Decrease/(increase) in debtors	37,427	(19,657)
(Decrease)/increase in creditors	(409,571)	116,726
	<hr/>	<hr/>
Net cash used in operating activities	(325,740)	(107,485)
	<hr/> <hr/>	<hr/> <hr/>

UNIVERSITY TECHNICAL COLLEGE WARRINGTON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

21 Analysis of changes in net funds

	1 September 2020 £	Cash flows £	31 August 2021 £
Cash	478,246	(345,610)	132,636

22 Long-term commitments, including operating leases

At 31 August 2021 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2021 £	2020 £
Amounts due within one year	2,032	5,982
Amounts due in two and five years	2,371	4,403
	<u>4,403</u>	<u>10,385</u>

23 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 2020, 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.

24 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.

