

UNIVERSITY TECHNICAL COLLEGE WARRINGTON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

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

1.12 Fund accounting

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

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

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

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. 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 2022

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Capital grants	-	7,943	7,943	100,122

4 Funding for the academy trust's charitable activities

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
DfE/ESFA grants				
General annual grant (GAG)	-	1,501,671	1,501,671	1,409,049
Other DfE/ESFA grants:				
- Others	-	103,895	103,895	336,484
	-	1,605,566	1,605,566	1,745,533
Other government grants				
Local authority grants	-	5,961	5,961	17,779
Other income	-	26,329	26,329	5,320
	-	32,290	32,290	23,099
Total funding	-	1,637,856	1,637,856	1,768,632

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Hire of facilities	5,923	-	5,923	900
Catering income	47,099	-	47,099	30,825
Staff consultancy	3,547	-	3,547	103,138
Parental contributions	18,216	-	18,216	84
Other income	9,987	-	9,987	52,426
	84,772	-	84,772	187,373

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Other investment income	27	-	27	28

UNIVERSITY TECHNICAL COLLEGE WARRINGTON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

7 Expenditure

	Staff costs £	Non-pay expenditure Premises £	Other £	Total 2022 £	Total 2021 £
Expenditure on raising funds					
- Direct costs	-	-	41,196	41,196	24,698
Academy's educational operations					
- Direct costs	1,004,156	-	130,995	1,135,151	1,356,178
- Allocated support costs	279,507	426,544	143,239	849,290	909,600
	<u>1,283,663</u>	<u>426,544</u>	<u>315,430</u>	<u>2,025,637</u>	<u>2,290,476</u>

Net income/(expenditure) for the year includes:

	2022 £	2021 £
Fees payable to auditor for:		
- Audit	7,500	7,140
- Other services	3,980	3,675
Operating lease rentals	2,656	5,982
Depreciation of tangible fixed assets	286,913	310,603
Net interest on defined benefit pension liability	8,000	5,000
	<u>298,049</u>	<u>369,400</u>

8 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Direct costs				
Educational operations	-	1,135,151	1,135,151	1,356,178
Support costs				
Educational operations	42,836	806,454	849,290	909,600
	<u>42,836</u>	<u>1,941,605</u>	<u>1,984,441</u>	<u>2,265,778</u>

	2022 £	2021 £
Analysis of support costs		
Support staff costs	279,807	302,512
Depreciation	286,913	310,603
Technology costs	52,034	61,970
Premises costs	139,631	130,280
Legal costs	22,871	23,723
Other support costs	56,662	70,147
Governance costs	11,372	10,365
	<u>849,290</u>	<u>909,600</u>

UNIVERSITY TECHNICAL COLLEGE WARRINGTON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

9 Staff

Staff costs

Staff costs during the year were:

	2022 £	2021 £
Wages and salaries	905,905	1,127,268
Social security costs	85,218	108,764
Pension costs	291,006	299,152
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Staff costs - employees	1,282,129	1,535,184
Agency staff costs	1,534	-
Staff restructuring costs	-	31,190
	<hr/>	<hr/>
Staff development and other staff costs	1,283,663 4,745	1,566,374 2,033
	<hr/>	<hr/>
Total staff expenditure	1,288,408	1,568,407
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Staff restructuring costs comprise:

Redundancy payments	-	31,190
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Staff numbers

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

	2022 Number	2021 Number
Teachers	13	15
Administration and support	8	10
Management	2	2
	<hr/>	<hr/>
	23	27
	<hr/> <hr/>	<hr/> <hr/>

Higher paid staff

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

	2022 Number	2021 Number
£60,001 - £70,000	2	1
£70,001 - £80,000	1	1
£100,001 - £110,000	-	1
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UNIVERSITY TECHNICAL COLLEGE WARRINGTON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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 £291,260 (2021: £596,068).

10 Trustees' remuneration and expenses

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

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

C. Hatherall (head of college and trustee)

Remuneration: £70,001 - £75,000 (2021: £15,001 - £20,000)

Pension contributions: £15,001 - £20,000 (2021: £Nil - £5,000)

P. Rigby (vice principal and trustee)

Remuneration: £60,001 - £65,000 (2021: £Nil)

Pension contributions: £10,000 - £15,000 (2021: £Nil)

L. Barber (former principal and trustee)

Remuneration: £Nil (2021: £100,000 - £105,000)

Pension contributions: £Nil (2021: £20,000 - £25,000)

During the period ended 31 August 2022, travel and subsistence expenses totalling £Nil were reimbursed or paid directly to nil trustees (2021: £Nil).

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 2022 was £4,009 (2021: £4,158). 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 2022

12 Tangible fixed assets

	Leasehold land and buildings £	Computer equipment £	Fixtures, fittings & equipment £	Total £
Cost				
At 1 September 2021	9,484,107	694,896	1,124,314	11,303,317
Additions	-	10,762	3,639	14,401
At 31 August 2022	9,484,107	705,658	1,127,953	11,317,718
Depreciation				
At 1 September 2021	921,230	612,187	845,252	2,378,669
Charge for the year	188,283	28,710	69,920	286,913
At 31 August 2022	1,109,513	640,897	915,172	2,665,582
Net book value				
At 31 August 2022	8,374,594	64,761	212,781	8,652,136
At 31 August 2021	8,562,877	82,709	279,062	8,924,648

13 Stocks

	2022 £	2021 £
Catering stock	614	759

14 Debtors

	2022 £	2021 £
Trade debtors	7,650	23,963
Other debtors	28,304	3,684
Prepayments and accrued income	30,294	43,713
	66,248	71,360

UNIVERSITY TECHNICAL COLLEGE WARRINGTON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

15 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	8,611	6,857
Other taxation and social security	22,288	31,189
ESFA creditors	70,000	1,115,798
Other creditors	42,362	47,903
Accruals and deferred income	72,323	67,153
	<u>215,584</u>	<u>1,268,900</u>

16 Creditors: amounts falling due after more than one year

	2022 £	2021 £
ESFA creditor	895,000	-
	<u>895,000</u>	<u>-</u>

17 Deferred income

	2022 £	2021 £
Deferred income is included within:		
Creditors due within one year	47,511	22,224
	<u>47,511</u>	<u>22,224</u>
Deferred income at 1 September 2021	22,224	38,755
Released from previous years	(22,224)	(38,775)
Resources deferred in the year	47,511	22,244
	<u>47,511</u>	<u>22,224</u>
Deferred income at 31 August 2022	<u>47,511</u>	<u>22,224</u>

Deferred income represents amounts received in advanced in relation to rates relief of £Nil (2021: £14,635), WBC Admission Income of £7,184 (2021: £2,905), catering of £1,810 (2021: £834), Ski trip income of £18,012 (2021: £3,850), ESFA Support Grant of £10,000 (2021: £Nil), ESFA Pupil Premium of £4,776 (2021: £Nil), ESFA ECT (Early Careers Teaching) of £1,576 (2021: £Nil) and T-Level funding of £4,153 (2021: £Nil).

UNIVERSITY TECHNICAL COLLEGE WARRINGTON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

18 Funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2022 £
Restricted general funds					
General Annual Grant (GAG)	(1,053,713)	1,501,671	(1,407,507)	(16,123)	(975,672)
Other DfE/ESFA grants	-	103,895	(103,895)	-	-
Other government grants	-	32,290	(32,290)	-	-
Pension reserve	(460,000)	-	(111,000)	572,000	1,000
	<u>(1,513,713)</u>	<u>1,637,856</u>	<u>(1,654,692)</u>	<u>555,877</u>	<u>(974,672)</u>
Restricted fixed asset funds					
DfE group capital grants	8,914,216	7,943	(286,913)	16,890	8,652,136
	<u>8,914,216</u>	<u>7,943</u>	<u>(286,913)</u>	<u>16,890</u>	<u>8,652,136</u>
Total restricted funds	<u>7,400,503</u>	<u>1,645,799</u>	<u>(1,941,605)</u>	<u>572,767</u>	<u>7,677,464</u>
Unrestricted funds					
General funds	-	84,799	(84,032)	(767)	-
	<u>-</u>	<u>84,799</u>	<u>(84,032)</u>	<u>(767)</u>	<u>-</u>
Total funds	<u>7,400,503</u>	<u>1,730,598</u>	<u>(2,025,637)</u>	<u>572,000</u>	<u>7,677,464</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 2022.

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 £975,672 on restricted general funds (excluding pension reserve). The academy trust is taking the following action to return the academy to surplus:

- The College is currently a single academy trust and has a set of financial targets it is currently set to achieve in order to help return to a surplus budget.
- The College is also targeted to join a multi academy trust (MAT), in order to strengthen student recruitment and find economies of scale assisting better financial performance. UTCW trustees are still seeking a suitable MAT partner but are engaged with a number of suitable possibilities, which they will explore in 23/24.

UNIVERSITY TECHNICAL COLLEGE WARRINGTON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

18 Funds

(Continued)

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
Restricted general funds					
General Annual Grant (GAG)	(1,094,873)	1,409,049	(1,441,897)	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>(1,319,873)</u>	<u>1,768,632</u>	<u>(1,866,480)</u>	<u>(95,992)</u>	<u>(1,513,713)</u>
Restricted fixed asset funds					
DfE group capital grants	9,124,697	100,122	(310,603)	-	8,914,216
	<u>9,124,697</u>	<u>100,122</u>	<u>(310,603)</u>	<u>-</u>	<u>8,914,216</u>
Total restricted funds	<u>7,804,824</u>	<u>1,868,754</u>	<u>(2,177,083)</u>	<u>(95,992)</u>	<u>7,400,503</u>
Unrestricted funds					
General funds	-	187,401	(113,393)	(74,008)	-
	<u>-</u>	<u>187,401</u>	<u>(113,393)</u>	<u>(74,008)</u>	<u>-</u>
Total funds	<u>7,804,824</u>	<u>2,056,155</u>	<u>(2,290,476)</u>	<u>(170,000)</u>	<u>7,400,503</u>

19 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2022 are represented by:				
Tangible fixed assets	-	-	8,652,136	8,652,136
Current assets	-	134,912	-	134,912
Current liabilities	-	(215,584)	-	(215,584)
Non-current liabilities	-	(895,000)	-	(895,000)
Pension scheme asset	-	1,000	-	1,000
	<u>-</u>	<u>(974,672)</u>	<u>8,652,136</u>	<u>7,677,464</u>
Total net assets	<u>-</u>	<u>(974,672)</u>	<u>8,652,136</u>	<u>7,677,464</u>

UNIVERSITY TECHNICAL COLLEGE WARRINGTON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

19 Analysis of net assets between funds

(Continued)

	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
Current liabilities	-	(1,258,468)	(10,432)	(1,268,900)
Pension scheme liability	-	(460,000)	-	(460,000)
Total net assets	-	<u>(1,513,713)</u>	<u>8,914,216</u>	<u>7,400,503</u>

20 Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Cheshire pension Fund. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2019.

Contributions amounting to £Nil (2021: £Nil) were payable to the schemes at 31 August 2022 and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academy trusts. All teachers have the option to opt out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary. These contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to 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 2022

20 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 2024.

The employer's pension costs paid to the TPS in the period amounted to £154,236 (2021: £202,761).

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 24.9% to 29.5% for employers and 5.5% to 12.5% for employees.

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

Total contributions made	2022	2021
	£	£
Employer's contributions	38,000	37,000
Employees' contributions	12,000	13,000
	<hr/>	<hr/>
Total contributions	50,000	50,000
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Principal actuarial assumptions	2022	2021
	%	%
Rate of increase in salaries	3.75	3.6
Rate of increase for pensions in payment/inflation	3.05	2.9
Discount rate for scheme liabilities	4.25	1.65
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UNIVERSITY TECHNICAL COLLEGE WARRINGTON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

20 Pension and similar obligations

(Continued)

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

	2022	2021
	Years	Years
Retiring today		
- Males	21.2	21.4
- Females	23.8	24.0
Retiring in 20 years		
- Males	22.1	22.4
- Females	25.5	25.7

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

	2022	2021
Discount rate - 0.1%	15,000	32,000
Mortality assumption + 1 year	16,000	33,000
CPI rate + 0.1%	15,000	32,000

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

	2022	2021
	Fair value	Fair value
	£	£
Equities	191,000	172,500
Bonds	125,000	157,500
Cash	51,000	7,500
Property	23,000	37,500
Total market value of assets	390,000	375,000

The actual return on scheme assets was £(30,000) (2021: £41,000).

Amount recognised in the statement of financial activities

	2022	2021
	£	£
Current service cost	141,000	97,000
Interest cost	8,000	5,000
Total operating charge	149,000	102,000

UNIVERSITY TECHNICAL COLLEGE WARRINGTON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

20 Pension and similar obligations	(Continued)		
Changes in the present value of defined benefit obligations		2022	
		£	
At 1 September 2021		835,000	
Current service cost		141,000	
Interest cost		15,000	
Employee contributions		12,000	
Actuarial (gain)/loss		(609,000)	
Benefits paid		(5,000)	
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At 31 August 2022		389,000	
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Changes in the fair value of the academy trust's share of scheme assets		2022	
		£	
At 1 September 2021		375,000	
Interest income		7,000	
Actuarial loss/(gain)		(37,000)	
Employer contributions		38,000	
Employee contributions		12,000	
Benefits paid		(5,000)	
		<hr/>	
At 31 August 2022		390,000	
		<hr/> <hr/>	
21 Reconciliation of net expenditure to net cash flow from operating activities		2022	2021
	Notes	£	£
Net expenditure for the reporting period (as per the statement of financial activities)		(295,039)	(234,321)
Adjusted for:			
Capital grants from DfE and other capital income		(7,943)	(100,122)
Investment income receivable	6	(27)	(28)
Defined benefit pension costs less contributions payable	20	103,000	60,000
Defined benefit pension scheme finance cost	20	8,000	5,000
Depreciation of tangible fixed assets		286,913	310,603
Decrease in stocks		145	5,271
Decrease in debtors		5,112	37,427
(Decrease) in creditors		(158,316)	(409,571)
		<hr/>	<hr/>
Net cash used in operating activities		(58,155)	(325,741)
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UNIVERSITY TECHNICAL COLLEGE WARRINGTON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

22 Analysis of changes in net funds

	1 September 2021 £	Cash flows £	31 August 2022 £
Cash	132,636	(64,586)	68,050

23 Long-term commitments

Operating leases

At 31 August 2022 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2022 £	2021 £
Amounts due within one year	2,602	2,032
Amounts due in two and five years	5,985	2,371
	<u>8,587</u>	<u>4,403</u>

24 Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook 2021, including notifying ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and in accordance with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

25 Members' liability

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