

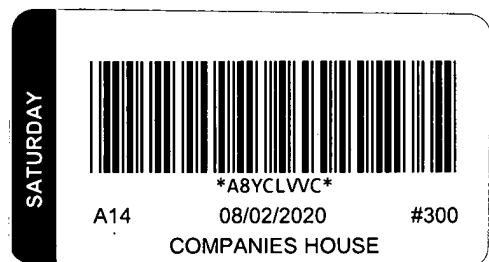
South Wiltshire UTC Limited

(A company limited by guarantee)

Annual Report and Financial Statements

Year Ended 31 August 2019

Company Registration number: 08282488 (England and Wales)



South Wiltshire UTC Limited

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South Wiltshire UTC Limited

Reference and Administrative Details

Trustees (Directors)	Prof N J Silman (resigned 1 September 2018) Mr D J Gale Mr M Waddington (resigned 26 July 2019) Mr A M Tout (resigned 20 April 2019) Mr J Mulligan Mr N Ferguson Prof J Griffiths Mr P Whalley (resigned 20 June 2019) Ms C Hitchen Ms V White (resigned 20 June 2019) Mr C Mackintosh (appointed 26 March 2019) Mrs D Hamilton (appointed 16 January 2019) Mr L Nicholls (resigned 31 August 2019) Ms J Harper Mr J M P Walsh (appointed 21 November 2019)
Company Secretary	Ms S Bowler
Principal	Mr J Mulligan
Senior Management Team	Mr J Mulligan, Principal Mr M Trehy, Vice Principal Science - Employer Engagement Mr E Scott, Vice Principal - Teaching and learning
Principal and Registered Office	Wilton Road Salisbury Wiltshire SP2 7EU
Company Registration Number	08282488
Independent Auditors	PKF Francis Clark Statutory Auditor Hitchcock House Hilltop Park Devizes Road Salisbury Wiltshire SP3 4UF
Bankers	Lloyds Bank Plc Salisbury 38 Blue Boar Row Salisbury SP1 1DB

South Wiltshire UTC Limited

Reference and Administrative Details (continued)

Solicitors	Trethowans London Road Office Park London Road Salisbury Wiltshire SP1 3HP
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South Wiltshire UTC Limited

Trustees' Report for the Year Ended 31 August 2019

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2019. The annual report serves the purposes of both a Trustees' report and a Directors' report under company law.

Structure, Governance and Management

South Wiltshire UTC Limited is a university technical college (UTC) founded under the Academies Act 2010. It was incorporated during its preopening phase as a company limited by guarantee and secured a Funding Agreement with the department for Education in July 2014. As a result, following satisfactory recruitment and final preopening checks, the status of the company automatically converted to that of an educational academy trust on opening, with its operations guided by the Academies Financial Handbook.

The UTC provides academic and technical education for young people aged 14-19 and has a core recruitment area defined by a 22 mile straight line distance from its site in Salisbury. It has a capacity of 600 and had 134 students on roll in Years 10, 11, 12 and 13 at the October census point 2018/19.

The EFSA have made the decision to close the UTC with effect from 31 August 2020. Further details are provided on Page 9 of the accounts.

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 South Wiltshire UTC Limited are also directors of the charitable company for the purposes of company law. The charitable company is known as South Wiltshire UTC.

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 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

Trustees are indemnified by the clauses of the Department for Education's Risk Protection Arrangements that relate to Directors' and Officers' Liability.

Method of recruitment and appointment or election of Trustees

The Articles of Association give original member organisations the power to appoint new trustees. Member organisations have the right to nominate a replacement trustee in the event of a current trustee resigning and a full vote of members decides if the nomination is accepted. The election of trustees nominated by employees of the charitable trust and parents of students attending the charitable trust is overseen by the Independent Clerk to Governors based on a process approved by current trustees.

Policies and procedures adopted for the induction and training of Trustees

The Board has adopted Standing Orders and a Code of Conduct that commit the organisation to assessing the individual and collective training and development needs of the Governing Body. Formal skills audits inform the process and a Governors' Training log is maintained by the independent Clerk. The Clerk also conducts formal induction of new members using a checklist approved by the Chair. This includes legal responsibilities for Directors/Governors/Trustees and a summary of the Nolan Principles as well as the UTC specific rules and policies.

South Wiltshire UTC Limited

Trustees' Report for the Year Ended 31 August 2019 (continued)

Organisational Structure

The Board elects annually, a Chair and Vice chair and has appointed an Independent clerk. Trustees may sit on one or more of the Trustee's committees whose remits are set out in Board Standing Orders. For 2018, the governance structure was re-organised with the introduction of an Interim Executive Committee that met 6 times within the academic year. The Executive Committee had full designated powers delegated by the Governing Body (GB). The IEC's primary focus was upon the Post Ofsted Action Plan and school improvement. For the academic year 2019/20, the Full Governing Board (FGB) resumed direct responsibility for the governance of the UTC. The Full Governing Board meets six times per year and given the current size and status of the UTC and the number of meetings all sub committees including, risk and compliance and pay have been subsumed within the FGB meetings. The UTC will continue to be an associate member of Activate learning Educational Trust (ALET) who will have representation on the FGB.

The powers of the trust Board, committees and South Wiltshire UTC executive are defined in a formal Scheme of Delegation.

The Board has appointed the Principal as its Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

The pay and remuneration of the academy's key personnel (those persons having authority for planning, directing and controlling the activities of the academy trust) are set by the Pay committee, (within FGB structure for 2019.20). In approving pay and conditions, specific pay points of key personnel on a remuneration scale that compared directly to national pay scales are considered. Key personnel were defined as the academy trust's Senior Leadership Team and the trustees also set the remuneration level for the Clerk.

Related Parties and other Connected Charities and Organisations

From 1st September 2018 the UTC became an associate member of the Activate Learning Educational Trust (ALET). The principal purpose of this membership is to provide leadership, school improvement and back office support and provision through an SLA. The organisation continues to work with a number of educational networks including the Baker Dearing Trust. The Clerk maintains a standing register of interests.

South Wiltshire UTC Limited

Trustees' Report for the Year Ended 31 August 2019 (continued)

Objectives and activities

Objects and Aims

The objective of the UTC is to provide high quality academic and technical education for the benefit of any young person in academic years 10 to 13 (usually approximating to ages 14-19). As a state academy there are no fees and no entrance examination.

The Education Brief prepared by the Trustees in preparation for its Funding Agreement with the Department for Education committed the UTC to being:

- **Aspirational** - life changing and transformational for young people, rewarding and relevant for staff and sponsors.
- **Inspirational** - enthusing the next generation of scientists, technicians and engineers.
- **Innovative** - harnessing best industrial and educational practice and embedding professionalism.
- **Inclusive** - welcoming all abilities, serving the whole community and meet the needs of a diverse group of employers.
- **Relevant** - building the skills and attitudes young people need and employers want.

The beneficiaries of the Trust are the Students who attend and the benefits are the attainment of skills, knowledge, character traits and qualifications that allow them to progress successfully to their chosen careers, including via higher education and apprenticeships.

Objectives, strategies and activities

Reason for the Trust being established:

South Wiltshire UTC was a carefully thought out solution to a long standing gap in provision for young people in South Wiltshire. The economy of the area is rich in Defence and Protective Science industries and is home to much of the British Army and in both cases, this presence is increasing. The area's employer base includes world class organisations many of which offer extensive and high quality employment and apprenticeship opportunities, yet many struggle to attract local applicants with the necessary skills and attitudes.

Educational aspirations in the area have long been dominated by a narrowly defined concept of academic success and large numbers of young people travel out of the area in search of this. South Wiltshire UTC gives young people a high quality and high esteem route to success in technical occupations, meeting the needs of local employers and harnessing their energy, expertise and resources to bring education to life for the next generation of engineers, scientists and technicians.

South Wiltshire UTC Limited

Trustees' Report for the Year Ended 31 August 2019 (continued)

Vision of learning

South Wiltshire UTC creates a learning environment where young people can develop the professional skills, competencies and behaviours that will serve them throughout their working life, whilst still focusing on the core business of attainment, progress and outcomes; aiming to best position our students for future progression into: apprenticeships, employment, further and higher education.

The curriculum reflects the need to consider national attainment and progress targets, whilst providing both a broad based and specialist experience. Learning is supported and contextualised by our employer partners. Students have access to a wide range of learning experiences, working with teachers, fellow students and professionals. They will make links between different learning disciplines and take an integrated approach to applying their learning to employer led challenges, alongside developing core employability skills.

Our Curriculum

In Key Stage 4 (age 14-16), all students study core curriculum subjects of English (Language and Literature), Mathematics, Science and Engineering. The core subjects give the students an opportunity to achieve up to seven subjects at GCSE or other recognised equivalent qualifications. They also have options to study up to two additional subjects which continue their STEM experience including Computer Science and Product Design. The curriculum also includes an integrated employability skills element, including up to three Industry Projects per year in Year 11 and the development of social, health awareness and moral learning that reflects the Governments' radicalisation prevention and fundamental British Values strategies. This is supported by personal tutorial support, group assemblies, work placements and careers guidance.

In Year 13 all students are following the BTEC National Engineering Extended Diploma pathway.

Throughout the UTC learning is, wherever possible, themed and contextualised around real engineering and science challenges set and supported by employers and educational sponsors. Students also have the opportunity to get involved in a comprehensive enrichment programme.

Public Benefit

In setting our objectives we have given due regard to the Charity Commissioner's general guidance on public benefit and in particular to the supplementary guidance on advancing education.

South Wiltshire UTC Limited

Trustees' Report for the Year Ended 31 August 2019 (continued)

Strategic Report

Achievements and Performance

Key Performance Indicators for 2018/19

The UTC continued to make improvements to the outcomes in Key Stage 4 compared to previous years in 2019. The Attainment 8 score was 37 and Progress 8, -1.1. Whilst the English and maths combined scores remained in-line with the previous year, there was a marked increase in students achieving the higher grade levels across a range of subjects. Year 13 A' level results did not improve on the previous year.

Key performance indicators

KS4

1. Percentage achieving 9-4 in English and maths: 53%
2. Percentage achieving 9-5 in English and maths: 29%
3. Progress 8: -1.1
4. Attainment 8: 37

KS5

A Levels

1. 1xA*-C = 23%
2. 1xA*-E = 75%

Vocational grade summary

1. Extended Diploma, average grade = Dist-
2. Diploma, average grade = Merit -

Student Progression

All students in Year 11 progressed onto their next stage of education or employment and none were classified at NEET. All students in Year 13 progressed onto their next stage of education or employment or opted for an elective gap year.

Recruitment

The UTC did not recruit into Years 10 and 12 for the current academic year and retained all students from Year 10 into Year 11 and 33% of Year 12 students into Year 13.

South Wiltshire UTC Limited

Trustees' Report for the Year Ended 31 August 2019 (continued)

Strategic Report

Financial Review

Most of the Academy's income was obtained from the DfE via the EFA in the form of grants, the use of which is restricted to the delivering of the Academy's objectives. The grants received from the DfE during the year ended 31 August 2019 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities. During the year ended 31 August 2019, total resources expended excluding depreciation and impairment was £1,221k and was largely covered by recurrent grant funding from the DfE, a post opening capital grant, together with other incoming resources of £1,289k.

The surplus across the unrestricted and restricted funds for the year before transfers is £42k which includes actuarial adjustments in relation to the service and interest costs on the pension scheme of £14k. After excluding these costs the surplus for the year is £56k.

At 31 August 2019, the net book value of fixed assets was £222k with total assets of £368k. The assets were used exclusively for providing education and the associated support services to the students of the academy.

The restricted general fund shows a deficit of £132k. The restricted fixed asset fund shows a surplus of £222k. Local Authority pension fund liability is £116k. Total restricted funds (including restricted fixed asset fund and pension funds) shows a deficit of 26k. Unrestricted funds show a surplus of £44k.

South Wiltshire UTC Limited

Trustees' Report for the Year Ended 31 August 2019 (continued)

Strategic Report

Going concern

The South Wiltshire UTC has, for a variety of reasons failed to attract the number of students to ensure that it can be a viable operation in the foreseeable future. The UTC had a turbulent first few years of operation with a very high staff turn-over, a poor first set of exam results, placing it amongst the worst performing schools in the country and following this, a first Ofsted inspection in February 2018 that found the UTC to be 'inadequate' in all areas.

Following the Ofsted inspection, the UTC's leadership team have worked hard to both stabilise and improve the school and explore options for future support and partnerships, becoming an associate member of Activate Educational Learning Trust in September 2018 with a view to eventual full membership. However, despite the continued improvement in educational outcomes over the last two years and two successful Ofsted Monitoring inspections, the reputational damage from the first few years of operation together with other local pressures have resulted in student numbers not recovering at the anticipated rate quickly enough.

The low student numbers have placed a considerable financial burden on the UTC which has worked closely with the ESFA to both manage its finances and produce a viable financial recovery plan. However, realistic student number forecasts indicated the trust was unlikely to address the financial deficit and balance the books in the foreseeable future and would need ongoing financial support from the ESFA for some time to come.

In June 2018 the Board agreed the following resolution;

To request the Secretary of State that, by mutual agreement between the Department for Education and the Governing Body, we terminate the funding agreement for South Wiltshire UTC.

On 16 July 2019 the UTC received a reply from the DfE indicating agreement 'in principle' to the termination of the funding agreement with the UTC from 31 August 2020.

With the closure of the UTC with effect from 31 August 2020, the use of the going concern basis is not considered appropriate.

Reserves Policy

The UTC has a deficit of £88k across the unrestricted and restricted general funds excluding the restricted pension fund at August 2019. Given the position noted in the Going concerns section of the Trustees Report the level of deficit is expected to increase. The UTC has agreed a package of non recoverable financial support from the ESFA which aims to achieve a non deficit position at the end of August 2020.

South Wiltshire UTC Limited

Trustees' Report for the Year Ended 31 August 2019 (continued)

Strategic Report

Principal Risks and Uncertainties

The principal risks have been identified as:

Financial –The UTC has considerable reliance on continued Government funding through the ESFA. The UTC has worked very closely with the ESFA on financial recovery plans and the budget for the current academic year 2019.20. The EFSA has agreed with the UTC a package of non-recoverable financial support based on current budget estimates and close monitoring of spending and the budget will be required to ensure it works within these parameters.

Governance and Leadership – The governing body has protracted significantly over the last year with a significant number of resignations. It will need to ensure that it has a sufficient core of both Members and Trustees to both meet legal obligations and to effectively carry out the functions of the governing body.

Student outcomes and progression – the UTC has a moral imperative to ensure that the last cohort of students through the institute attain the best possible outcomes and progress and this focus must be prioritised and maintained throughout the academic year. student success and achievement will be closely monitored and reviewed to mitigate this.

Staffing – the success of the school and the above priority are reliant on the UTC's ability to retain core teaching staff for the academic year. Staff wellbeing and support for their personal career progression will need to be a key priority for the UTC's governors and leadership team, which will support their continual commitment to the UTC and its students.

Safeguarding and Child Protection – the board must ensure that the highest standards have been implemented in the areas of selection and monitoring of staff and in the drafting of safeguarding, health and safety and disciplinary policies

Partnerships – the Board has committed to continue its associate membership of ALET for this academic year and this partnership is seen as a key relationship to the successful wind down and closure of the UTC in August 2020.

South Wiltshire UTC Limited

Trustees' Report for the Year Ended 31 August 2019 (continued)

Strategic Report

Plans for future periods

Plans for the academic year 2019.20

Key Objectives for 2019/20

The UTC expects to see an on-going continual improvement in student outcomes for 2019.20

Key performance indicator targets

KS4

1. Percentage achieving 9-4 in English and maths: 60%
2. Percentage achieving 9-5 in English and maths: 34%
3. Progress 8: -0.5
4. Attainment 8: 38

KS5

1. BTEC National Extended Diploma Engineering: DMM

Recruitment

Given the UTC's status, there will be no recruitment of students into the next academic year (2020.21)

Strategy to Achieve the UTC's Key Objectives for 2019/20

1. Regular student progress assessment points to capture ongoing in year progress and inform intervention strategies
2. A rigorous QA system that tests the above strategies and policies with actions for continuous improvement
3. To forensically monitor attendance with clear stepped strategy for students whose attendance is below 95%. The SLT to monitor this on a weekly basis and review strategy and actions accordingly
4. To have an ongoing and continuous focus on student progression including one to one mentoring to ensure all students successfully progress onto their next stage of education or training and employment.

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.

Trustees' Report, incorporating a Strategic Report, was approved by order of the members of the Governing Body, as the company directors, on 19/12/19 and signed on the board's behalf by:



Mr D J Gale
Trustee

South Wiltshire UTC Limited

Governance Statement

Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that South Wiltshire UTC Limited 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 Governing Body has delegated the day-to-day responsibility to Mr J Mulligan, as Accounting Officer, for ensuring that 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 South Wiltshire UTC Limited and the Secretary of State for Education. They are also responsible for reporting to the Governing Body 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 Governing Body has formally met 2 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Trustee	Meetings attended	Out of a possible
Mr D J Gale	2	2
Ms C Hitchen	2	2
Mr N Ferguson	2	2
Prof J Griffiths	1	2
Ms J Harper	2	2
Mr J Mulligan	2	2
Mr C Mackintosh	1	1
Mrs D Hamilton	1	2
Mr L Nicholls	1	1
Mr M Waddington	2	2
Ms V White	0	1
Mr P Whalley	1	1

South Wiltshire UTC Limited

Governance Statement (continued)

Governance reviews

For 2018, the governance structure was re-organised with the introduction of an interim executive committee that met 6 times in the year. The executive committee had full designated executive powers and full delegated authority of the Full Governing Body and replaced sub committees. The continued to meet three times in the year. Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr D J Gale	3	3
Ms C Hitchen	6	6
Mr N Ferguson	5	6
Prof J Griffiths	2	3
Ms J Harper	5	6
Mr J Mulligan	6	6
Mrs D Hamilton	2	2
Mr L Nicholls	4	6
Mr M Waddington	0	1
Ms V White	1	1
Mr P Whalley	2	2

Review of Value for Money

As accounting officer the Principal has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. *The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.*

The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by:

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 South Wiltshire UTC Limited for the year ended 31 August 2019 and up to the date of approval of the annual report and financial statements.

South Wiltshire UTC Limited

Governance Statement (continued)

Capacity to Handle Risk

The Governing Body 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 Governing Body is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ending 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body;
- regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Governing Body has considered the need for a specific internal audit function and has decided:

- to appoint Wiltshire Council as internal auditor

The auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period include:

- testing of banking and income systems

The auditor reports to the Governing Body, through the finance committee on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

There were no material control or other issues reported by the Responsible Officer to date.

Review of Effectiveness

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

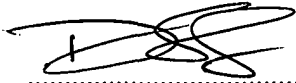
- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Governing Body on 19/12/19 and signed on its behalf by:

South Wiltshire UTC Limited

Governance Statement (continued)



.....
Mr D J Gale
Trustee



.....
Mr J Mulligan
Accounting officer
Trustee

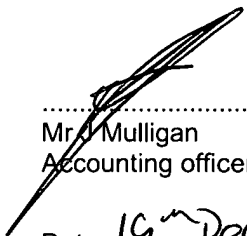
South Wiltshire UTC Limited

Statement of Regularity, Propriety and Compliance

As Accounting Officer of South Wiltshire UTC Limited I have considered my responsibility to notify the academy trust Governing Body and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the academy trust Governing Body are able to identify any material irregular or improper use of all 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 2018.

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 Governing Body and ESFA.



.....
Mrs Mulligan
Accounting officer

Date: 19th December 2019

South Wiltshire UTC Limited

Statement of Trustees' Responsibilities

The Trustees (who are also directors of South Wiltshire UTC Limited for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements 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 financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academy Accounts Direction issued by the Education & Skills Funding Agency;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards [FRS 102] have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements 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 financial statements 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 grants received from the 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 financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Governing Body on 19/12/19 and signed on its behalf by:



Mr D J Gale
Trustee

South Wiltshire UTC Limited

Independent Auditor's Report on the Financial Statements to the Members of South Wiltshire UTC Limited

Opinion

We have audited the financial statements of South Wiltshire UTC Limited (the 'Academy') for the year ended 31 August 2019, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, 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 (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2019 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, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 financial statements section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements 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 relating to going concern

We draw attention to Note 1 to the financial statements which explains that the UTCs activities will be transferred to the Local Authority and ESFA with effect from 31 August 2020 and therefore the Trustees do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly the financial statements have been prepared on a basis other than going concern as described in Note 1. Our opinion is not modified in this respect of this matter.

Other information (covers the Reference and Administrative Details, the Trustees' Report and Strategic Report and the Governance Statement)

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements 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 financial statements 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.

South Wiltshire UTC Limited

Independent Auditor's Report on the Financial Statements to the Members of South Wiltshire UTC Limited (continued)

Opinion 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 Strategic Report and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or Trustees' Report.

We have nothing to report in respect of the following matters where 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 financial statements 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 [set out on page 17], the Trustees are responsible for the preparation of the financial statements 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Academy'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 Academy or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 financial statements.

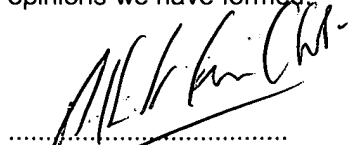
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

South Wiltshire UTC Limited

Independent Auditor's Report on the Financial Statements to the Members of South Wiltshire UTC Limited (continued)

Use of our report

This report is made solely to the Academy'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 Academy'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 Academy's Members, as a body, for our audit work, for this report, or for the opinions we have formed.


.....
Paul Giessler (Senior Statutory Auditor)
~~Paul Francis Clark, Statutory Auditor~~

Hitchcock House
Hilltop Park
Devizes Road
Salisbury
Wiltshire
SP3 4UF

Date: 20 December 2019

South Wiltshire UTC Limited

Independent Reporting Accountant's Assurance Report on Regularity to South Wiltshire UTC Limited and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 23 September 2013 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academy Accounts Direction issued by the Education & Skills Funding Agency, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by South Wiltshire UTC Limited during the period 1 September 2018 to 31 August 2019 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 South Wiltshire UTC Limited and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to South Wiltshire UTC Limited and the 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 South Wiltshire UTC Limited and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of South Wiltshire UTC Limited's Accounting Officer and the reporting Accountant

The Accounting Officer is responsible, under the requirements of South Wiltshire UTC Limited's funding agreement with the Secretary of State for Education dated 14 July 2014 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. 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 year from 1 September 2018 to 31 August 2019 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 Academy Accounts Direction issued by the Education & Skills Funding Agency 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:

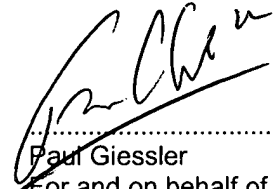
- Inspection and review of documentation providing evidence of governance procedures;
- Evaluation of the system of internal controls for authorisation and approval;
- Performing substantive tests on relevant transactions.

South Wiltshire UTC Limited

Independent Reporting Accountant's Assurance Report on Regularity to South Wiltshire UTC Limited and the Education & Skills Funding Agency (continued)

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 year from 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.


.....
Paul Giessler
For and on behalf of Francis Clark LLP, Chartered Accountants

Hitchcock House
Hilltop Park
Devizes Road
Salisbury
Wiltshire
SP3 4UF

Date: 20 December 2019

South Wiltshire UTC Limited

Statement of Financial Activities for the Year Ended 31 August 2019 (including Income and Expenditure Account)

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	2019 Total £ 000
Income and endowments from:					
Donations and capital grants	2	-	-	26	26
<i>Charitable activities:</i>					
Funding for the Academy Trust's educational operations	4	-	1,251	-	1,251
Other trading activities	3	12	-	-	12
Total		12	1,251	26	1,289
Expenditure on:					
Raising funds	5	11	-	-	11
<i>Charitable activities:</i>					
Academy trust educational operations	6	-	1,210	8,782	9,992
Total		11	1,210	8,782	10,003
Net income/(expenditure)		1	41	(8,756)	(8,714)
Transfers between funds		-	26	(26)	-
Other recognised gains and losses					
Actuarial loss on defined benefit pension schemes	20	-	(38)	-	(38)
Net movement in funds/(deficit)		1	29	(8,782)	(8,752)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2018		43	(277)	9,004	8,770
Total funds/(deficit) carried forward at 31 August 2019		44	(248)	222	18

South Wiltshire UTC Limited

Statement of Financial Activities for the Year Ended 31 August 2018 (including Income and Expenditure Account)

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total 2018 £ 000
Income and endowments from:					
Donations and capital grants	2	-	-	13	13
<i>Charitable activities:</i>					
Funding for the Academy Trust's educational operations	4	-	1,499	-	1,499
Other trading activities	3	56	-	-	56
Total		56	1,499	13	1,568
Expenditure on:					
Raising funds	5	54	-	-	54
<i>Charitable activities:</i>					
Academy trust educational operations	6	-	1,788	331	2,119
Total		54	1,788	331	2,173
Net income/(expenditure)		2	(289)	(318)	(605)
Transfers between funds		-	14	(14)	-
Other recognised gains and losses					
Actuarial loss on defined benefit pension schemes	20	-	46	-	46
Net movement in funds/(deficit)		2	(229)	(332)	(559)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2017		41	(48)	9,336	9,329
Total funds/(deficit) carried forward at 31 August 2018		43	(277)	9,004	8,770

South Wiltshire UTC Limited

(Registration number: 08282488)
Balance Sheet as at 31 August 2019

	Note	2019 £ 000	2018 £ 000
Fixed assets			
Tangible assets	10	222	9,004
Current assets			
Debtors	11	43	82
Cash at bank and in hand		105	262
		148	344
Creditors: Amounts falling due within one year	12	(236)	(404)
Net current liabilities		(88)	(60)
Total assets less current liabilities		134	8,944
Creditors: Amounts falling due after more than one year	13	-	(110)
Net assets excluding pension liability		134	8,834
Defined benefit pension scheme liability	20	(116)	(64)
Total assets		18	8,770
Funds of the Academy:			
Restricted funds			
Restricted general fund		(132)	(213)
Restricted fixed asset fund		222	9,004
Restricted pension fund		(116)	(64)
		(26)	8,727
Unrestricted funds			
Unrestricted general fund		44	43
Total funds		18	8,770

The financial statements on pages 23 to 47 were approved by the Trustees, and authorised for issue on 19/12/19 and signed on their behalf by:



Mr D J Gale
Trustee

South Wiltshire UTC Limited

Statement of Cash Flows for the Year Ended 31 August 2019

	Note	2019 £ 000	2018 £ 000
Cash flows from operating activities			
Net cash used in operating activities	16	(183)	(126)
Cash flows from investing activities	17	<u>26</u>	<u>13</u>
Change in cash and cash equivalents in the year		(157)	(113)
Cash and cash equivalents at 1 September		<u>262</u>	<u>375</u>
Cash and cash equivalents at 31 August	18	<u><u>105</u></u>	<u><u>262</u></u>

South Wiltshire UTC Limited

Notes to the Financial Statements for the Year Ended 31 August 2019

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.

Basis of preparation

The financial statements 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 Academy Accounts Direction issued by the Education & Skills Funding Agency issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

South Wiltshire UTC Limited meets the definition of a public benefit entity under FRS 102.

Going concern

As reflected in these financial statement, the Academy has recorded a surplus of £68k for the year ended 31 August 2019 on activities excluding Fixed Asset depreciation and impairment. This surplus includes non repayable deficit funding of £179k.

Since an inadequate Ofsted report issued in February 2018 the school has worked closely with the ESFA, as well as becoming a member of Activate Educational Learning Trust to try and address the financial deficit. The ESFA continue to the support the school through loans to ensure the ongoing activities of the Academy to the end of August 2020, thereafter due to reputational damage termination of funding has been agreed.

The transfer to the Local Authority and ESFA means that the UTC's operations will be transferred but the company will continue to exist separately as a shell. Consequently, these accounts have been prepared on the basis that the company is no longer a going concern. This includes, where appropriate, writing down assets to their net realisable value and providing for any contractual commitments that have become onerous at the balance sheet date. The financial statements do not include any provision for future costs of terminating the operations, except to the extent that such costs were committed at the balance sheet date.

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.

South Wiltshire UTC Limited

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

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 year 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 spent on capital projects in line with the terms and conditions of the grant. 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 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 financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be 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.

South Wiltshire UTC Limited

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

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 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.

Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Assets bought together as a set which are individually below the capitalisation limit are capitalised if the total value is significant enough that it would otherwise materially mislead the users of the financial statements.

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. 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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

South Wiltshire UTC Limited

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

Asset class	Depreciation method and rate
Leasehold Buildings	2% Straight Line
Specialist Equipment	10% Straight Line
IT Equipment	33% Straight Line
Fixtures and Fittings	10% Straight Line

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.

Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Leased assets

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

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 as detailed in note 11. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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 as detailed in notes 12. 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. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

South Wiltshire UTC Limited

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

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.

Pension 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.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. 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 recognised in the period to which they relate.

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

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

South Wiltshire UTC Limited

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

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 the Education Funding Agency or other funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency.

Critical accounting estimates and areas of judgement

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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

A critical area of judgement is the recognition of trip income and costs as either restricted or unrestricted funds.

A critical area of judgement is whether the school has a constructive obligation in respect of a redundancy payment or not.

The school issues a member of staff a notice of termination of employment. This notice creates a constructive obligation between the member of staff and the school. At this point the school recognises an accrual or provision in the accounts for the expected redundancy payment.

South Wiltshire UTC Limited

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

2 Donations and capital grants

	Restricted fixed asset funds £ 000	2019 Total £ 000	2018 Total £ 000
Capital grants	26	26	13

3 Other trading activities

	Unrestricted funds £ 000	2019 Total £ 000	2018 Total £ 000
Hire of facilities	1	1	-
Recharges and reimbursements	11	11	14
Other income	-	-	42
	12	12	56

4 Funding for the Academy Trust's educational operations

	Restricted funds £ 000	Total 2019 £ 000	Total 2018 £ 000
DfE/ESFA revenue grants			
DfE Project Development Grant	35	35	50
General Annual Grant (GAG)	786	786	1,159
Other DfE Grants	237	237	229
Non repayable deficit funding	179	179	-
	1,237	1,237	1,438
Other government grants			
Local Authority Grants	11	11	31
Non-government grants and other income			
Trip Income	3	3	5
Special educational projects	-	-	25
	3	3	30
Total grants	1,251	1,251	1,499

South Wiltshire UTC Limited

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

5 Expenditure

	Non Pay Expenditure			2019	2018
	Staff costs	Premises	Other costs	Total	Total
	£ 000	£ 000	£ 000	£ 000	£ 000
Expenditure on raising funds					
Direct costs	-	-	11	11	54
Academy's educational operations					
Direct costs	698	226	62	986	1,503
Allocated support costs	157	82	8,767	9,006	616
	<u>855</u>	<u>308</u>	<u>8,840</u>	<u>10,003</u>	<u>2,173</u>

Net income/(expenditure) for the year includes:

	2019	2018
	£ 000	£ 000
Operating leases - plant and machinery	-	21
Fees payable to auditor - audit	10	11
- other audit services	<u>2</u>	<u>11</u>

South Wiltshire UTC Limited

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

6 Charitable activities

		Total 2019 £ 000	Total 2018 £ 000
Direct costs - educational operations		986	1,503
Support costs - educational operations		<u>9,006</u>	<u>616</u>
		<u>9,992</u>	<u>2,119</u>
	Educational operations £ 000	Total 2019 £ 000	Total 2018 £ 000
Analysis of support costs			
Support staff costs	157	157	277
Technology costs	80	80	52
Premises costs	82	82	109
Other support costs	101	101	124
Governance costs	30	30	54
Impairment of fixed assets	<u>8,556</u>	<u>8,556</u>	<u>-</u>
Total support costs	<u>9,006</u>	<u>9,006</u>	<u>616</u>

7 Staff

Staff costs

	2019 £ 000	2018 £ 000
Staff costs during the year were:		
Wages and salaries	667	965
Social security costs	60	93
Operating costs of defined benefit pension schemes	<u>128</u>	<u>220</u>
	855	1,278
Supply teacher costs	-	47
Staff restructuring costs	<u>-</u>	<u>18</u>
	<u>855</u>	<u>1,343</u>

South Wiltshire UTC Limited

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

7 Staff (continued)

	2019 £ 000	2018 £ 000
Staff restructuring costs comprise:		
Severance payments	-	18

Staff numbers

The average number of persons (including senior management team) employed by the Academy Trust during the year expressed as full time equivalents was as follows:

	2019 No	2018 No
Charitable Activities		
Teachers	9	14
Administration and support	16	20
Management	3	5
	<u>28</u>	<u>39</u>

Higher paid staff

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

	2019 No	2018 No
£60,001 - £70,000	1	-
£80,001 - £90,000	-	1
£90,001 - £100,000	<u>1</u>	<u>-</u>

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 £225,597 (2018: £340,225).

South Wiltshire UTC Limited

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

8 Related party transactions - Trustees' remuneration and expenses

One or more 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. The value of Trustees' remuneration and other benefits was as follows:

Mr J Mulligan (Principal):

Remuneration: £85,000 - £90,000 (2018 - £85,000 - £90,000)

Employer's pension contributions: £10,000 - £15,000 (2018 - £10,000 - £15,000)

Other related party transactions involving the Trustees are set out in note 21.

9 Trustees' and officers' insurance

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £1,000,000 on any one claim. The cost of this insurance is not separately identifiable from information provided by the insurance provider. The cost is included in the total insurance cost and cannot be separately identified.

10 Tangible fixed assets

	Leasehold land and buildings £ 000	Computer equipment £ 000	Other tangible fixed asset £ 000	Total £ 000
Cost				
At 1 September 2018	9,153	331	512	9,996
Impairment	(8,982)	(331)	(461)	(9,774)
At 31 August 2019	171	-	51	222
Depreciation				
At 1 September 2018	511	327	154	992
Charge for the year	171	4	51	226
Impairment	(682)	(331)	(205)	(1,218)
At 31 August 2019	-	-	-	-
Net book value				
At 31 August 2019	171	-	51	222
At 31 August 2018	8,642	4	358	9,004

South Wiltshire UTC Limited

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

11 Debtors

	2019 £ 000	2018 £ 000
Trade debtors	1	2
Prepayments	25	37
Accrued grant and other income	2	24
VAT recoverable	15	19
	<u>43</u>	<u>82</u>

12 Creditors: amounts falling due within one year

	2019 £ 000	2018 £ 000
Trade creditors	62	66
Other taxation and social security	16	20
Other creditors	133	285
Pension scheme creditor	13	20
Accruals	12	13
	<u>236</u>	<u>404</u>

2018
£ 000

Deferred income

Deferred income at 1 September 2018	4
Amounts released from previous periods	<u>(4)</u>
Deferred income at 31 August 2019	<u>-</u>

13 Creditors: amounts falling due after one year

	2019 £ 000	2018 £ 000
Other creditors	<u>-</u>	<u>110</u>

South Wiltshire UTC Limited

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

14 Funds

	Balance at 1 September 2018 £ 000	Income £ 000	Expenditure £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2019 £ 000
Restricted general funds					
General Annual Grant (GAG)	(225)	786	(719)	26	(132)
Non repayable deficit funding	-	179	(179)	-	-
Pupil Premium	-	22	(22)	-	-
UTC transition grant	-	200	(200)	-	-
DfE Project Development	-	35	(35)	-	-
LEA and other grants	12	11	(23)	-	-
Other ESFA/DfE grants	-	15	(15)	-	-
Trips	-	3	(3)	-	-
	<u>(213)</u>	<u>1,251</u>	<u>(1,196)</u>	<u>26</u>	<u>(132)</u>
Restricted fixed asset funds					
Restricted Fixed Asset Fund	9,004	26	(8,782)	(26)	222
Restricted pension funds					
Pension fund	<u>(64)</u>	<u>-</u>	<u>(14)</u>	<u>(38)</u>	<u>(116)</u>
Total restricted funds	8,727	1,277	(9,992)	(38)	(26)
Unrestricted funds					
Unrestricted general funds	<u>43</u>	<u>12</u>	<u>(11)</u>	<u>-</u>	<u>44</u>
Total funds	<u>8,770</u>	<u>1,289</u>	<u>(10,003)</u>	<u>(38)</u>	<u>18</u>

South Wiltshire UTC Limited

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

14 Funds (continued)

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

	Balance at 1 September 2017 £ 000	Income £ 000	Expenditure £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2018 £ 000
Restricted general funds					
General Annual Grant (GAG)	9	1,159	(1,408)	15	(225)
Pupil Premium	3	29	(32)	-	-
UTC transition grant	-	200	(200)	-	-
DfE Project Development	-	50	(50)	-	-
LEA and other grants	-	56	(44)	-	12
Trips	-	5	(4)	(1)	-
	<u>12</u>	<u>1,499</u>	<u>(1,738)</u>	<u>14</u>	<u>(213)</u>
Restricted fixed asset funds					
Restricted Fixed Asset Fund	9,336	13	(331)	(14)	9,004
Restricted pension funds					
Pension fund	<u>(60)</u>	<u>-</u>	<u>(50)</u>	<u>46</u>	<u>(64)</u>
Total restricted funds	9,288	1,512	(2,119)	46	8,727
Unrestricted funds					
Unrestricted general funds	<u>41</u>	<u>56</u>	<u>(54)</u>	<u>-</u>	<u>43</u>
Total funds	<u>9,329</u>	<u>1,568</u>	<u>(2,173)</u>	<u>46</u>	<u>8,770</u>

South Wiltshire UTC Limited

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

14 Funds (continued)

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

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

General Annual Grant (GAG) - The Academy's principle funding stream received from the Education and Skills Funding Agency (ESFA).

The restricted general funds includes the project development grant from the ESFA.

The restricted fixed asset fund represents the value of the property leased to the UTC and further capital funding received during the year for the refurbishment of the property and equipment purchases. Additional assets are added to the fund as they are acquired and are written down by depreciation each year. A transfer is made from the GAG to cover any additional capital spend not funded by specific fixed asset funding received.

Pupil premium - DfE funding to address inequalities between children eligible for free school meals and their wealthier peers by ensuring that funding reaches the pupils who need it most.

Unrestricted funds are general donations and fundraising activities of the school and are used to support the provision of education within the academy.

Pension reserve - The deficit on the Local Government Pension Scheme has been recognised against restricted funds in order to match it against GAG as recommended by the Academies Accounts Direction.

Non repayable deficit funding - These are funds provided to the school to assist with operations up until the closure on 31 August 2020.

15 Analysis of net assets between funds

Fund balances at 31 August 2019 are represented by:

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	-	-	222	222
Current assets	44	102	-	146
Current liabilities	-	(124)	-	(124)
Creditors over 1 year	-	(110)	-	(110)
Pension scheme liability	-	(116)	-	(116)
Total net assets	44	(248)	222	18

South Wiltshire UTC Limited

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

15 Analysis of net assets between funds (continued)

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

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	-	-	9,004	9,004
Current assets	42	302	-	344
Current liabilities	-	(404)	-	(404)
Creditors over 1 year	-	(110)	-	(110)
Pension scheme liability	-	(64)	-	(64)
Total net assets	<u>42</u>	<u>(276)</u>	<u>9,004</u>	<u>8,770</u>

16 Reconciliation of net expenditure to net cash inflow/(outflow) from operating activities

	2019 £ 000	2018 £ 000
Net expenditure	(8,714)	(605)
Depreciation and impairment	8,782	332
Capital grants from DfE and other capital income	(26)	(13)
Defined benefit pension scheme cost less contributions payable	14	50
Decrease in debtors	39	306
Decrease in creditors	<u>(278)</u>	<u>(196)</u>
Net cash used in Operating Activities	<u>(183)</u>	<u>(126)</u>

17 Cash flows from investing activities

	2019 £ 000	2018 £ 000
Capital grants from DfE Group	<u>26</u>	<u>13</u>

18 Analysis of cash and cash equivalents

	2019 £ 000	2018 £ 000
Cash at bank and in hand	<u>105</u>	<u>262</u>
Total cash and cash equivalents	<u>105</u>	<u>262</u>

19 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 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.

South Wiltshire UTC Limited

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

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 Wiltshire Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £(13,019) (2018 - £(20,230)) were payable to the schemes at 31 August and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

South Wiltshire UTC Limited

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

20 Pension and similar obligations (continued)

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £85,252 (2018: £115,014).

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

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

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £41,000 (2018 - £69,000), of which employer's contributions totalled £33,000 (2018 - £54,000) and employees' contributions totalled £8,000 (2018 - £15,000). The agreed contribution rates for future years are 25 per cent for employers and 5.1-5.8 per cent for employees.

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

On 27 June 2019 the Supreme Court upheld the Court of Appeal's ruling that government reform's made in 2015 to the pensions of judges and firefighters were unlawful on the grounds of age discrimination. This case has become known as the 'McCloud judgement' and the ruling will have wider implications for all public service schemes affected by the reforms. Accordingly, the valuation provided by the actuary at 31 August 2019 includes the expected impact of compensation payments arising from this judgement.

South Wiltshire UTC Limited

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

20 Pension and similar obligations (continued)

Principal actuarial assumptions

	2019 %	2018 %
Rate of increase in salaries	2.60	2.60
Rate of increase for pensions in payment/inflation	2.30	2.30
Discount rate for scheme liabilities	1.90	2.80
Inflation assumptions (CPI)	2.30	2.30
RPI increases	<u>3.30</u>	<u>3.30</u>

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

	2019	2018
Retiring today		
Males retiring today	21.40	22.50
Females retiring today	23.70	24.90
Retiring in 20 years		
Males retiring in 20 years	22.30	24.10
Females retiring in 20 years	<u>25.10</u>	<u>26.70</u>

Sensitivity analysis

	At 31 August 2019 £000	At 31 August 2018 £000
Discount rate +0.5%	336	197
Discount rate -0.5%	482	283
Salary rate +0.5%	409	240
Salary rate -0.5%	409	240
Pension rate +0.5%	482	283
Pension rate -0.5%	<u>336</u>	<u>197</u>

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

	2019 £ 000	2018 £ 000
Equities	208	125
Other bonds	41	25
Property	38	23
Cash and other liquid assets	<u>6</u>	<u>3</u>
Total market value of assets	<u>293</u>	<u>176</u>

South Wiltshire UTC Limited

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

20 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2019 £ 000	2018 £ 000
Current service cost	45	102
Interest income	(6)	(3)
Interest cost	8	5
	<u>47</u>	<u>104</u>
Total amount recognised in the SOFA		

Changes in the present value of defined benefit obligations were as follows:

	2019 £ 000	2018 £ 000
At start of period	240	153
Current service cost	43	102
Interest cost	8	5
Employee contributions	8	15
Actuarial (gain)/loss	86	(34)
Benefits paid	22	(1)
Past service cost	2	-
	<u>409</u>	<u>240</u>
At 31 August		

South Wiltshire UTC Limited

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

20 Pension and similar obligations (continued)

Movements in the fair value of Academy Trust's share of scheme assets

	2019 £ 000	2018 £ 000
At start of period	176	93
Interest income	6	3
Actuarial gain/(loss)	48	12
Employer contributions	33	54
Employee contributions	8	15
Benefits paid	22	(1)
At 31 August	293	176

21 Related party transactions

There were no related party transactions in the year, other than certain trustees' remuneration and expenses already disclosed in note 8.

South Wiltshire UTC Limited

Registered in England and Wales - Company number: 08282488

Registered Office:
Wilton Road
SALISBURY
Wiltshire
SP2 7HR

Francis Clark LLP trading as PKF Francis Clark
Chartered Accountants
Sigma House
Oak View Close
Edginswell Park
Torquay
TQ2 7FF

Dear Sirs

Financial Statements of South Wiltshire UTC Limited for the year ended 31 August 2019

This representation letter is provided in connection with your audit of the financial statements of South Wiltshire UTC Limited ("the charitable company"), for the year ended 31 August 2019 for the purpose of expressing an opinion as to whether these financial statements give a true and fair view of the results and financial position of South Wiltshire UTC Limited 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 FRS 102 (Charities SORP (FRS102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The representations made in this letter are in accordance with the definitions set out in the Appendix to this letter.

We confirm that:

Financial statements

1. We have fulfilled our responsibilities as trustees, as set out in the terms of the audit engagement letter dated 25 June 2017, for preparing financial statements 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 FRS 102 (Charities SORP (FRS102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006, which give a true and fair view of the state of the charitable company's affairs as at the end of its financial year and of the charitable company's income and expenditure for the year then ended and for making accurate representations to you.
2. Measurement methods and significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
3. We have no plans or intentions that may materially alter the carrying value and, where relevant, the fair value measurements or classification of assets and liabilities reflected in the financial statements.

4. We have disclosed all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements to you and these have been disclosed in accordance with UK Generally Accepted Accounting Practice.
5. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with UK Generally Accepted Accounting Practice and the Academies Accounts Direction 2018 to 2019 issued by ESFA.
6. All events since the balance sheet date which require disclosure or which would materially affect the amounts in the financial statements have been adjusted or disclosed in the financial statements.
7. We confirm that the financial statements are free of material misstatements, including omissions. We believe that the effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to this representation letter, together with our reasons for not correcting them.
8. We confirm that the school is due to close on 31 August 2020 and the charitable company will not be a going concern. In particular we confirm that the narrative explanations on pages 9 and 26 in the financial statements fully describe the key facts relevant to the governors' assessment that the going concern basis is no longer appropriate and the accounts have been prepared on the basis that the company is no longer a going concern.

Information provided


9. We have made available to you all accounting and other records, including minutes of all trustees' and management meetings, and other information relevant for the purposes of your audit. We have provided all additional information that you have requested for the purposes of your audit and given unrestricted access to persons within the charitable company from whom you determined it necessary to obtain audit evidence or request information.
10. All transactions have been properly recorded in the accounting records and are reflected in the financial statements.
11. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud. Included in the Appendix to this letter are the definitions of fraud, including misstatements arising from fraudulent financial reporting and from misappropriation of assets.
12. We have disclosed to you all information in relation to fraud or suspected fraud of which we are aware and that affects the charitable company and involves management, employees who have significant roles in internal control, or others where the fraud could have a material effect on the financial statements.
13. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the charitable company's financial statements communicated by employees, former employees, analysts, regulators or others.
14. We confirm that we are not aware of any possible or actual instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements. We confirm that the charitable company has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance.

15. We confirm that the charitable company has satisfactory title to all assets, and there are no liens or encumbrances on the assets except for those disclosed in the financial statements.
16. We confirm that there are no liabilities, contingent liabilities or guarantees to third parties other than those disclosed in the financial statements. We confirm that the charitable company has not contracted for any capital, or other, expenditure, other than as disclosed in the financial statements.
17. We confirm that the charitable company has at no time during the year entered into any arrangement, transaction or agreement to provide credit facilities (including loans, quasi loans, or credit transactions) for trustees, nor to guarantee or provide security for such matters, except as disclosed in the financial statements.
18. We confirm that we are aware that a related party of the charitable company is a person or organisation which either (directly or indirectly) controls, has joint control of, or significantly influences the charitable company or vice versa and as a result will include trustees, other key management, close family and other business interests of the previous. We confirm that we have disclosed to you the identity of all related parties and all the related party relationships and transactions of which we are aware.
19. We confirm that all income and expenses have been fully recorded and correctly classified in the correct fund.
20. We confirm that all grants, donations and other income, including those subject to special terms and conditions or received for restricted purposes, have been notified to you. There have been no breaches of terms or conditions during the period regarding the application of such income.
21. We confirm that the accounting officer and governing body accept their responsibilities for regularity. We confirm that the 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.

We confirm that to the best of our knowledge and belief that the above representations are made on the basis of enquiries of management and staff with relevant knowledge and experience and, where appropriate, of inspection of supporting documentation sufficient to satisfy ourselves that we can properly make each of the above representations to you.

We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that so far as we are aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware. Each trustee has taken all the steps that he ought to have taken as a trustee in order to make himself aware of any relevant audit information and to establish that you are aware of that information.

Yours faithfully


..... Chair
19 December 2019
..... Date

Appendix A to the Board Representation Letter of South Wiltshire UTC Limited: Definitions

Financial Statements

A complete set of financial statements comprises:

- a balance sheet as at the end of the year/period;
- a statement of financial activities for the year/period;
- a cashflow statement for the year/period; and
- notes, comprising a summary of significant accounting policies and other explanatory information.

Material Matters

Material omissions or misstatements of items are material if they could, individually or collectively, influence the economic decisions that users make on the basis of the financial statements. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances. The size or nature of the item, or a combination of both, could be the determining factor.

Fraud

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.

Misappropriation of assets involves the theft of an entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorisation.

Error

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.

Management

For the purposes of this letter, references to "management" should be read as "management and, where appropriate, those charged with governance".