

**Sir Simon Milton
Westminster University
Technical College**

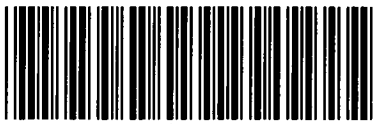
**Annual Report and Financial
Statements**

31 August 2018

Company Limited by Guarantee Registration Number
09264827 (England and Wales)

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Reference and administrative information

Members	Sir Simon Milton Foundation Network Rail Infrastructure Limited The University of Westminster
Governors (Trustees)	Karen Barker, ex-officio (resigned 9 February 2018) Marc Cadwaladr (appointed 1 October 2017) Andrew Christie CBE Antonia Evans, ex-officio (appointed 1 June 2018) Paul Flexney-Briscoe (resigned 31 December 2017) Anna Kennedy (appointed 29 January 2018) Richard Lane Jeremy Lucas (appointed 1 October 2017) Claire McLoughlin (29 January to 31 May 2018) Elizabeth Phillips OBE (Chair) Evelyne Rugg William Templeton Duncan Whitfield Christopher Williams (appointed 29 January 2018)
Principal	Karen Barker (to 9 February 2018) Antonia Evans, Interim Joint Head (to 31 May 2018) Michael Finn, Interim Joint Head (to 31 May 2018) Antonia Evans (appointed 1 June 2018)
Registered office	Sir Simon Milton Westminster UTC 1 Sutherland Street London SW1V 4LD
Company registration number	09264827 (England & Wales)
Independent auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	HSBC Bank PLC 133 Regent Street London W1A 4BQ
Solicitors	Farrer & Co LLP 66 Lincoln's Inn Fields London WC2A 3LH

Governors' report (including the strategic report) Year to 31 August 2018

The governors present their report together with the financial statements of Sir Simon Milton Westminster University Technical College ('the UTC', 'the charitable company' or 'the Academy Trust') for the year ended 31 August 2018. The report serves the purpose of both a trustees' report and a directors' report under company law.

The financial statements have been prepared in accordance with the accounting policies set out on pages 24 to 29 of the attached financial statements and comply with the Academy Trust's memorandum and articles of association, applicable laws and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102)".

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The UTC is a 14-19 free school operating as a Single Academy Trust and a company limited by guarantee with no share capital. It is an exempt charity and has a licence from the Baker Dearing Trust to operate as a University Technical College. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The governors of Sir Simon Milton Westminster University Technical College are also the trustees and the directors of the charitable company for the purpose of company law. Details of the governors who served during the year are included in the Reference and Administrative Details on page 1.

Members of the charitable company are Sir Simon Milton Foundation, Network Rail Infrastructure Limited, and the University of Westminster who are also the sponsors of the Academy Trust.

The Employer Alliance partners of the Academy Trust during the period of this report are Network Rail Infrastructure Limited, BT Fleet Solutions Limited, Land Securities Properties Limited, Alstom, Sir Robert McAlpine Limited, Transport for London incorporating Crossrail Limited, Colas Rail and the University of Westminster. Their support for the development of the Academy Trust is described in a memorandum of association signed on behalf of all seven partner organisations.

Members' liability

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

Governors' report (including the strategic report) Year to 31 August 2018

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Objectives and activities

The Academy Trust's primary object is summarised as the advancement for the public benefit of education in the United Kingdom by establishing, maintaining, managing and developing a University Technical College offering a broad and balanced curriculum which includes provision for technical education.

The UTC's dual specialisms are transport engineering, and construction and the built environment, supported by the unique Employer Alliance partners who deliver business challenge projects and work placements. The students' learning experience is also extended through the University of Westminster, the UTC's sole university sponsor.

Governors

The Academy Trust is governed by a Board of Governors (the 'Board' or the 'Governing Body'). The Governors are directors of the charitable company for the purposes of the Companies Act.

The Board has regard to any guidance as to the governance of academies that the Secretary of State may publish.

The Board of Governors comprises:

- a) four nominees of the Employer Alliance sponsors, three nominees of the University of Westminster sponsor, and two nominees of the Sir Simon Milton Foundation endorsed by the Employer Alliance such that together they form a majority of the total number of Governors (nine of the total Board of 13 Governors);
- b) at least two parent / carer Governors;
- c) one staff Governor;
- d) the Principal who is responsible for the day to day management of the Academy Trust (as Accounting Officer and Ex-Officio Governor).

During the accounting period of this statement a total of 13 Governors have held office at any one time. Governors serve for a four-year term. Subject to remaining eligible to represent a particular constituency, any governor may be re-appointed or re-elected for a further four year term.

An independent Clerk is employed by the Academy Trust and attends Board meetings to take the minutes. From time to time, other members of the Academy Trust's staff are asked to address the Board.

Governors' report (including the strategic report) Year to 31 August 2018

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Governors (continued)

The Governors are the Trustees and Directors of the Academy Trust. The following Governors served during the year as follows:

Governor	Additional Membership	Term of Office
Karen Barker Principal, Ex Officio	Curriculum and Students Committee Staffing and Management Committee Finance and Premises Committee	01/09/17 – 09/02/18 - <i>resigned</i>
Marc Cadwaladr Employer nominee	Staffing and Management Committee	01/10/17 – 30/09/21
Andrew Christie CBE Foundation nominee	Curriculum and Students Committee	01/04/16 – 31/03/20
Antonia Evans Principal, Ex Officio	Curriculum and Students Committee Staffing and Management Committee Finance and Premises Committee	01/06/18 -
Paul Flexney-Briscoe Employer nominee	Finance and Premises Committee	01/10/14 – 31/12/17 <i>resigned</i>
Anna Kennedy Employer nominee	Curriculum and Students Committee	29/01/18 – 28/02/22
Richard Lane University nominee	Staffing and Management Committee	01/10/15 – 30/09/19
Jeremy Lucas Employer nominee	Finance and Premises Committee	01/10/17 – 30/09/21
Claire McLoughlin Staff Governor	Curriculum and Students Committee	29/01/18 – 31/05/18 - <i>resigned</i>
Elizabeth Phillips OBE Chair of the Board University nominee	Curriculum and Students Committee Audit Committee Principal's Performance Review Panel	01/10/14 – 30/09/18; 01/10/18 – 30/09/22
Evelyne Rugg Vice-Chair University nominee	Staffing and Management Committee Audit Committee Principal's Performance Review Panel	01/01/15 – 31/12/18
William Templeton Vice-Chair Employer nominee	Employer Alliance group Principal's Performance Review Panel	01/10/14 – 30/09/18; 01/10/18 – 30/09/22
Duncan Whitfield Foundation nominee	Finance and Premises Committee Audit Committee	01/10/15 – 30/09/19
Christopher Williams Parent Governor	Curriculum and Students Committee	29/01/18 – 28/01/20

Governors' report (including the strategic report) Year to 31 August 2018

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Governors' Indemnities

Subject to the provisions of the Companies Act 2006, every governor or other officer of the Academy Trust is indemnified out of the assets of the Academy Trust against any liability incurred by him/her in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which relief is granted to him/her by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Academy Trust.

The induction and training of Governors

The Chair of the Board and Clerk meet with all new governors to discuss their roles and responsibilities. Appropriate training needs are identified at that meeting for which a programme is scheduled thereafter, drawing on activities provided by the Bi-Borough Education Service, and the London Diocesan Board for Schools (LDBS). Each new Governor is assigned a mentor who is an experienced Governor. The Clerk issues all Governors with the key Department for Education publications such as the updated Academies Financial Handbook, and Keeping Children Safe in Education.

Organisational structure and management

The Principal is the Chief Accounting Officer who provides the overall educational vision, direction and leadership of the Academy Trust. The Principal leads and manages the Trust setting strategy and implementing policy in conjunction with the Board of Governors. The Board's Scheme of Delegation sets parameters for financial decision-making.

The Principal is supported by two Vice-Principals, an Assistant Principal and a Business Manager. This Senior Leadership Team (SLT) structure was planned by Governors in Spring 2018 to ensure greater resilience in planning for the second year of operation when student numbers would double, following an initial period of change. The founding Principal resigned for personal reasons in January 2018 after two years in post, and the Vice-Principal and Assistant Principal were appointed as Joint Heads on an Interim basis. A permanent Principal was then appointed on 27 April 2018 with effect from 1 June 2018. A second Vice-Principal, a Maths specialist, to lead on Teaching and Learning, and an Assistant Principal, to lead on data management and analysis, were also appointed in April 2018.

For reasons of value for money (VFM) and effectiveness the UTC decided to recruit a dedicated School Business Manager and the current appointee took up post in March 2018. A new structure for Business Service support took effect in the Summer Term grouping all administrative and technical staff roles together.

Connected organisations, including related party relationships

Sir Simon Milton Foundation is a member and involved in supporting the UTC both financially and otherwise. Network Rail Infrastructure Limited is a member and also a member of the Employer Alliance that supports the UTC. The University of Westminster is a member and also the University Sponsor for the UTC.

Governors' report (including the strategic report) Year to 31 August 2018

STRATEGIC REPORT

Objects, aims and objectives

The Academy Trust's object is specifically restricted to the following: to advance for the public benefit education in the United Kingdom by establishing, maintaining, carrying on, managing and developing a University Technical College (UTC) offering a broad and balanced curriculum which includes provision for specialist professional and technical education.

Review of activities

The UTC opened on time on 1 September 2017, fulfilling its recruitment targets at Key Stage 4 and with a good Sixth Form cohort. The plan for staffing was also realised although some early Autumn Term changes resulted in some elements of the curriculum being delivered unevenly in the first phase. The curriculum plan for all core STEM subjects to be offered through the AQA Board was kept under review and supplemented by the introduction of BTEC options to meet the needs of individual students. Spanish was offered as the Modern Foreign Language, and Design Engineer Construct for a Sustainable Environment, which is GCSE-equivalent, was offered to all Key Stage 4 students.

Students were supported by the Employer Alliance partners and the University of Westminster through project learning to establish a clearer line of sight to work practices and employment opportunities. Several teams of students performed well in external competitions achieving awards or reaching the semi-finals in national programmes. All of those who took part in the Network Rail Fast Trackers programme achieved the Engineering Development Trust's Industrial Cadet Awards at Gold level, after integrating their work experience in the project designed for multidisciplinary team problem solving.

In the first year of the UTC's operation, competing challenges required a particular focus to consolidate completion of the custom-designed new building. These included the following: regular liaison with the Construction team in the adjacent residential building; completion of the procurement of FFE and Specialist Equipment; evaluation and extension of one-year service contracts for Cleaning and Catering; transfer of the electricity supply contract from the construction company's provider; and, replacement of the Student Record Management Information System in time for the 2018/19 year. A tight resource environment was an additional constraint throughout the year.

An extensive programme of activities to support marketing and recruitment of students for entry at Year 10/Key Stage 4 (aged 14) and Key Stage 5/Sixth Form (aged 16) included open evenings at the UTC co-hosted by the Employer Alliance and University of Westminster. This was supported by integrated social media communications. The UTC continued to benefit from the professional advice for its Brand and Marketing Strategy which was led by a volunteer consultant throughout the year.

Governors' report (including the strategic report) Year to 31 August 2018

STRATEGIC REPORT (continued)

Review of activities (continued)

The new students had been enrolled at induction sessions hosted at the University of Westminster in August as planned. Of these 59 students aged 14 were studying at the UTC (against a target of 75), which allows three class groups streamed by ability. A total of 65 students were studying in the Sixth Form (against a target of 150) following many late transfers to London's competing providers, notably Sixth Form Colleges and FE Colleges. The Senior Leadership Team's objective of recruiting good numbers of female students has borne fruit: some 30% of the Year 10/Key Stage 4/GCSE level students aged 14 are female, and 16% of the Sixth Formers studying at Level 3 are female.

Public benefit

The Academy Trust's governors have given careful consideration to the guidance on public benefit published by the Charity Commission in exercising their powers and duties.

Key achievements and performance

Students' main public examinations will be scheduled in 2018/19. However, those students who re-took either English or Maths at GCSE performed exceptionally well, exceeding national benchmarks.

Financial review

Financial report for the year

Most of the Academy Trust's income is obtained from the Department for Education (DfE) in the form of recurrent grants from the Education and Skills Funding Agency (ESFA), the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2018 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

A summary of the results for the period is included on page 21.

Total income for the year was £1,920,000 (2017 - £1,442,000), which included £1,419,000 (2017 - £nil) of ESFA revenue grants. Other ESFA funding and donations income received in the two years ended 31 August 2018 related to the development and set up of the UTC, including capital grant income.

Total expenditure for the year was £2,320,000 of which £1,099,000 related to staffing costs and the balance to the other costs of running the educational operations of the Academy Trust, including £238,000 of depreciation. The costs of £401,000 in the year ended 31 August 2017 related to the set-up of the UTC.

Governors' report (including the strategic report) Year to 31 August 2018

STRATEGIC REPORT (continued)

Financial review (continued)

Financial report for the year (continued)

Taking into account the actuarial gain of £16,000 on the revaluation of the Local Government Pension Scheme deficit, the net movement in funds for the year ended 31 August 2018 was a decrease of £384,000. The operational deficit for the year was £20,000. This figure excludes movements on the tangible fixed assets and the defined benefit pension liability.

Reserves policy

The Academy Trust is a recently established organisation, and does not have the capacity for accumulation of reserves at present. However, a 5% contingency was sustained throughout the period of the pre-opening development grant period 2014 -2017 and this remains an aspiration in the post-opening development period.

Investment policy

Throughout the year, funds were held at HSBC Bank plc.

Key financial performance indicators

The key financial performance indicator is whether there is sufficient incoming funding to cover the costs of the Academy Trust both on an annual basis and on an ongoing cash flow basis. All other financial key performance indicators are ancillary to this.

The budget for the forthcoming year is based on student number forecasts and actuals for Key Stage 4 and Key Stage 5 students, staffing ratios and costs, anticipated overheads, and forecast lettings income. The financial impact of regulatory changes, the Academy Trust's Improvement Plan and new activities are also allowed for in the 2018/19 budget.

Principal risks and uncertainties

The principal risk continues to be the ability to recruit and retain planned student numbers. The Academy Trust is working in collaboration with the Sir Simon Milton Foundation. The Foundation helped to ensure sufficient funds were available to continue an effective marketing campaign through the 2017/2018 academic year.

As the building was not complete on the opening of the school, there was an ongoing risk that the final works would not be completed during the spring term of 2018 and thus put at risk the recruitment of students for 2018 to 2019. The UTC worked closely with Bouygues UK and Westminster City Council to expedite the building completion and mitigate these risks.

In order to benefit from future transitional funding in 2018/19 and 2019/20 the UTC needs to prepare to join a Multi-Academy Trust (MAT) and good progress was made during 2017/18 in researching potential strategic partners.

Governors' report (including the strategic report) Year to 31 August 2018

STRATEGIC REPORT (continued)

Going concern

After making appropriate enquiries, the Board of Governors has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it adopts the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

Risk management

The Board of Governors has assessed the major risks to which the Academy Trust is exposed, in particular those relating to student recruitment, educational outcomes, finance, building development, staffing, and reputation. Systems are in place to control those risks, and a detailed risk register has been developed and internal controls implemented.

FUNDRAISING

The Academy Trust has not actively fundraised in 2017/18, even though it has received donations in the year.

FUTURE ACTIVITIES AND PLANS

The Academy Trust has secured planning approval to allow use of its facilities by community members and for income generation through commercial lettings.

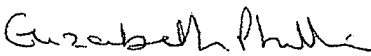
Expansion of the UTC's Employer Alliance group of company partners is being carefully managed to increase capacity to support UTC students through work placements and mentoring, drawing on best practice at other UTCs.

AUDITOR

In so far as the Governors are aware:

- ♦ there is no relevant audit information of which the charitable company's auditor is unaware; and
- ♦ the Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Governors' report, incorporating a strategic report, was approved by order of the Board of Governors on 18.12.18 and signed on its behalf by:

Chair 
ELIZABETH PHILLIPS

Governance statement 31 August 2018

Scope of responsibility

As governors, we acknowledge we have overall responsibility for ensuring that Sir Simon Milton Westminster University Technical College has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board of Governors and the Principal, as Chief Accounting Officer, are responsible 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 the Academy Trust and the Secretary of State for Education. The Principal is also responsible for reporting to the Board of Governors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Board of Governors has formally met four times during the year. Attendance during the year at meetings of the Board of Governors was as follows:

Governor	Board Meetings attended	Out of a possible:
E Phillips (Chair)	4	4
K Barker	1	2
M Cadwaladr	3	4
A Christie	4	4
A Evans	2	2
P Flexney-Briscoe	0	1
A Kennedy	2	2
R Lane	2	4
J Lucas	4	4
C McLoughlin	0	1
E Rugg	4	4
W Templeton	3	4
D Whitfield	4	4
C Williams	2	2

Attendance at sub-committee meetings during the year was as follows:

Staff and Management Committee

E Rugg – Chair	4/5
R Lane	3/5
M Cadwaladr	4/4
A Evans	3/3
M Finn	1/1
K Barker	1/2

Governance statement 31 August 2018

Governance (continued)

Finance and Premises Committee

J Lucas – Chair	4/4
D Whitfield	3/4
C Williams	0/1
A Evans	1/2
M Finn	1/1
K Barker	2/2
P Flexney-Briscoe	1/1

Curriculum and Students Committee

E Phillips – Chair	4/4
J Lucas	4/4
A Christie	1/4
A Kennedy	1/1
A Evans	1/1
M Finn	0/1
K Barker	2/3

Governance review

The governors will continue to keep governance under review on a regular basis. The Skills Audit conducted in March 2017 was updated in March 2018 to inform succession planning of Governors/Directors/Trustees. This was scrutinised in March 2018 through an External Governance Review process conducted by a National Leader of Education. Further self-assessment activities are planned for 2018/19 to augment the outcomes of the review and provide additional evidence of challenge and scrutiny by Governors.

Review of value for money (VFM)

The governors and Principal ensure tight control over all of the Academy Trust's costs through planning and delivery phases of the UTC's work, and ensure that VFM is reflected in the scheme of delegation and internal financial reporting processes.

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. In particular, it includes:

- ♦ budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Governors;
- ♦ reviews by the governors of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- ♦ clearly defined purchasing (asset purchase or capital investment) guidelines; and
- ♦ identification and management of risks.

Governance statement 31 August 2018

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 ongoing process designed to identify and prioritise the risks to the achievement of the Academy Trust's 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.

During the year under review, as a recently established organisation, the UTC has been through a significant period of development and transition in relation to its systems and controls. As a result, the internal financial control framework has not been fully operational throughout the financial year. After the year-end, the Governors have agreed with the management team an appropriate course of action to ensure that a robust system of internal control is in place throughout the 2018/19 financial year. Furthermore, the Governors have agreed that the UTC's external auditors will undertake regular in-year checks on the operation of the internal financial controls and systems during 2018/19.

Capacity to handle risk

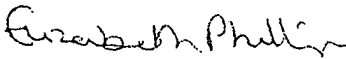
The Board of Governors has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Governors is of the view that there is an ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ended 31 August 2018 and up to the date of approval of the annual report and financial statements.

Review of effectiveness

The governors and Principal, as Chief Accounting Officer, have 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 external auditor; and
- ♦ the financial management and governance self-assessment process.

A plan to address weaknesses and ensure continuous improvement of the system is in place.

(Chair) 
ELIZABETH PHILLIPS

Approved on: 18.12.18

(Principal and
Accounting Officer)


ANTONIA EVANS

Statement on regularity, propriety and compliance 31 August 2018

As Accounting Officer of Sir Simon Milton Westminster University Technical College, I have considered my responsibility to notify the Board of Governors and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the Board of Governors 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 2017.

Other than the matters raised in the governance statement on page 12 in respect of internal controls, 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 governors and the ESFA.

Accounting Officer



Date:

18.12.18

ANTONIA EVANS

Statement of Governors' responsibilities 31 August 2018

The Governors (who act as trustees for the charitable activities of the Academy Trust and are also the directors of the Academy Trust for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Governors to prepare financial statements for each financial year. Under company law, the Governors 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 Academy Trust and of its income and expenditure for that period. In preparing these financial statements, the Governors are required to:

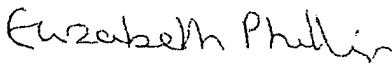
- ♦ select suitable accounting policies and then apply them consistently;
- ♦ observe the methods and principles in the Charities' SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- ♦ make judgments and estimates that are reasonable and prudent;
- ♦ state whether applicable United Kingdom 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 Academy Trust will continue in operation.

The Governors are responsible for keeping proper accounting records that are sufficient to show and explain the Academy Trust's transactions and disclose with reasonable accuracy at any time the financial position of the Academy Trust 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 Academy Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors are responsible for ensuring that in its conduct and operation the Academy Trust 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 Governors are responsible for the maintenance and integrity of the charity and financial information included on the Academy Trust'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 Board of Governors on 18.12.18 and signed on its behalf by:

Chair 
ELIZABETH PYLLIS

Independent auditor's report Year to 31 August 2018

Independent auditor's report to the members of Sir Simon Milton Westminster University Technical College

Opinion

We have audited the financial statements of Sir Simon Milton Westminster University Technical College (the 'charitable company') for the year ended 31 August 2018 which comprise the statement of financial activities, the balance sheet, the 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), 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) (the Charities SORP 2015) and the Academies Accounts Direction 2017 to 2018.

In our opinion, the financial statements:

- ♦ give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 and of its income and expenditure for the year then ended;
- ♦ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ♦ have been prepared in accordance with the requirements of the Companies Act 2006; and
- ♦ have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2017 to 2018.

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 charitable company 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.

Independent auditor's report Year to 31 August 2018

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- ♦ the Governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- ♦ the Governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Governors 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- ♦ the information given in the Governors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ♦ the Governors' report has been prepared in accordance with applicable legal requirements.

Independent auditor's report Year to 31 August 2018

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- ◆ adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of Governors' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit.

Responsibilities of governors

As explained more fully in the Governors' responsibilities statement, the Governors 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 Governors 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 Governors are responsible for assessing the charitable company'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 Governors either intend to liquidate the charitable company 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.

Independent auditor's report Year to 31 August 2018

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Katharine Patel (Senior Statutory Auditor)
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

19 December 2018

Independent reporting accountant's report on regularity Year to 31 August 2018

Independent reporting accountant's assurance report on regularity to Sir Simon Milton Westminster University Technical College and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 13 July 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Sir Simon Milton Westminster University Technical College during the period from 1 September 2017 to 31 August 2018 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 Sir Simon Milton Westminster University Technical College and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Sir Simon Milton Westminster University Technical College 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 Sir Simon Milton Westminster University Technical College and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Sir Simon Milton Westminster University Technical College's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Sir Simon Milton Westminster University Technical College's funding agreement with the Secretary of State for Education dated 20 August 2012 and the Academies Financial Handbook 2017, extant from 1 September 2017, 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 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period from 1 September 2017 to 31 August 2018 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 Academies Accounts Direction 2017 to 2018 issued by the 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.

Independent reporting accountant's report on regularity Year to 31 August 2018

Approach (continued)

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:

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

Conclusion

Other than the matters raised in the governance statement on page 12, in the course of our work, nothing has come to our attention which suggests that in all material respects:

- a) the expenditure disbursed and income received during the period from 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament; and
- b) the financial transactions do not conform to the authorities which govern them.



Statutory Auditor
Buzzacott LLP
130 Wood Street
London
EC2V 6DL

19 December 2018

Statement of financial activities Year to 31 August 2018
(including the income and expenditure account)

	Notes	Restricted funds			2018 Total funds £000	2017 Total funds £000
		Unrestricted general funds £000	Restricted general funds £000	Fixed assets funds £000		
Income from:						
Donations and capital grants	1	-	87	395	482	1,312
Charitable activities:						
· Funding for the Academy Trust's educational operations	4	-	1,419	-	1,419	130
Other trading activities	2	4	14	-	18	-
Investments	3	-	1	-	1	-
Total income		4	1,521	395	1,920	1,442
Expenditure on:						
Charitable activities:						
· Academy Trust's educational operations	6	(4)	(1,857)	(459)	(2,320)	(401)
Total expenditure		(4)	(1,857)	(459)	(2,320)	(401)
Net (expenditure) income before transfers		-	(336)	(64)	(400)	1,041
Transfers between funds	14	-	255	(255)	-	-
Net (expenditure) income		-	(81)	(319)	(400)	1,041
Other recognised gains and losses						
Actuarial gains on defined benefit pension schemes	20	-	16	-	16	-
Net movement in funds		-	(65)	(319)	(384)	1,041
Fund balances brought forward at 1 September 2017		-	27	1,062	1,089	48
Fund balances carried forward at 31 August 2018		-	(38)	743	705	1,089

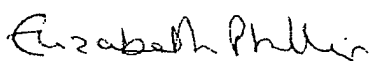
All of the Academy Trust's activities derived from continuing operations.

A separate statement of recognised gains and losses is not required as all gains and losses are included in the above Statement of Financial Activities.

Balance sheet 31 August 2018

	Notes	2018 £000	2018 £000	2017 £000	2017 £000
Fixed assets					
Tangible assets	11		743		1,032
Current assets					
Debtors	12	253		897	
Cash at bank		423		146	
		<u>676</u>		<u>1,043</u>	
Liabilities					
Creditors: amounts falling due within one year	13	<u>(669)</u>		<u>(986)</u>	
Net current assets			<u>7</u>		<u>57</u>
Total assets less current liabilities			<u>750</u>		<u>1,089</u>
Net assets excluding pension scheme liability			750		1,089
Pension scheme liability	20		(45)		-
Total net assets			<u>705</u>		<u>1,089</u>
The funds of the Academy Trust:					
Restricted funds	14				
Fixed assets fund			743		1,062
Restricted income fund			7		-
Pension reserve			<u>(45)</u>		<u>-</u>
Total restricted funds			<u>705</u>		<u>1,062</u>
Unrestricted income funds					
General fund	14		-		27
Total funds			<u>705</u>		<u>1,089</u>

Approved by the Board of Governors of Sir Simon Milton Westminster University Technical College (Company Registration No. 09264827) (England and Wales) and signed on its behalf by:

Chair  ELIZABETH PHILLIPS.

Approved on: 18.12.18

Statement of cash flows Year to 31 August 2018

		2018 £000	2017 £000
Cash flows from operating activities			
Net cash provided by operating activities	A	52	114
Cash flows from investing activities			
Net cash provided by investing activities	B	225	30
Change in cash and cash equivalents in the year		277	144
Reconciliation of net cash flow to movement in net funds:			
Cash and cash equivalents at 1 September 2017		146	2
Cash and cash equivalents at 31 August 2018	C	423	146

A Reconciliation of expenditure to cash flows from operating activities

	2018 £000	2017 £000
Net expenditure for the year (as per the Statement of Financial Activities)	(400)	1,041
Depreciation (note 11)	238	-
Capital grants from DFE and other capital income (net of VAT recovery)	(174)	(1,062)
Defined benefit pension scheme cost less contributions payable (note 20)	62	-
Defined benefit pension scheme finance income (note 20)	(1)	-
Decrease (increase) in debtors	644	(816)
(Decrease) increase in creditors	(317)	941
Net cash provided by operating activities	52	114

B Cash flows from investing activities

	2018 £000	2017 £000
Purchase of tangible fixed assets (note 11)	(163)	(1,032)
VAT recovered on prior year additions	214	-
Capital grants from DfE/ESFA	174	1,062
Net cash provided by investing activities	225	30

C Analysis of cash and cash equivalents

	2018 £000	2017 £000
Cash at bank and in hand	423	146

Principal accounting policies Year to 31 August 2018

Statement of 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 Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Sir Simon Milton Westminster University Technical College meets the definition of a public benefit entity under FRS 102.

Going concern

The Governors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The Governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

All income is recognised when the Academy Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Grants

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

Principal accounting policies Year to 31 August 2018

Income (continued)

Grants (continued)

The 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 when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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.

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.

Expenditure on 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.

All expenditure is stated net of recoverable VAT.

Principal accounting policies Year to 31 August 2018

Tangible fixed assets

Assets costing £1,000 or more, including assets which are part of a capital project which aggregate to £1,000 or more, are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. 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.

The value of the UTC building is not included within the fixed asset note within the accounts. The land and building occupied by the UTC are owned by Westminster City Council. The UTC is able to occupy the land under a lease agreement but the risks and rewards of ownership have not been transferred to the UTC.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful lives, as follows:

Furniture, fittings and equipment	25%
Computer equipment	25%

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

A full year of depreciation is calculated in the year of acquisition and none in the year of disposal.

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.

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:

Principal accounting policies Year to 31 August 2018

Financial instruments (continued)

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 12. Prepayments are not financial instruments.

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

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 13. 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.

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.

Pensions benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes.

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. As stated in note 20, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

Principal accounting policies Year to 31 August 2018

Pensions benefits (continued)

The LGPS is a funded 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.

Fund accounting

Unrestricted funds represent monies which may be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the Governors.

The restricted fixed assets fund is for resources which are to be applied to specific capital purposes with conditions imposed by the providers.

The restricted general funds comprise all other restricted funds received and include grants from the DfE and the ESFA.

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.

Principal accounting policies Year to 31 August 2018

Critical accounting estimates and areas of judgement (continued)

Critical accounting estimates and assumptions (continued)

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 for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 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.

Notes to the financial statements Year to 31 August 2018

1 Donations and capital grants

	Unrestricted funds £000	Restricted funds £000	Restricted fixed asset funds £000	2018 Total funds £000	2017 Total funds £000
Capital grants	-	-	395	395	250
Donations	-	87	-	87	1,062
	-	87	395	482	1,312

2 Other trading activities

	Unrestricted funds £000	Restricted funds £000	2018 Total funds £000	2017 Total funds £000
Hire of facilities	1	-	1	-
Catering income	-	14	14	-
Miscellaneous income	3	-	3	-
	4	14	18	-

3 Investment income

	Unrestricted funds £000	Restricted funds £000	2018 Total funds £000	2017 Total funds £000
FRS 102 pension finance income (note 20)	-	1	1	-
	-	1	1	-

Notes to the financial statements Year to 31 August 2018

4 Funding for the Academy Trust's educational operations

	Unrestricted Funds £000	Restricted Funds £000	2018 Total funds £000	2017 Total funds £000
DfE / ESFA grants				
DfE / ESFA General Annual Grant	-	1,146	1,146	130
Start Up grants	-	273	273	-
	-	1,419	1,419	130

5 Expenditure

	Staff costs (note 8) £000	Non pay expenditure		2018 Total funds £000	2017 Total funds £000
		Premises £000	Other costs £000		
Charitable activities					
. Academy Trust's educational operations					
.. Direct costs	759	238	582	1,579	401
.. Support costs	340	95	306	741	-
	1,099	333	888	2,320	401
Expenditure for the year includes:					
Depreciation				238	-
Fees payable to auditor					
. Audit				7	5
. Other services				4	-

6 Academy Trust's educational operations

	2018 Total funds £000	2017 Total funds £000
Direct costs	1,579	401
Support costs	741	-
	2,320	401

Notes to the financial statements Year to 31 August 2018

6 Academy Trust's educational operations (continued)

	2018 Total funds £000	2017 Total funds £000
Analysis of support costs		
Support staff costs	340	-
Technology costs	11	-
Premises costs	95	-
Other support costs	294	-
Governance costs	1	-
Total support costs	741	-

Notes to the financial statements Year to 31 August 2018

7 Comparative information

Analysis of income and expenditure in the year ended 31 August 2017 between restricted and unrestricted funds:

	Unrestricted general funds £000	Restricted funds		2017 Total funds £000
		Restricted general funds £000	Fixed assets funds £000	
Income from:				
Donations and capital grants	-	250	1,062	1,312
Charitable activities:				
· Funding for the Academy Trust's educational operations	-	130	-	130
Total income	-	380	1,062	1,442
Expenditure on:				
Charitable activities:				
· Academy Trust's educational operations	-	(401)	-	(401)
Total expenditure	-	(401)	-	(401)
Net income (expenditure) before transfers	-	(21)	1,062	1,041
Transfers between funds	-	-	-	-
Net income (expenditure)	-	(21)	1,062	1,041
Net movement in funds	-	(21)	1,062	1,041
Fund balances brought forward at 1 September 2016	-	48	-	48
Fund balances carried forward at 31 August 2017	-	27	1,062	1,089

Notes to the financial statements Year to 31 August 2018

8 Staff

(a) Staff costs

Staff costs during the year were:

	2018 Total funds £000	2017 Total funds £000
Wages and salaries	732	84
Social security costs	75	49
Pension costs (including FRS102 pension adjustment of £45,000 (note 20))	141	79
	948	212
Agency staff costs	129	-
Staff restructuring costs	22	-
	1,099	212

During the year ended 31 August 2018, non-contractual severance payments of £22,350 were paid to one staff member (£2017: £nil).

(b) Staff numbers

The average number of persons (including the senior management team) employed by the Academy Trust during the year ended 31 August 2018 was as follows:

Charitable activities	2018 No.	2017 No.
Teachers	8	1
Administration and support	11	2
Management	3	-
	22	3

(c) Higher paid staff

The number of employees whose emoluments, excluding employer's pension contributions, fell within the following bands during the year was:

	2018 No.	2017 No.
£70,001 - £80,000	3	1
	3	1

(d) Higher paid staff pension contributions

The above employees earning more than £60,000 per annum participated in the Teachers' Pension Scheme. During the year ended 31 August 2018 total pension contributions for this staff members amounted to £31,377 (2017 - £15,656).

Notes to the financial statements Year to 31 August 2018

(e) Key management personnel

The key management personnel of the Academy Trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by the key management personnel for the Academy Trust was £376,246 (2017 - £122,644).

9 Governors' remuneration and expenses

None of the governors (trustees) have received remuneration for their services as a governor or other benefits from any employment or contract with the Academy Trust.

10 Governors' indemnities

In accordance with normal industry practice the Academy Trust has purchased indemnity cover through participation in the government's Risk Protection Arrangement (RPA) Scheme to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The scheme provided unlimited cover on any one claim for the year ended 31 August 2018 and the charge for indemnity cover was included as part of a single payment for comprehensive cover.

11 Tangible fixed assets

	Assets under construction £000	Furniture, fittings and equipment £000	Computer equipment £000	Total £000
Cost				
At 1 September 2017	-	1,032	-	1,032
Reclassification	28	(435)	407	-
Additions	-	-	163	163
VAT recovered on prior year additions	-	(214)	-	(214)
At 31 August 2018	28	384	569	981
Depreciation				
At 1 September 2017	-	-	-	-
Charge for the year	-	96	142	238
At 31 August 2018	-	96	142	238
Net book value				
At 31 August 2018	28	288	427	743
At 31 August 2017	-	1,032	-	1,032

The value of the UTC building is not included within the fixed asset note within the accounts. The land and buildings occupied by the UTC are owned by Westminster City Council. The UTC is able to occupy the land under a lease agreement but the risks and rewards of ownership have not been transferred to the UTC.

Notes to the financial statements Year to 31 August 2018

12 Debtors

	Total 2018 £000	Total 2017 £000
Trade debtors	21	-
VAT recoverable	232	50
Amounts owed by the ESFA	-	847
	253	897

13 Creditors: amounts falling due within one year

	Total 2018 £000	Total 2017 £000
Trade creditors	141	-
Taxation and social security	33	-
Other creditors	167	-
Accruals and deferred income	328	986
	669	986

Notes to the financial statements Year to 31 August 2018

14 Funds

	At 1 September 2017 £000	Income £000	Expenditure £000	Transfer gains and losses £000	At 31 August 2018 £000
Restricted general funds					
. General Annual Grant	27	1,233	(1,508)	255	7
. Start up grants	-	273	(273)	-	-
. Other restricted funds	-	14	(14)	-	-
. Pension reserve	-	1	(62)	16	(45)
	<u>27</u>	<u>1,521</u>	<u>(1,857)</u>	<u>271</u>	<u>(38)</u>
Restricted fixed assets fund					
. DfE/ESFA capital grants	1,062	395	(459)	(255)	743
	<u>1,062</u>	<u>395</u>	<u>(459)</u>	<u>(255)</u>	<u>743</u>
Total restricted funds	<u>1,089</u>	<u>1,916</u>	<u>(2,316)</u>	<u>16</u>	<u>705</u>
Unrestricted funds					
. General funds	-	4	(4)	-	-
Total unrestricted funds	<u>-</u>	<u>4</u>	<u>(4)</u>	<u>-</u>	<u>-</u>
Total funds	<u>1,089</u>	<u>1,920</u>	<u>(2,320)</u>	<u>16</u>	<u>705</u>

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

Restricted general funds

These grants relate to the academy's development and educational activities.

General Annual Grant (GAG) and Start Up Grants

These ESFA grants relate to the academy's development and educational activities. Start up grants are received specifically within the first three years of an academy's inception.

Pension reserve

The pensions reserve relates to the academy's share of the deficits of the City of Westminster Local Government Pension Scheme.

Restricted fixed asset fund

These grants relate to funds received from the ESFA which have been used to purchase fixed assets. The transfer from the restricted fixed asset fund to the restricted general fund of £255,000 in the year relates to the recovery of VAT on capital expenditure.

Notes to the financial statements Year to 31 August 2018

14 Funds (continued)

Comparative information

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

	At 1 September 2016 £000	Income £000	Expenditure £000	Transfers and losses £000	At 31 August 2017 £000
Restricted general funds					
· Star up funding	-	130	(130)	-	-
· Other restricted funds	48	250	(271)	-	27
	48	380	(401)	-	27
Restricted fixed assets fund					
· DfE/ESFA capital grants	-	1,062	-	-	1,062
	-	1,062	-	-	1,062
Total restricted funds	48	1,442	(401)	-	1,089
Unrestricted funds					
· General funds	-	-	-	-	-
Total unrestricted funds	-	-	-	-	-
Total funds	48	1,442	(401)	-	1,089

15 Related party transactions

Owing to the nature of the Academy Trust and the composition of the Board of Governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures.

During the year ended 31 August 2018, the Academy Trust received donations totalling £87,000 (2017 - £168,000) from the Sir Simon Milton Foundation, a member. In prior years, contributions were made by the University of Westminster and Network Rail, also members of the charitable company (2017 - £70,000 and £12,000).

16 Analysis of net assets between funds

	Restricted funds		
	Unrestricted funds £000	Restricted general funds £000	Fixed assets fund £000
Fund balances at 31 August 2018 are represented by:			
Tangible fixed assets	-	-	743
Current assets	-	676	-
Current liabilities	-	(669)	-
Pension liability	-	(45)	-
Total net assets	-	(38)	743
			705

Notes to the financial statements Year to 31 August 2018

17 Capital commitments

The Academy Trust had no capital commitments at 31 August 2018 (2017 – none).

18 Contingent liabilities

The Academy Trust had no contingent liabilities at 31 August 2018 (2017 – none).

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 cease to be a member.

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 the City of Westminster Pension Fund. 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.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, 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.

Notes to the financial statements Year to 31 August 2018

20 Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

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. 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 2019.

The employer's pension costs paid to TPS in the period amounted to £70,100 (2017 - £nil).

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 a multi-employer pension scheme. The Academy Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Trust has set out above the information available on the scheme.

Notes to the financial statements Year to 31 August 2018

20 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS)

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total employer's contributions for the year ended 31 August 2018 totalled £21,000 (2017 - £nil).

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

Principal Actuarial Assumptions	At 31 August 2018	At 31 August 2017
Rate of increase in salaries	3.8%	4.0%
Rate of increase for pensions in payment / inflation	2.3%	2.5%
Discount rate for scheme liabilities	2.7%	2.6%

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

	At 31 August 2018	At 31 August 2017
<i>Retiring today</i>		
Males	24.5	24.4
Females	26.1	26.0
<i>Retiring in 20 years</i>		
Males	26.8	26.7
Females	28.5	28.3

Notes to the financial statements Year to 31 August 2018

20 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

The Academy Trust's share of the assets and liabilities in the scheme were:

	Fair value at 31 August 2018 £'000	Fair value at 31 August 2017 £'000
Equities	26	-
Other bonds	5	-
Property	3	-
Total market value of assets	34	-
Less: liabilities	(79)	-
Deficit in the scheme	45	-

	2018 £'000	2017 £'000
Amounts recognised in the Statement of Financial Activities		
Current service cost	83	-
Interest income	(1)	-
Total amount recognised in the SOFA	82	-

	2018 £'000	2017 £'000
Changes in the present value of defined benefit obligations were as follows:		
At 1 September 2017	-	-
Current service cost	83	-
Employee contributions	12	-
Actuarial (gain) loss	(16)	-
At 31 August 2018	79	-

	2018 £000	2017 £000
Changes in the fair value of the Academy Trust's share of scheme assets:		
At 1 September 2017	-	-
Interest income	1	-
Employer contributions	21	-
Employee contributions	12	-
At 31 August 2018	34	-