

REGISTRAR OF COMPANIES

**Sir Simon Milton
Westminster University
Technical College**

**Annual Report and Financial
Statements**

31 August 2020

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)	Marc Cadwaladr Dan Chandrakumar, ex-officio, (appointed 1 September 2019) Andrew Christie CBE John Farodoye (resigned 30 September 2020) Ernestas Jegorovas (appointed 15 October 2019) Peter Jordan Davut Karatas (appointed 24 February 2020) Anna Kennedy Richard Lane Jeremy Lucas Elizabeth Phillips OBE (Chair) Evelyne Rugg (resigned 11 June 2020) William Templeton Duncan Whitfield
Senior Management Team	
Head Teacher	Dan Chandrakumar
Deputy Head Teacher	Nathan Meador
Assistant Head Teacher	Rose Cross (to December 2019)
Assistant Head Teacher	James Stuart (from May 2020)
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

Governors' report (including the strategic report) Year to 31 August 2020

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 2020. 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 25 to 30 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.

The Governors are currently in discussion with the Department for Education (DfE) in relation to the future of the UTC. The Governors wish for the UTC's activities to be transferred in to a multi-academy trust to ensure that the UTC is able to remain financially viable and are working with the DfE to assess a number of options at this time. In the meantime, additional financial support is being provided by the DfE, via the Education and Skills Funding Agency (ESFA), in order to maintain the cash flow requirements of the UTC.

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 Group PLC, Sir Robert McAlpine Limited, Transport for London incorporating Crossrail Limited, Colas Rail, David Miller Architects, Keltbray, Stantec, Peter Brett Associates (partners of Reading UTC), Byrne Bros, Conway and the University of Westminster. Their support for the development of the Academy Trust is described in a memorandum of understanding signed on behalf of all partner organisations.

Governors' report (including the strategic report) Year to 31 August 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

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.

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 partnership 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 Head Teacher who is responsible for the day to day management of the Academy Trust (as Chief Accounting Officer and Ex-Officio Governor);
- e) an experienced Head Teacher from another maintained Secondary School as a co-opted member.

During the accounting period of this statement, a total of 14 Governors have held office. 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 2020

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	Current Term of Office
Marc Cadwaladr Employer nominee	Resources Committee Chair - from 01/05/20	01/10/17 – 30/09/21
Dan Chandrakumar Head Teacher, Ex-officio	Curriculum & Standards Committee Resources Committee	01/09/2019 –
Andrew Christie CBE Foundation nominee	Curriculum & Standards Committee	31/03/20 – 30/03/24
John Farodoye Parent Governor	Resources Committee Curriculum & Standards Committee (part)	01/10/18 – 30/09/20
Peter Jordan Co-opted Governor	Curriculum & Standards Committee	26/02/19 – 25/02/23
Anna Kennedy Employer nominee	Curriculum & Standards Committee	29/01/18 – 28/01/22
Richard Lane University nominee	Resources Committee Audit Committee	01/01/19 – 31/12/22
Jeremy Lucas Employer nominee	Curriculum & Standards Committee Resources (part) Member & Chair up to 30/04/20	01/10/17 – 30/09/21
Elizabeth Phillips OBE Chair of the Board University nominee	Curriculum & Standards Committee Audit Committee Head Teacher Performance Review Panel	01/10/18 – 30/09/22
Evelyne Rugg Vice-Chair University nominee	Audit Committee Head Teacher Performance Review Panel	01/10/19 – 30/09/23 Resigned 11/06/20
William Templeton Vice-Chair Employer nominee	Employer Alliance group Head Teacher Performance Review Panel	01/10/18 – 30/09/22
Duncan Whitfield Foundation nominee	Audit Committee	01/10/19 – 30/09/23
Davut Karatas Parent Governor		24/02/20 – 23/02/24
Ernestas Jegorovas Staff Governor	Curriculum & Standards Committee	15/10/19 – 14/10/23

Governors' report (including the strategic report) Year to 31 August 2020

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 Head Teacher is the Chief Accounting Officer who provides the overall educational vision, direction and leadership of the Academy Trust. The Head Teacher 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 Head Teacher is supported by a Deputy Head and an Assistant Head and, during the year ended 31 August 2020, by the Director of Finance and Operations of Fulham Boys School which provided professional services and development support for the UTC to 31 August 2020.

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.

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 UTC, offering a broad and balanced curriculum which includes provision for specialist professional and technical education.

Governors' report (including the strategic report) Year to 31 August 2020

STRATEGIC REPORT (continued)

Review of activities

The year ended 31 August 2020 was the third year of operations for the UTC. The year was inevitably dominated by COVID-19, however, the UTC rose to this challenge. Learning was only mildly disrupted, and the UTC switched to live remote learning, any disadvantaged students were supplied with devices through the government scheme and vulnerable students and students of keyworkers attended on-site provision. Students were not only given lessons in their academic subjects but also had talks from our employer partners as well as sessions on PHSE. The UTC also implemented new safeguarding systems and student management systems all of which help with on-site and remote learning.

Summer 2020 results

As exams were cancelled by COVID-19, grades were calculated by teachers and the subject departments. Grades were calculated using a holistic approach and each department submitted grades for review with the Deputy Head and then submitted again by the departments. The whole process was completed collaboratively to ensure there was no bias for any individual student or student groups. For Key Stage 5, (KS5), there was still plenty of success, 50% of Design Engineering students received a Distinction grade or above. 100% of students in Psychology, Biology, Further Maths and Chemistry achieved A*-C grades. This success in the Sciences mirrors the success of last year. Overall, 21% of all A-Level grades awarded were A to A* equivalent. The average A-Level grade moved from an E+ to a C and students achieving three A-levels moved from 18% to 30%.

In Key Stage 4, (KS4), there were many strengths, overall the UTC would have achieved a positive progress 8 score meaning students on average made more progress from their starting points. 81% of students achieved a grade 4+ in English and Maths and 51% of students achieved a grade 5+ in English and Maths. All subjects except CTEC Business achieved 100% 9-1 grades with the separate sciences again mirroring the successes of 2019.

Summer 2020 destinations

Destinations for the second year in a row were very positive. The UTC made a major step forward with the transition of Year 11 into Year 12 with nearly 50% of Year 11 students carrying on to study at the UTC, this is a huge jump from 18% of students in 2019. For KS5, 67% of students progressed to university with 55% of all students going into STEM further education. 33% of all Year 13 students progressed into an engineering field.

Marketing, recruitment and student profile

The UTC although very successful in having Year 11's transitioning into Year 12, was less successful with converting external applications into confirmed places. Although this year we trialled 'keeping warm events' and regular contact, many students chose to remain at their current school due to the uncertainty around COVID-19. We know this as we asked every student individually. Since enrolment day, however, we managed to attract more students who by word of mouth were drawn to the UTC. This means our current Year 12 is now larger than the current Year 13 which is a step in the right direction. Year 12 comprises 51 students compared to Year 13 which is 42 students. Over the first term of 2020, the UTC launched a rebranded website and since the website has gone live the UTC has attracted 82 applications in this period.

Governors' report (including the strategic report) Year to 31 August 2020

STRATEGIC REPORT (continued)

Public benefit

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

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 2020 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

A summary of the results for the year is included on page 22. Total income for the year ended 31 August 2020 was £2,100,000 (2019 - £2,696,000), which included £1,980,000 (2019 - £2,246,000) of ESFA revenue grants.

Total expenditure for the year was £2,920,000 of which £1,586,000 related to staffing costs and the balance to the other costs of running the educational operations of the Academy Trust, including £322,000 of depreciation.

Taking into account the actuarial gain of £36,000 on the revaluation of the Local Government Pension Scheme deficit, the net movement in funds for the year ended 31 August 2020 was a decrease of £820,000. The operational deficit for the year was £472,000. 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 remains an aspiration once the UTC reaches full capacity.

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.

Governors' report (including the strategic report) Year to 31 August 2020

STRATEGIC REPORT (continued)

Principal risks and uncertainties

The principal risk continues to be the ability to recruit and retain planned student numbers, particularly given the impact of COVID-19 as noted above. Lower student numbers have resulted in the finances of the UTC being under significant pressure and additional financial support being provided by the ESFA. The Governors are working with the DfE to agree a managed way forward for the UTC and its students.

Going concern

The UTC has incurred an operating loss during the 2019/20 financial year and has net current liabilities of £486,000 at 31 August 2020. Due to the operating losses, the UTC has required financial support from the ESFA during the year and this has continued during the 2020/21 financial year. On the basis that DfE and ESFA support will continue for the UTC until a decision regarding the UTC's future has been reached, the Governors have adopted the going concern basis in the preparation of the financial statements for the year ended 31 August 2020. The Governors note, however, that uncertainties exist in making this assessment given that judgments have been made in assessing future student numbers and financial forecasts and, furthermore, that the level of financial support to be received from the DfE and ESFA has not been confirmed in writing.

Further information on this is provided in the statement of principal accounting policies on page 25 of this report.

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 during the year, although some donations were received to support various aspects of college operations.

FUTURE ACTIVITIES AND PLANS

The Governors are currently in discussion with the DfE in relation to the future of the UTC. The Governors wish for the UTC's activities to be transferred in to a multi-academy trust to ensure that the UTC is able to remain financially viable and are working with the DfE to assess a number of options at this time. In the meantime, additional financial support is being provided by the DfE, via the ESFA, in order to maintain the cash flow requirements of the UTC.

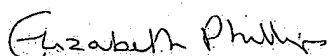
Governors' report (including the strategic report) Year to 31 August 2020

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 5 February 2021 and signed on its behalf by:

A handwritten signature in black ink, reading "Elizabeth Phillips". The signature is written in a cursive style with a large initial 'E'.

Elizabeth Phillips OBE
Chair of Governors

Governance statement 31 August 2020

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 Head Teacher, 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 Head Teacher 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 6 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)	6	6
M Cadwaladr	6	6
A Christie	2	6
J Farodoye	6	6
P Jordan	4	6
A Kennedy	5	6
R Lane	5	6
J Lucas	6	6
E Rugg	3	4
W Templeton	5	6
D Whitfield	3	6
D Chandrakumar	6	6
D Karatas	2	3
E Jegorovas	5	5

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

Resources Committee

The role of the Resources Committee is to monitor and review the UTC Budget Plan, in line with the priorities identified in the UTC's Development Plan, its Self-Evaluation Form (SEF) and/or Post-Ofsted Inspection Action Plan. The Committee also has responsibility for approval of the staffing structure of the UTC, premises management and Health & Safety compliance.

Governance statement 31 August 2020

Governance (continued)

Governor	Meetings attended	Out of a possible:
J Lucas (Chair up to 30/04/20)	2	2
M Cadwaladr (Chair from 01/05/20)	3	3
R Lane	2	3
J Farodoye	2	3
D Chandrakumar	3	3

Curriculum and Standards Committee

This committee advises the Board of Governors on standards and achievement of pupils and contributes expertise towards the development of the curriculum, School Development Plan and Self-Evaluation Form (SEF). The Committee also reviews academic and pastoral arrangements ensuring delivery of a broad and balanced curriculum in keeping with the UTC's vision and ethos.

Governor	Meetings attended	Out of a possible:
E Phillips (Chair)	3	3
A Christie	1	3
J Farodoye	1	2
A Kennedy	2	3
P Jordan	3	3
J Lucas	3	3
D Chandrakumar	3	3
E Jegorovas	1	1

Audit Committee

The Governing Body has resolved to establish an Audit Committee to advise the Board on matters relating to the UTC's audit arrangements and internal financial control mechanisms. The Audit Committee's function is to satisfy itself that the audit process worked, that the Trustees' report complies with legislation and that the actions identified in the management letter from the auditors have been taken note of by management and the Resources Committee.

Governor	Meetings attended	Out of a possible:
D Whitfield (Chair)	3	3
E Phillips	1	3
E Rugg	2	3

Governance review

The Governors continue to keep governance under review on a regular basis identifying skills gaps and resourcing to close any gaps.

Governance statement 31 August 2020

Review of value for money (VFM)

The Governors and Head Teacher ensure tight control over all of the UTC'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 UTC'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.

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 UTC'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. The system of internal control has been in place at the Academy throughout the year ended 31 August 2020 and up to the date of approval of the annual report and financial statements.

During the year under review, the UTC's external auditors undertook checks on the operation of the internal financial controls and systems reporting back to Governors on progress and areas for improvement.

Capacity to handle risk

The Board of Governors has reviewed the key risks to which the UTC 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 UTC's significant risks that has been in place for the year ended 31 August 2020 and up to the date of approval of the annual report and financial statements.

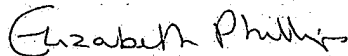
Governance statement 31 August 2020

Review of effectiveness

The Governors and Head Teacher, 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.



Elizabeth Phillips OBE
(Chair of Governors)



Dan Chandrakumar
(Head Teacher and
Chief Accounting Officer)

Approved on: 5 February 2021

Statement on regularity, propriety and compliance 31 August 2020

As Chief 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 UTC and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the Board of Governors are able to identify any material irregular or improper use of funds by the UTC, or material non-compliance with the terms and conditions of funding under the UTC's funding agreement and the Academies Financial Handbook 2019.

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.



Dan Chandrakumar
Chief Accounting Officer

Date: 5 February 2021

Statement of Governors' responsibilities 31 August 2020

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:

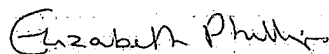
- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Charities' SORP FRS 102 and the Academies Accounts Direction 2019 to 2020;
- ◆ make judgments and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom 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 5 February 2021 and signed on its behalf by:



Elizabeth Phillips OBE (Chair of Governors)

Independent auditor's report Year to 31 August 2020

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 2020 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 FRS 102) and the Academies Accounts Direction 2019 to 2020.

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 2020 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 FRS 102 and Academies Accounts Direction 2019 to 2020.

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 2020

Material uncertainty related to going concern

The financial statements for the year ended 31 August 2020 have been prepared by the Governors on a going concern basis. In light of the net current liabilities of £486,000 and negative general funds of £498,000 which existed at 31 August 2020, we have considered the adequacy of the disclosures made by the Governors pertaining to the application of the going concern assumption in the preparation of these financial statements and their assessment of the associated uncertainties.

Details of the circumstances relating to the Governors' assessment of the going concern position is disclosed on page 8 of the Governors' report, and as part of the principal accounting policies on page 25. We bring these disclosures to the attention of the members in light of the balance sheet position as at 31 August 2020. Our opinion is not modified in respect of this matter.

Other information (covers the reference and administrative details, the report of the Governors and strategic report and the governance statement)

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, which is also the directors' report for the purposes of company law and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the Governors' report, which is also the directors' report for the purposes of company law and includes the strategic report, has been prepared in accordance with applicable legal requirements.

Independent auditor's report Year to 31 August 2020

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 (who are also the directors for the purposes of company law) 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 2020

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

5 February 2021

Independent reporting accountant's report on regularity Year to 31 August 2020

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 14 November 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, 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 2019 to 31 August 2020 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 2019, extant from 1 September 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 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 2019 to 2020 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 2020

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 UTC'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 UTC'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

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 2019 to 31 August 2020 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

5 February 2021

Statement of financial activities Year to 31 August 2020
(including the income and expenditure account)

			Restricted funds			
	Notes	Unrestricted general funds £000	Restricted general funds £000	Fixed assets funds £000	2020 Total funds £000	2019 Total funds £000
Income from:						
Donations and capital grants	1	61	—	30	91	372
Charitable activities:						
Funding for the UTC's educational operations	4	1	1,992	—	1,993	2,297
Other trading activities	2	5	11	—	16	27
Investments	3	—	—	—	—	—
Total income		67	2,003	30	2,100	2,696
Expenditure on:						
Charitable activities:						
UTC's educational operations	6	(61)	(2,537)	(322)	(2,920)	(2,790)
Total expenditure		(61)	(2,537)	(322)	(2,920)	(2,790)
Net income (expenditure) before transfers		6	(534)	(292)	(820)	(94)
Transfers between funds	14	(478)	478	—	—	—
Net expenditure		(472)	(56)	(292)	(820)	(94)
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	20	—	36	—	36	(66)
Net movement in funds		(472)	(20)	(292)	(784)	(160)
Fund balances brought forward at 1 September 2019		(26)	(167)	738	545	705
Fund balances carried forward at 31 August 2020		(498)	(187)	446	(239)	545

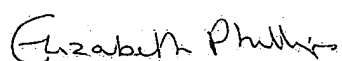
All of the UTC's activities derived from continuing operations.

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 2020

	Notes	2020 £000	2020 £000	2019 £000	2019 £000
Fixed assets					
Tangible assets	11		434		723
Current assets					
Debtors	12	114		83	
Cash at bank		97		190	
		<u>211</u>		<u>273</u>	
Liabilities					
Creditors: amounts falling due within one year	13	(697)		(284)	
Net current liabilities			<u>(486)</u>		<u>(11)</u>
Net (liabilities) assets excluding pension scheme liability			<u>(52)</u>		<u>712</u>
Pension scheme liability	20		(187)		(167)
Total net assets			<u>(239)</u>		<u>545</u>
The funds of the UTC:					
Restricted funds	14				
Fixed assets fund			446		738
Restricted income fund			—		—
Pension reserve			(187)		(167)
Total restricted funds			<u>259</u>		<u>571</u>
Unrestricted income funds					
General fund	14		(498)		(26)
Total funds			<u>(239)</u>		<u>545</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:



Elizabeth Phillips OBE

(Chair of Governors)

Approved on: 5 February 2021

Statement of cash flows Year to 31 August 2020

		2020 £000	2019 £000
Cash flows from operating activities			
Net cash used in operating activities	A	(90)	(248)
Cash flows from investing activities			
Net cash (used in) provided by investing activities	B	(3)	15
Change in cash and cash equivalents in the year		(93)	(233)
Reconciliation of net cash flow to movement in net funds:			
Cash and cash equivalents at 1 September 2019		190	423
Cash and cash equivalents at 31 August 2020	C	97	190

A Reconciliation of net expenditure to cash flows from operating activities

	2020 £000	2019 £000
Net expenditure for the year (as per the Statement of Financial Activities)	(820)	(94)
Depreciation (note 11)	322	324
Capital grants from DFE and other capital income (net of VAT recovery)	(30)	(319)
Defined benefit pension scheme cost less contributions payable (note 20)	56	56
(Increase) decrease in debtors	(31)	170
Increase (decrease) in creditors	413	(385)
Net cash used in operating activities	(90)	(248)

B Cash flows from investing activities

	2020 £000	2019 £000
Purchase of tangible fixed assets (note 11)	(33)	(304)
Capital grants from DfE/ESFA	30	319
Net cash (used in) provided by investing activities	(3)	15

C Analysis of cash and cash equivalents

	2020 £000	2019 £000
Cash at bank and in hand	97	190

At 31 August 2020 and 31 August 2019, the UTC had no bank loans or overdrafts.

Principal accounting policies Year to 31 August 2020

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 UTC 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 2019 to 2020 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.

The UTC has incurred an operating loss during the 2019/20 financial year and has net current liabilities of £486,000 at 31 August 2020. Due to the operating losses, the UTC has required financial support from the ESFA during the year and this has continued during the 2020/21 financial year. On the basis that DfE and ESFA support will continue for the UTC until a decision regarding the UTC's future has been reached, the Governors have adopted the going concern basis in the preparation of the financial statements for the year ended 31 August 2020. The Governors note, however, that uncertainties exist in making this assessment given that judgments have been made in assessing future student numbers and financial forecasts and, furthermore, that the level of financial support to be received from the DfE and ESFA has not been confirmed in writing.

Income

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

Principal accounting policies Year to 31 August 2020

Income (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.

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 UTC 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 UTC's educational operations, including support costs and costs relating to the governance of the UTC apportioned to charitable activities.

All expenditure is stated net of recoverable VAT.

Principal accounting policies Year to 31 August 2020

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 UTC 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 UTC only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the UTC and their measurement basis are as follows:

Principal accounting policies Year to 31 August 2020

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 UTC 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 UTC 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 UTC 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 2020

Pension benefits (continued)

The LGPS is a funded scheme and the assets are held separately from those of the UTC 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 UTC 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 UTC 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 2020

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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. 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 2020

1 Donations and capital grants

	Unrestricted funds £000	Restricted funds £000	Restricted fixed asset funds £000	2020 Total funds £000	2019 Total funds £000
2020					
Capital grants	—	—	30	30	319
Donations	61	—	—	61	53
	61	—	30	91	372
2019					
	Unrestricted funds £000	Restricted funds £000	Restricted fixed asset funds £000	2019 Total funds £000	
Capital grants	—	—	319	319	
Donations	53	—	—	53	
	53	—	319	372	

2 Other trading activities

	Unrestricted funds £000	Restricted funds £000	2020 Total funds £000	2019 Total funds £000
2020				
Hire of facilities	5	—	5	10
Catering income	—	9	9	13
Trip income	—	2	2	4
	5	11	16	27
2019				
	Unrestricted funds £000	Restricted funds £000	2019 Total funds £000	
Hire of facilities	10	—	10	
Catering income	—	13	13	
Trip income	—	4	4	
	10	17	27	

3 Investment income

	Unrestricted funds £000	Restricted funds £000	2020 Total funds £000
2020			
Interest receivable	—	—	—
2019			
	Unrestricted funds £000	Restricted funds £000	2019 Total funds £000
Interest receivable	—	—	—

Notes to the financial statements Year to 31 August 2020

4 Funding for the UTC's educational operations

	Unrestricted funds £000	Restricted funds £000	2020 Total funds £000	2019 Total funds £000
2019				
DfE / ESFA grants				
DfE / ESFA General Annual Grant	—	1,785	1,785	1,780
Start Up grants	—	120	120	193
Other DfE / ESFA grants	—	75	75	273
	—	1,980	1,980	2,246
Other government grants				
Local authority grants	—	12	12	51
Other income from the academy's educational operations	1	—	1	—
2020 Total funds	1	1,992	1,993	2,297

	Unrestricted funds £000	Restricted funds £000	2019 Total funds £000
2019			
DfE / ESFA grants			
DfE / ESFA General Annual Grant	—	1,780	1,780
Start Up grants	—	193	193
Other DfE / ESFA grants	—	273	273
	—	2,246	2,246
Other government grants			
Local authority grants	—	51	51
	—	2,297	2,297

5 Expenditure

	Staff costs (note 8) £000	Non pay expenditure		2020 Total funds £000
		Premises £000	Other costs £000	
2020				
Charitable activities				
UTC's educational operations				
· Direct costs	1,386	322	312	2,020
· Support costs	200	424	276	900
	1,586	746	588	2,920
Expenditure for the year includes:				
Depreciation				322
Fees payable to auditor				
· Audit				12
· Other services				9

Notes to the financial statements Year to 31 August 2020

5 Expenditure (continued)

2019	Staff costs (note 8) £000	Non pay expenditure		2019 Total funds £000
		Premises £000	Other costs £000	
Charitable activities				
UTC's educational operations				
Direct costs	1,358	324	227	1,909
Support costs	383	332	166	881
	<u>1,741</u>	<u>656</u>	<u>393</u>	<u>2,790</u>
Expenditure for the year includes:				
Depreciation				
Fees payable to auditor				324
Audit				9
Other services				2

6 UTC's educational operations

	2020 Total funds £000	2019 Total funds £000
Direct costs	2,020	1,909
Support costs	900	881
	<u>2,920</u>	<u>2,790</u>

	2020 Total funds £000	2019 Total funds £000
Analysis of support costs		
Support staff costs	200	383
Premises costs	424	332
Legal costs	7	5
Other support costs	247	107
Governance costs	22	54
Total support costs	<u>900</u>	<u>881</u>

Notes to the financial statements Year to 31 August 2020

7 Comparative information

Analysis of income and expenditure in the year ended 31 August 2019 between restricted and unrestricted funds:

	Notes	Unrestricted general funds £000	Restricted general funds £000	Fixed assets funds £000	2019 Total funds £000
Income from:					
Donations and capital grants	1	53	—	319	372
Charitable activities:					
Funding for the UTC's educational operations	4	—	2,297	—	2,297
Other trading activities	2	10	17	—	27
Investments	3	—	—	—	—
Total income		63	2,314	319	2,696
Expenditure on:					
Charitable activities:					
UTC's educational operations	6	—	(2,466)	(324)	(2,790)
Total expenditure		—	(2,466)	(324)	(2,790)
Net income (expenditure) before transfers		63	(152)	(5)	(94)
Transfers between funds	14	(89)	89	—	—
Net expenditure		(26)	(63)	(5)	(94)
Other recognised gains and losses					
Actuarial losses on defined benefit pension schemes	20	—	(66)	—	(66)
Net movement in funds		(26)	(129)	(5)	(160)
Fund balances brought forward at 1 September 2018		—	(38)	743	705
Fund balances carried forward at 31 August 2019		(26)	(167)	738	545

Notes to the financial statements Year to 31 August 2020

8 Staff

(a) Staff costs

Staff costs during the year were:

	2020 Total funds £000	2019 Total funds £000
Wages and salaries	1,056	1,111
Social security costs	114	123
Pension costs (including FRS102 pension adjustment of £56,000 (note 20))	275	209
	1,445	1,443
Agency staff costs	141	278
Staff restructuring costs	—	20
	1,586	1,741
Staff restructuring costs comprise:	2020 £000	2019 £000
Redundancy payments	—	5
Severance payments	—	15
	—	20

(b) Staff severance payments

No severance payments were made by the UTC during the year ended 31 August 2020. Included above is one non-contractual severance payment for £15,000 for the year ended 31 August 2019.

(c) Staff numbers

The average number of persons (including the senior management team) employed by the UTC during the year ended 31 August 2020 was as follows:

Charitable activities	2020 No.	2019 No.
Teachers	16	15
Administration and support	8	10
Management	3	3
	27	28

(d) Higher paid staff

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

	2020 No.	2019 No.
£60,000 - £70,000	2	—
£70,001 - £80,000	—	3
£90,001 - £100,000	1	1
	3	4

(e) 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 2020 total pension contributions for these staff members amounted to £53,838 (2019 - £49,677).

Notes to the financial statements Year to 31 August 2020

8 Staff (continued)

(f) Key management personnel

The key management personnel of the UTC comprise the Governors 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 UTC was £270,616 (2019 - £471,338).

9 Governors' remuneration and expenses

Two trustees have been paid remuneration or have received other benefits from an employment with the academy trust. The principal and other staff trustee only receive remuneration in respect of services they provide undertaking the roles of Head Teacher and staff member under their contracts of employment.

	2020 £'000
D Chandrakumar, Head Teacher and Trustee	
Remuneration	95 – 100
Employer's pension contributions	20 - 25
E Jegorovas, Staff Trustee	
Remuneration	50 - 55
Employer's pension contributions	10 - 15

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 2020 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 and equipment £000	Computer equipment £000	Total £000
Cost				
At 1 September 2019	28	394	863	1,285
Additions	(28)	31	30	33
At 31 August 2020	—	425	893	1,318
Depreciation				
At 1 September 2019	—	190	372	562
Charge for the year	—	106	216	322
At 31 August 2020	—	296	588	884
Net book value				
At 31 August 2020	—	129	305	434
At 31 August 2019	28	204	491	723

Notes to the financial statements Year to 31 August 2020

11 Tangible fixed assets (continued)

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.

12 Debtors

	Total 2020 £000	Total 2019 £000
Trade debtors	—	7
VAT recoverable	44	38
Prepayments and accrued income	67	38
Other debtors	3	—
	114	83

13 Creditors: amounts falling due within one year

	Total 2020 £000	Total 2019 £000
Trade creditors	143	112
Taxation and social security	55	54
Other creditors	445	66
Accruals and deferred income	54	52
	697	284

The above creditor balances at 31 August 2020 include amounts falling due to the ESFA of £454,000. These amounts are in respect to pupil number adjustments for GAG funding for 2018/19 and 2019/20 and short term cash advances.

Notes to the financial statements Year to 31 August 2020

14 Funds

	At 1 September 2019 £000	Income £000	Expenditure £000	Transfers, gains and losses £000	At 31 August 2020 £000
Restricted general funds					
General Annual Grant	—	1,785	(2,263)	478	—
Start up grants	—	120	(120)	—	—
Pupil Premium	—	54	(54)	—	—
Other restricted funds	—	44	(44)	—	—
Pension reserve	(167)	—	(56)	36	(187)
	<u>(167)</u>	<u>2,003</u>	<u>(2,537)</u>	<u>514</u>	<u>(187)</u>
Restricted fixed assets fund					
DfE/ESFA capital grants	738	30	(322)	—	446
	<u>738</u>	<u>30</u>	<u>(322)</u>	<u>—</u>	<u>446</u>
Total restricted funds	<u>571</u>	<u>2,033</u>	<u>2,859</u>	<u>514</u>	<u>259</u>
Unrestricted funds					
General funds	(26)	67	(61)	(478)	(498)
Total unrestricted funds	<u>(26)</u>	<u>67</u>	<u>(61)</u>	<u>(478)</u>	<u>(498)</u>
Total funds	<u>545</u>	<u>2,100</u>	<u>(2,920)</u>	<u>36</u>	<u>(239)</u>

Notes to the financial statements Year to 31 August 2020

14 Funds (continued)

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

Restricted general funds

These grants relate to the UTC's 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 UTC'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.

Comparative information

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

	At 1 September 2018 £000	Income £000	Expenditure £000	Transfers, gains and losses £000	At 31 August 2019 £000
Restricted general funds					
General Annual Grant	7	1,780	(1,876)	89	—
Start up grants	—	193	(193)	—	—
Pupil Premium	—	59	(59)	—	—
Other restricted funds	—	282	(282)	—	—
Pension reserve	(45)	—	(56)	(66)	(167)
	(38)	2,314	(2,466)	23	(167)
Restricted fixed assets fund					
DfE/ESFA capital grants	743	319	(324)	—	738
	743	319	(324)	—	738
Total restricted funds	705	2,633	(2,790)	23	571
Unrestricted funds					
General funds	—	63	—	(89)	(26)
Total unrestricted funds	—	63	—	(89)	(26)
Total funds	705	2,696	(2,790)	(66)	545

Notes to the financial statements Year to 31 August 2020

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 2020, the Academy Trust received donations totalling £52,000 (2019 - £53,000) from the Sir Simon Milton Foundation, a member. Lettings income totalling £98 (2019 - £900) was received from Network Rail in the year who are also a member of the charitable company.

16 Analysis of net assets between funds

	Restricted funds			
	Unrestricted funds	Restricted general funds	Fixed assets fund	Total
	£000	£000	£000	2020 £000
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	—	—	434	434
Current assets	—	199	12	211
Current liabilities	(498)	(199)	—	(697)
Pension liability	—	(187)	—	(187)
Total net assets	(498)	(187)	446	(239)

	<i>Restricted funds</i>			
<i>Unrestricted funds</i>	<i>Restricted general funds</i>	<i>Fixed assets fund</i>		<i>Total 2019</i>
<i>£000</i>	<i>£000</i>	<i>£000</i>		<i>£000</i>
<i>Fund balances at 31 August 2019 are represented by:</i>				
<i>Tangible fixed assets</i>	—	—	723	723
<i>Current assets</i>	(26)	284	15	273
<i>Current liabilities</i>	—	(284)	—	(284)
<i>Pension liability</i>	—	(167)	—	(167)
<i>Total net assets</i>	(26)	(167)	738	545

17 Capital commitments

The Academy Trust had no capital commitments at 31 August 2020 (2019 – none).

18 Contingent liabilities

The Academy Trust had no contingent liabilities at 31 August 2020 (2019 – none).

Notes to the financial statements Year to 31 August 2020

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 UTC'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 2016 and of the LGPS 31 March 2019.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

The next valuation result is due to be implemented from 1 April 2023. The employer's pension costs paid to TPS in the period amounted to £202,000 (2019 - £126,000).

Notes to the financial statements Year to 31 August 2020

20 Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

A copy of the valuation report and supporting documentation is on the Teachers' Pension Scheme website. Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The UTC has accounted for its contributions to the scheme as if it were a defined contribution scheme. The UTC has set out above the information available on the scheme.

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/19). The Department for Education agreed to pay a teacher pension employer contribution grant to cover the additional costs during the 2019/20 academic year.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website.

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 2020 totalled £13,000 (2019 - £27,000).

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.

Principal Actuarial Assumptions	At 31 August 2020	At 31 August 2019
Rate of increase in salaries	3.20%	3.65%
Rate of increase for pensions in payment / inflation	2.20%	2.15%
Discount rate for scheme liabilities	1.65%	1.90%

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 2020 years	At 31 August 2019 years
<i>Retiring today</i>		
Males	21.8	23.4
Females	24.4	24.8
<i>Retiring in 20 years</i>		
Males	23.2	25.1
Females	25.9	26.6

Notes to the financial statements Year to 31 August 2020

20 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

Sensitivity analysis	At 31 August 2020
Discount rate +0.1%	(13)
Discount rate -0.1%	14
Mortality assumption – 1 year increase	11
Mortality assumption – 1 year decrease	(11)
CPI rate +0.1%	13
CPI rate -0.1%	(13)

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

	Fair value at 31 August 2020 £'000	Fair value at 31 August 2019 £'000
Equities	91	58
Other bonds	18	12
Property	11	8
Cash	1	—
Total market value of assets	121	78
Less: liabilities	(308)	(245)
Deficit in the scheme	(187)	(167)

Amounts recognised in the Statement of Financial Activities	2020 £'000	2019 £'000
Current service cost	78	83
Interest income	(2)	(2)
Interest cost	5	2
Total amount recognised in the SOFA	81	83

Changes in the present value of defined benefit obligations were as follows:	2020 £'000	2019 £'000
At 1 September 2019	245	79
Current service cost	78	83
Interest cost	5	2
Employee contributions	9	15
Actuarial loss (gain)	(29)	66
At 31 August 2020	308	245

Changes in the fair value of the UTC's share of scheme assets:	2020 £000	2019 £000
At 1 September 2019	78	34
Interest income	9	2
Actuarial gain	7	—
Employer contributions	18	27
Employee contributions	9	15
At 31 August 2020	121	78