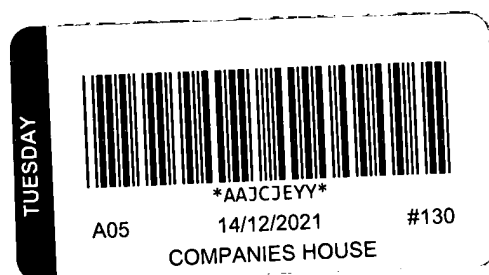


UTC Portsmouth
(A Company Limited by Guarantee)
Annual Report and Financial Statements
Year ended 31 August 2021

Company Registration Number:
09268101 (England and Wales)



UTC Portsmouth

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UTC Portsmouth

Reference and Administrative Details

Members:

Commodore A Cree	The Royal Navy
Professor P Hayes	Portsmouth Higher Education Corporation
S Hider	QinetiQ
S Labedz	The Salterns Academy Trust
N Stewart	BAE Systems (Resigned 8 January 2021)
D Williams	Portsmouth City Council
C Parker	Chair of Board of Trustees (appointed 13 November 2020)

Trustees:

J Adams (appointed 17 December 2020)
S Barnett
L Cunningham (appointed 12 November 2020)
S Denham (appointed 17 December 2020)
J Doherty
D Edmondson
D Eminton
A Gueterbock
N Hardingham (appointed 8 July 2021)
R Haworth (appointed 17 September 2020)
T Madden
C Parker (appointed 17 December 2020)
S Shaughnessy (appointed 13 May 2021)
J Band (resigned 25 February 2021)
S Labedz (resigned 15 July 2021)
L Meir (resigned 17 December 2020)
M Spoor (resigned 1 September 2021)
M Stoneman (resigned 6 September 2021)

Company Secretary

Suzanne Moorhouse

Senior Management Team:

James Doherty	Principal
Ryan Gibson	Vice Principal
Alex Blandford	Assistant Principal
Claire Jepson	Assistant Principal
Lorraine Swanson	Director of Operations

Company Name

UTC Portsmouth

UTC Portsmouth

Reference and Administrative Details

Principal and Registered Office

London Road
Portsmouth
Hampshire
PO2 9DU

Company Registration Number

09268101 (England and Wales)

Independent Auditor

Hopper Williams & Bell Limited
Statutory Auditor
Highland House
Mayflower Close
Chandlers Ford
Eastleigh
Hampshire
SO53 4AR

Bankers

Lloyds Bank PLC
25 Gresham Street
London
EC2V 7HN

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UTC Portsmouth

Trustees' Report

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2021. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Academy Trust operates a University Technical College (UTC) for students aged 14 to 19 serving catchment areas in Portsmouth and other parts of South Hampshire and West Sussex. It has a planned capacity of 600 students and has 404 students on roll as at October 2020, as the college grows towards full capacity.

Structure, Governance and Management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The Trustees of UTC Portsmouth are also the directors of the charitable company for the purposes of company law. The charitable company operates as UTC Portsmouth.

Details of the Trustees who served during the year and to the date these accounts are approved are included in the Reference and Administrative Details on page 1.

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.

Trustees' Indemnities

Within the period of these accounts there were no qualifying third party indemnity provisions and no qualifying pension scheme indemnity provisions.

Method of Recruitment and Appointment or Election of Trustees

The Trust will have a minimum of three trustees and is not subject to any maximum.

- The members may appoint up to ten trustees, provided that in making such appointments the members ensure that representatives of the sponsors form a majority of the total trustees;
- The members may appoint staff trustees through such process as they may determine, provided the total number of trustees (including the Principal) who are employees of the academy trust does not exceed one third of the total number of trustees;
- A maximum of three co-opted trustees may be appointed
- Parents of the registered students at the Academy must appoint a minimum of two parent trustees;
- The Principal is a trustee ex-officio;
- Any additional trustees may be appointed by the Secretary of State under certain agreed circumstances.

UTC Portsmouth

Trustees' Report

Policies and Procedures Adopted for the Induction and Training of Trustees

All new trustees receive a comprehensive induction pack and receive induction training once appointed.

Organisational Structure

The trustees exercise their powers and functions with a view to:

- Ensure clarity of vision, ethos and strategic direction
- Holding the executive leaders to account for the educational performance of UTC Portsmouth and its students, and the effective and efficient performance management of staff; and
- Overseeing the financial performance of UTC Portsmouth and making sure its money is well spent.

Trustees have implemented a committee structure with an Education Committee, Operations Committee, Pay Committee and Audit Committee in addition to the Full Board of Trustees. With effect from September 2021, the Operations and Audit Committee will merge to form one committee - The Operations and Audit Committee.

The Principal, who is the Accounting Officer, is supported by a senior leadership team, comprising a Vice Principal, an Assistant Principal: Care Support and Guidance, an Assistant Principal: Director of Technical Education and a Director of Operations.

The extended leadership group additionally comprises the Head of English/6th Form, Head of Engineering, Head of Maths, Head of Science and Head of Key Stage 4.

Arrangements for setting pay and remuneration of key management personnel

Teachers and other members of staff are paid salaries commensurate with their experience and national rates of pay. Pay awards are reviewed and approved by the Pay Committee of the Board of Trustees, with the Principal's pay reviewed by the Principal's Performance Review Panel who makes recommendations to the Pay Committee.

Trade union facility time

The academy trust had less than 49 full-time equivalent employees during the year under report and did not have any employees who were relevant union officials during the period, and no time was spent on facility time or paid trade union activities.

Related Parties and other Connected Charities and Organisations

UTC Portsmouth receives support from the members of the trust: the University of Portsmouth, Portsmouth City Council, the Royal Navy, BAE Systems, QinetiQ and Salterns Academy Trust.

UTC Portsmouth receives pro bono personnel support from its employer partners, most notably BAE Systems, Lockheed Martin and Airbus Defence and Space.

UTC Portsmouth

Trustees' Report

Impact of operations due to Covid-19

Students are performing as expected when compared to their independently generated target data. This is a uniform pattern across all subjects. This is in line with the college's drive to ensure the accuracy of self-assessments. Reports from the submitted qualifications indicate that the grades the college is submitting are exactly in line with expectations. As many students have progressed on to higher level study at the college, it is noted - anecdotally - that internal students are very well prepared for the courses that they are studying. This suggests that there is not a gap in learning.

The college achieved a very good routine during the third lockdown (Spring term 2021) to the extent that our students were catered for as well as possible in their learning. As indicated above, this does not seem to have led to a gap in learning.

Keeping staff and students informed about the rapidly changing picture during the pandemic (including changing regulations) was a priority and staffs were consulted at all stages when SLT made decisions about the day-to-day operation of the college. This included when to adopt PPE and when to relax Covid restrictions.

UTC Portsmouth was well placed to weather the lockdown and subsequent possible disruptions to learning and this was reflected in all three Ofsted reports of visits during the period (whether virtual or in-person). All students at the college had access to Chromebooks and were therefore able remotely to access all of their work. The most significant change to remote learning was upskilling teaching staff in how to deliver online lessons. Whilst inevitably a learning process, staff CPD and sharing of best practice worked well. This was reflected in staff feedback.

Governance meetings switched to online-only during lockdown. With most college documentation being digital, this has not created a significant access issue, though has been dependent on careful coordination from the Clerk to the Board of Trustees. The individual "working groups" have continued to operate and the trust was able to hold its annual "away day" for trustees to focus on the strategic direction of the college in the 2021/22 academic year.

In relation to the financial impact, the college has been subject to lost income from lettings and incurred additional costs for cleaning. It initially provided support for free school meals for eligible children who were not attending college, where those costs are not covered by the national voucher scheme. These additional costs were able to be met from existing resources. Due to the strength of the college's financial position, it was not eligible to access funding from the Government for exceptional costs. Looking forward, if similar conditions existed and the college incurred an equivalent level of loss/additional expenditure, this would not have a significant impact on our financial position.

UTC Portsmouth

Trustees' Report

Objectives and Activities

Objects and Aims

The Trust's object is as stated in its Articles of Association. In order to achieve this object, it had the following short term aim: 'To set about opening a University Technical College, specialising in electrical and mechanical engineering, and advanced manufacturing for 14-19 year olds.' This was achieved successfully and this report now covers the fourth year of operation as the college continues to grow its student numbers.

Objectives, Strategies and Activities

The main objectives for the year were to successfully achieve educational outcomes for its students, deliver growth and to ensure financial sustainability; additionally it was a high priority to prepare effectively for the next OFSTED inspection. Successful recruitment and marketing activity supported these aims and saw student numbers increase according to our adjusted plan, with a proportionate increase in staff numbers. The college was inspected again in July 2021. It was judged to be outstanding in all categories. With the cancellation of exams for Yr 11 and 13 students, individuals were awarded Centre Assessment Grades, leading to an impressive list of destination outcomes.

Public Benefit

In agreeing the objectives and aims, and in planning its future strategy, the members have given careful consideration to the Charity Commission's general guidance on public benefit. The Trust has continued to be active with stakeholders through numerous STEM-related activities, including involvement in both national and local events such as Royal Navy UTC Engineering Challenge competition, the local Big Bang Fair and regular use of the Lego Education Innovation Studio by local primary schools. The college has also seen its facilities used out of hours by a range of local organisations for both sporting and arts related activities. The Members and Trustees are mindful that UTC Portsmouth not only looks to improve prospects for its 14-19 year old students, but also adopts a wider role in encouraging young people to take an interest in the prospects offered by careers in STEM.

Strategic Report

Achievements and Performance

During the year under report UTC Portsmouth saw its second cohort complete their studies. Grades were generated without exams due to Covid, but the college mapped these conservatively. Despite this, results were excellent, placing UTC Portsmouth as one of the highest performing institutions in the area for both A-level (and equivalent) and GCSE. Destinations data is strong with no NEETs and >60% of students progressing on to university and >20% to high level apprenticeships in what was a particularly challenging year for destinations.

Growth in lower school was static, with UTC Portsmouth taking in slightly fewer students than anticipated. Despite this, the college reached its Published Admissions Number (PAN), though there is often a little attrition. Growth at 6th form, a particular area of focus, was considerable making Year 12 the same size as Year 10. There will be continued focus on growth in 6th form, whilst keeping Year 10 in the region of 125 students.

UTC Portsmouth

Trustees' Report

Achievements and Performance (continued)

Teacher and other staff recruitment was also achieved successfully and the newly established culture and values of UTC Portsmouth embedded throughout. Strict financial controls and monitoring have been put in place through the year and the college has been subject to a regular programme of internal and external audit.

Key Performance Indicators

During the year under review, the main KPIs relate to student admissions, external examinations and student destinations. These KPIs have also been identified as the major risks to be managed. A total student body of 435 at the October 2021 census evidenced secure progress. The impressive exam results and student destination data has been noted locally and this is helping with student recruiting efforts. The college is increasingly being seen as the STEM college of choice for the region.

Financial KPIs show the college is in a relatively strong position and UTC Portsmouth compares very favourably in terms of both, student numbers, academic progress and financial position with other UTCs.

The college was judged by Ofsted in February 2020 to be inadequate. The trustees report with great pleasure that when the college was inspected again in July 2021, it was judged to be outstanding in all categories. This reflects great credit on all staff, particularly the senior leadership team.

Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt 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.

Financial Review

UTC Portsmouth opened successfully in September 2017 and these accounts reflect the fourth full year of operation.

The post-opening grant and transition funding of £0.234m during the period was used to support diseconomies of scale as the college continues to grow.

As of 31 August 2021 UTC Portsmouth had net assets of some £11,856,931, (2020: £11,879,512) the majority of which is represented by the building, now in full operation.

During this year UTC Portsmouth received funding of £3,017,066 (2020: £2,855,753) and expended £2,541,280 (2020: £2,525,574) on educational operations, giving a net income surplus of £477,276 (2020: £330,179) for the year.

UTC Portsmouth

Trustees' Report

Reserves Policy

The reserves as at 31 August 2021 were as follows:

- Unrestricted (free) reserves of £18,711 (2020: £17,221)
- A restricted fixed asset fund of £10,899,941 (2020: £11,191,898), which can only be realised through disposal of tangible fixed assets
- A pension deficit of £561,000 (2020: £368,000)
- Other restricted funds of £1,499,279 (2020: £1,038,393)
- Total funds of £11,856,931 (2020: £11,879,512)

Any reserves will be held in accordance with requirements laid down by the Department for Education.

Investment Policy

The Trust currently holds all cash funds in an interest bearing current account.

Principal Risks and Uncertainties

The Trustees maintain a Risk Register of the major risks to which the Trust is exposed. Risks identified are reviewed and systems are in place to mitigate identified risks. The greatest risk to UTC Portsmouth remains under-recruitment of students.

Key risks include:

- A failure to recruit the necessary number of students for future years, impacting upon the future financial and reputational viability of the Academy.
- Inability to attract sufficient numbers of high calibre teaching staff to deliver our offer, in particular engineering and physics teachers.

Fundraising

As part of its work within the community, the Academy Trust undertakes fundraising activities. The Academy Trust raises funds in order to support its own operations and also to make donations to local and national charities. The Academy Trust undertakes all such activities itself, with the help of its students and their families. We confirm that when fundraising:

- No unsolicited approaches are made to members of the public.
- No commercial participators are used.
- No regularity schemes or standards are applicable.
- No complaints were made to the Academy Trust during the year.

Streamlined Energy and Carbon Reporting

As the trust has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

UTC Portsmouth

Trustees' Report

Plans for Future Periods


UTC Portsmouth recruited 119 Year 10 students and 114 Year 12 students in September 2021, so grew from a total number of students on roll of 404 in 20October 2020 to 435 by the October 2021 census. Broadly, the financial considerations and risk associated with COVID 19 are believed to be manageable and are subject to regular review.

Auditor

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 9 December 2021 and signed on the board's behalf by:


Charles Parker (Dec 9, 2021 16:21 GMT)

Charles Parker

Chair of Trustees

UTC Portsmouth

Governance Statement

Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that UTC Portsmouth 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.

As trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and Competency Framework for Governance.

The Board of Trustees has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring 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 UTC Portsmouth and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 5 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

<u>Trustee</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
Robbie Adams (co-opted 17 Dec 20)	4	4
Jim Band (resigned 25 Feb 21)	2	2
Stephanie Barnett	5	5
Lindsay Cunningham (co-opted 12 Nov 20)	4	4
Sara Denham (co-opted 17 Dec 20)	4	4
James Doherty	5	5
Damien Edmondson	5	5
David Eminton	5	5
Andrew Gueterbock	5	5
Nys Hardingham (appointed 8 Jul 21)	1	1
Roy Haworth (appointed 17 Dec 20)	4	4
Steve Labedz (resigned 15 Jul 21)	5	4
Tim Madden	5	5
Vaughan Meir (resigned 17 Dec 20)	1	1
Charles Parker (appointed 17 Dec 20)	3	3
Sophie Shaughnessy (appointed 13 May 21)	1	2
Michael Spoor (resigned 1 September 2021)	3	3
Mike Stoneman (resigned 6 September 2021)	5	5

UTC Portsmouth

Governance Statement

Governance (continued)

Governance reviews:

During the year Captain James Band, Royal Navy and Vaughan Meir left the board. They played a pivotal role in our governance, in particular James, who served as acting chair during most of the pandemic and guided the board through the process of restoring our fortunes with Ofsted. The board is most grateful to both of them.

Several new trustees joined UTC Portsmouth in the year. They were Robbie Adams, Lindsay Cunningham, Sara Denham, Nys Hardingham, Roy Howarth, Captain Sophie Shaughnessy Royal Navy and me. This means that 7 out of 14 trustees have joined the board since January 2020 and together with the Senior Leadership team, they effectively led the UTC through the pandemic and several Ofsted visits, ending with the successful Section 5 inspection in June 2021. The board would like particularly to thank Mike Stoneman, who led the board's work in embedding very high standards of safeguarding throughout the UTC and Lindsay Cunningham, who took on the role of Safeguarding Link Trustee. Suzanne Moorhouse joined us in January 2021 as Clerk and has ensured that all new trustees have gone through a proper induction process, that the board has engaged in a comprehensive system of training and that the formalities surrounding the board's work have been organised and streamlined as much as possible.

The Operations committee is a sub-committee of the main Board of Trustees. Its purpose is to focus on Premises, Health & Safety, Finance, HR and Marketing. Their attendance is listed in the table below. There was one committee meeting per term.

<u>Trustee</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
Jim Band	2	2
Stephanie Barnett	3	3
Roy Haworth	2	3
Tim Madden	3	3
Michael Spoor	1	2

The Audit Committee focus is on overseeing the process of financial statement and annual report, plus reviewing the annual governance statement, liaising with the external auditor, reviewing governance adequacy within the trust and reviewing college compliance. They met four times in the last academic year. Their attendance is listed in the table below.

<u>Trustee</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
David Eminton	3	3
Andrew Gueterbock	3	3
Steve Labedz	2	3
Vaughan Meir	1	1

UTC Portsmouth

Governance Statement

Governance (continued)

The Education Committee is a sub-committee of the main board of trustees. Its purpose is to focus on teaching and learning standards, the curriculum, safeguarding, special educational needs, pupil premium, employer engagement and independent advice and guidance in addition to contributing to the College Strategic Plan. Their attendance is listed in the table below. There was one committee meeting per term.

<u>Trustee</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
Lindsay Cunningham	2	2
Sara Denham	2	2
James Doherty	3	3
Damien Edmonson	3	3
David Eminton	3	3
Andrew Gueterbock	3	3
Steve Labeledz	3	3
Mike Stoneman	2	3

Review of Value for Money

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

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

- monitoring the staffing structure and ensuring staff are deployed efficiently via, for example, lesson timetabling and the application of principles of integrated curriculum led financial planning
- sharing best practice and collaborating with other schools, including UTCs
- implementing robust financial controls to ensure resources are used effectively and efficiently

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in UTC Portsmouth for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

UTC Portsmouth

Governance Statement

Capacity to Handle Risk

The Board of Trustees 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 Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees
- regular reviews by the Operations committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- identification and management of risks

The Board of Trustees has considered the need for a specific internal audit function and has decided to employ Azets UK Limited as internal auditor.

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

- Procurement
- Assets
- Management Accounts & KPIs
- Data Protection & GDPR Compliance
- Payroll Joiners & Leavers
- Data Security
- Compliance & Governance
- Pupil Premium Spend Review
- Health & Safety

On a bi-annual basis, the auditor reports to the Board of Trustees, through the Audit Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

UTC Portsmouth

Governance Statement

The Risk and Control Framework (continued)

Two internal detailed audit reports were provided remotely during the year with no material control issues identified. Where minor housekeeping recommendations were identified, these have been actioned.


Review of Effectiveness

As Accounting Officer the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor Azets UK Limited
- the work of the external auditor
- the school resource management self-assessment tool
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the audit and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 9 December 2021 and signed on its behalf by:


Charles Parker (Dec 9, 2021 16:21 GMT)

Charles Parker
Chair of Trustees


James Doherty (Dec 10, 2021 11:05 GMT)

James Doherty
Accounting Officer


UTC Portsmouth

Statement of Regularity, Propriety and Compliance

As Accounting Officer of UTC Portsmouth I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2020.

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 Board of Trustees and ESFA.


James Doherty (Dec 10, 2021 11:05 GMT)

James Doherty
Accounting Officer
9 December 2021

UTC Portsmouth

Statement of Trustees' Responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:


- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Trustees on 9 December 2021 and signed on its behalf by:


Charles Parker (Dec 9, 2021 16:21 GMT)

Charles Parker
Chair of Trustees

UTC Portsmouth

Independent Auditor's Report on the Financial Statements to the Members of UTC Portsmouth

Opinion

We have audited the financial statements of UTC Portsmouth ('the charitable company') for the year ended 31 August 2021 which comprise the Statement of Financial Activities (including the Income and Expenditure Account), 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, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019, and the Academies Accounts Direction 2020 to 2021 issued by the Education & Skills Funding Agency.

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 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been properly prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2020 to 2021.

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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

UTC Portsmouth

Independent Auditor's Report on the Financial Statements to the Members of UTC Portsmouth

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. It includes the Reference and Administrative Details, the Trustees' Report (including the Strategic Report), and the Governance Statement. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinion on other matters prescribed by the Companies Act 2006

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

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

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 Trustees' 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;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

UTC Portsmouth

Independent Auditor's Report on the Financial Statements to the Members of UTC Portsmouth

Responsibilities of the Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the charitable company 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 Trustees determine is necessary to enable to preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the 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 the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our 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 a Report of the Independent Auditors 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Academy Trust, and the sector in which it operates. These include but are not limited to compliance with the Companies Act 2006, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019, the Academies Financial Handbook 2020, and the Academies Accounts Direction 2020 to 2021.
- We obtained an understanding of how the Academy Trust is complying with these frameworks through discussions with management.

UTC Portsmouth

Independent Auditor's Report on the Financial Statements to the Members of UTC Portsmouth

- We enquired with management whether there were any instances of non-compliance with laws and regulations or whether they had knowledge of actual or suspected fraud. These enquiries are corroborated through follow-up audit procedures including but not limited to a review of legal and professional costs, correspondence and a review of board minutes.
- We assessed the susceptibility of the Academy Trust's financial statements to material misstatement, including the risk of fraud and management override of controls. We designed our audit procedures to respond to this assessment, including the identification and testing of any related party transactions and the testing of journal transactions that arise from management estimates, that are determined to be of significant value or unusual in their nature.
- We assessed the appropriateness of the collective competence and capabilities of the engagement team, including consideration of the engagement team's knowledge and understanding of the sector in which the Academy Trust operates in, and their practical experience through training and participation with audit engagements of a similar nature.

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 Independent Auditor's Report.

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.

David Brookes
David Brookes (Dec 10, 2021 12:51 GMT)

D Brookes FCA (Senior statutory auditor)
For and on behalf of Hopper Williams & Bell Limited
Statutory Auditor
Highland House, Mayflower Close, Chandlers Ford, Eastleigh SO53 4AR

Date 10/12/2021

UTC Portsmouth

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

In accordance with the terms of our engagement letter dated 1 September 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by UTC Portsmouth during the period 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to UTC Portsmouth and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to UTC Portsmouth 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 the UTC Portsmouth and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of UTC Portsmouth's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of UTC Portsmouth's funding agreement with the Secretary of State for Education dated 22 June 2016 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

UTC Portsmouth

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

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts 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.

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:

- Consideration as to whether prior approval was sought from the Secretary of State where it is required by the Academies Financial Handbook (effective from 1 September 2020) (AFH).
- Review of any special payments to staff, including compromise agreements, to consider whether prior approval was sought where required by the AFH and that any payments are in line with the severance guidance published by ESFA.
- Consideration as to whether any borrowings have been made in accordance with the AFH.
- Review of any 'minded to' letters or Notices to Improve which have been issued to the Academy Trust.
- Review of any transactions with related parties to ensure that they have been carried out in accordance with the AFH.
- Review of governance arrangements to determine whether the requirements of the AFH have been met.
- Review of the Academy Trust's internal controls, including whether the general control environment has regard to the regularity of underlying transactions, including fraud management.
- Review of the Academy Trust's procurement policies to determine effectiveness and testing a sample of purchases to confirm that the policies have been correctly implemented.
- Identifying any conditions associated with specialist grant income and determining whether it has been spent as the purposes intended.

UTC Portsmouth

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

David Brookes
David Brookes (Dec 10, 2021 12:51 GMT)

D Brookes FCA
Reporting Accountant
Hopper Williams & Bell Limited
Chartered Accountants
Highland House, Mayflower Close, Chandlers Ford, Eastleigh SO53 4AR

10/12/2021
Date

UTC Portsmouth

Statement of Financial Activities for the year ended 31 August 2021

(including Income and Expenditure Account)

	Note	Un-restricted funds £	Restricted General Funds £	Restricted Pension Funds £	Restricted Fixed Asset Funds £	2020/21 Total £	2019/20 Total £
Income and endowments from:							
Donations and capital grants	2	-	19,275	-	7,200	26,475	128,421
Charitable activities:							
Funding for the academy trust's educational operations	3	-	2,992,807	-	-	2,992,807	2,831,481
Other trading activities	4	-	4,984	-	-	4,984	4,620
Investments	5	1,490	-	-	-	1,490	452
Total		1,490	3,017,066	-	7,200	3,025,756	2,964,974
Expenditure on:							
Raising funds	6	-	-	-	-	-	396
Charitable activities:							
Academy trust educational operations	7	-	2,541,280	131,000	314,057	2,986,337	3,052,285
Total		-	2,541,280	131,000	314,057	2,986,337	3,052,681
Net income / (expenditure)		1,490	475,786	(131,000)	(306,857)	39,419	(87,707)
Transfers between funds	16	-	(14,900)	-	14,900	-	-
Other recognised gains / (losses):							
Actuarial losses on defined benefit pension schemes	24	-	-	(62,000)	-	(62,000)	(18,000)
Net movement in funds		1,490	460,886	(193,000)	(291,957)	(22,581)	(105,707)
Reconciliation of funds							
Total funds brought forward		17,221	1,038,393	(368,000)	11,191,898	11,879,512	11,985,219
Total funds carried forward		18,711	1,499,279	(561,000)	10,899,941	11,856,931	11,879,512

The notes on pages 27 to 51 form part of these financial statements.


UTC Portsmouth

Balance Sheet as at 31 August 2021

Company Number 09268101

	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	11		10,899,941		11,191,898
Current assets					
Stock	12	1,097		1,168	
Debtors	13	60,009		276,932	
Investments	14	-		500,000	
Cash at bank and in hand		1,609,363		464,335	
		<u>1,670,469</u>		<u>1,242,435</u>	
Liabilities					
Creditors: Amounts falling due within one year	15	<u>(152,479)</u>		<u>(186,821)</u>	
Net current assets			<u>1,517,990</u>		<u>1,055,614</u>
Total assets less current liabilities			<u>12,417,931</u>		<u>12,247,512</u>
Defined benefit pension scheme liability	24		(561,000)		(368,000)
Total net assets			<u>11,856,931</u>		<u>11,879,512</u>
Funds of the academy trust:					
Restricted funds					
Fixed asset fund	16	10,899,941		11,191,898	
Restricted income fund	16	1,499,279		1,038,393	
Pension reserve	16	<u>(561,000)</u>		<u>(368,000)</u>	
Total restricted funds			<u>11,838,220</u>		<u>11,862,291</u>
Unrestricted income funds	16		18,711		17,221
Total funds			<u>11,856,931</u>		<u>11,879,512</u>

The financial statements on pages 24 to 51 were approved by the trustees and authorised for issue on 9 December 2021 and are signed on their behalf by:


Charles Parker (Dec 9, 2021 16:21 GMT)

Charles Parker
Chair of Trustees

The notes on pages 27 to 51 form part of these financial statements.

UTC Portsmouth

Statement of Cash Flows for the year ended 31 August 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by (used in) operating activities	19	658,438	213,420
Cash flows from investing activities	20	486,590	(537,011)
Change in cash and cash equivalents in the reporting period		<u>1,145,028</u>	<u>(323,591)</u>
Cash and cash equivalents at 1 September 2020		464,335	787,926
Cash and cash equivalents at 31 August 2021	21	<u>1,609,363</u>	<u>464,335</u>

UTC Portsmouth

Notes to the Financial Statements for the Year Ended 31 August 2021

1 Accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

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 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Going Concern

The trustees 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 trustees 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 incoming resources are recognised when the Academy Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

- **Donations**

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

- **Grants**

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

UTC Portsmouth

Notes to the Financial Statements for the Year Ended 31 August 2021

Income (continued)

- **Government Grants**

The following government grants have been received during the year:

- **Other Income**

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the Academy Trust has provided the goods or services.

- **Donated goods, facilities and services**

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

- **Expenditure on Raising Funds**

This includes all expenditure incurred by the Academy Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

- **Charitable Activities**

These are costs incurred on the Academy Trust's educational operations, including support costs and costs relating to the governance of the Academy Trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

UTC Portsmouth

Notes to the Financial Statements for the Year Ended 31 August 2021

Tangible Fixed Assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities.

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

Leasehold Land and Buildings	50 years straight line on buildings; not provided on land
Furniture and Equipment	3 to 14 years straight line
Computer Equipment	3 to 10 years straight line

Long leasehold land has not been depreciated as it is similar to freehold land, which does not require depreciation.

Where the Academy Trust can identify the value of major components of freehold or leasehold buildings based upon additions following conversion to academy status, the Academy Trust reviews whether one or more such components have significantly different patterns of consumption of economic benefits. In such cases, the Academy Trust allocates the cost of the asset to its major components and depreciates each component separately over its useful life.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

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.

UTC Portsmouth

Notes to the Financial Statements for the Year Ended 31 August 2021

Provisions

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

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

Leased Assets

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

Current asset investments

Current asset investments comprise fixed term bank deposits. These investments are classified as a basic financial instrument and are measured at amortised cost.

Financial Instruments

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

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank

Cash at bank is classified as a basic financial instrument and is measured at face value. An investment is treated as a cash equivalent when it has a short maturity of three months or less from the date of acquisition.

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Stock

Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

UTC Portsmouth

Notes to the Financial Statements for the Year Ended 31 August 2021

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 part 11, chapter 3 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 to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary based on quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

Fund Accounting

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

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

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

UTC Portsmouth

Notes to the Financial Statements for the Year Ended 31 August 2021

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The assumptions used are disclosed in note 24.

Critical areas of judgement

There are no other critical areas of judgement.

UTC Portsmouth

Notes to the Financial Statements for the Year Ended 31 August 2021

2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	2020/21 Total £	2019/20 Total £
Capital grants	-	7,200	7,200	109,221
Other donations	-	19,275	19,275	19,200
	-	26,475	26,475	128,421
<i>Total 2020</i>	<i>19,200</i>	<i>109,221</i>	<i>128,421</i>	

Other donations represents donations in kind. An equivalent amount is included within expenditure. Donations in kind have been received from the following:

	2020/21 £	2019/20 £
Airbus	75	1,350
Apollo Motor Group	75	-
BAE	675	6,900
Balfour Beatty	375	-
Conrad Manning	300	-
DSTL	1,050	900
Hampshire Constabulary	300	-
IBM	450	-
Immersive Labs	300	-
Interqual	-	150
Lockheed Martin	900	150
NHS	150	-
Openreach	-	300
Portsmouth City Council	675	-
Royal Navy	12,000	8,100
Solent University	-	300
STS Defence	450	600
University of Plymouth	300	-
University of Portsmouth	1,125	450
University of Southampton	75	-
	19,275	19,200

UTC Portsmouth

Notes to the Financial Statements for the Year Ended 31 August 2021

3 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	2020/21 Total £	2019/20 Total £
DfE / ESFA grants				
General Annual Grant (GAG)	-	2,451,405	2,451,405	2,171,797
Pupil Premium	-	33,604	33,604	40,766
Start Up Grants	-	234,000	234,000	295,500
Rates reclaim	-	30,208	30,208	29,933
Teachers' pay grant	-	26,317	26,317	28,816
Teachers' pension grant	-	74,366	74,366	75,539
	-	2,849,900	2,849,900	2,642,351
Other government grants				
Local authority grants	-	9,274	9,274	-
COVID-19 additional funding (DfE/ESFA)				
Catch-up premium	-	18,160	18,160	-
Other DfE/ESFA Coronavirus funding	-	3,600	3,600	-
	-	21,760	21,760	-
COVID-19 additional funding (non-DfE/ESFA)				
Other Coronavirus funding	-	12,770	12,770	-
Other income from the Academy Trust's educational operations				
Trip income	-	5,404	5,404	75,700
Catering income	-	25,006	25,006	54,583
Other income	-	68,693	68,693	58,847
	-	99,103	99,103	189,130
	-	2,992,807	2,992,807	2,831,481
Total 2020	-	2,831,481	2,831,481	

UTC Portsmouth

Notes to the Financial Statements for the Year Ended 31 August 2021

3 Funding for the Academy Trust's educational operations (continued)

Following the reclassification of some grants received from the Department for Education and the ESFA in the Academies Accounts Direction 2020/21, the Academy Trust's funding for Rates reclaim, Teachers' pay grant, and Teachers' pension grant are no longer reported under the General Annual Grant (GAG) and Other DfE grants headings, but as separate lines under the DfE/ESFA grants heading. The prior year numbers have been reclassified.

The Academy Trust received £18,160 of funding for catch-up premium and costs incurred in respect of this funding also totalled £18,160.

The Academy Trust received other Coronavirus funding in respect of mass testing and free school meals.

4 Other trading activities

	Unrestricted funds	Restricted funds	2020/21 Total	2019/20 Total
	£	£	£	£
Hire of facilities	-	-	-	3,295
Other trading income	-	4,984	4,984	1,325
	-	4,984	4,984	4,620
<i>Total 2020</i>	<i>4,620</i>	<i>-</i>	<i>4,620</i>	

5 Investment income

	Unrestricted funds	Restricted funds	2020/21 Total	2019/20 Total
	£	£	£	£
Short term deposits	1,490	-	1,490	452
<i>Total 2020</i>	<i>-</i>	<i>452</i>	<i>452</i>	

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Notes to the Financial Statements for the Year Ended 31 August 2021

6 Expenditure

	Staff costs	Non Pay Expenditure		Total	Total
		Premises	Other	2020/21	2019/20
	£	£	£	£	£
Expenditure on raising funds	-	-	-	-	396
Academy's educational operations:					
Direct costs	1,657,384	-	235,155	1,892,539	1,784,475
Allocated support costs	454,967	125,167	513,664	1,093,798	1,267,810
	<u>2,112,351</u>	<u>125,167</u>	<u>748,819</u>	<u>2,986,337</u>	<u>3,052,681</u>
<i>Total 2020</i>	<i>1,936,544</i>	<i>129,229</i>	<i>986,908</i>	<i>3,052,681</i>	

Net income/(expenditure) for the period includes:

	2020/21	2019/20
	£	£
Operating lease rentals	11,282	8,097
Depreciation	314,057	433,107
Fees payable to auditor for:		
Audit	10,095	9,855
Other services	<u>2,460</u>	<u>3,500</u>

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Notes to the Financial Statements for the Year Ended 31 August 2021

7 Charitable activities

	2020/21	2019/20
	Total	Total
	£	£
Direct costs	1,892,539	1,784,475
Support costs	1,093,798	1,267,810
	2,986,337	3,052,285

Analysis of support costs:

	Educational operations	2020/21 Total	2019/20 Total
	£	£	£
Support staff costs	454,967	454,967	425,067
Depreciation	314,057	314,057	433,107
Technology costs	50,378	50,378	32,262
Premises costs	125,167	125,167	129,229
Legal costs - other	219	219	1,309
Other support costs	134,676	134,676	232,846
Governance costs	14,334	14,334	13,990
Total support costs	1,093,798	1,093,798	1,267,810
<i>Total 2020</i>	<i>1,267,810</i>	1,267,810	

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Notes to the Financial Statements for the Year Ended 31 August 2021

8 Staff

a) Staff costs

Staff costs during the period were:

	2020/21	2019/20
	£	£
Wages and salaries	1,526,528	1,423,656
Social security costs	150,188	139,588
Pension costs	435,635	363,622
	2,112,351	1,926,866
Agency staff costs	-	1,178
Staff restructuring costs	-	8,500
	2,112,351	1,936,544

Staff restructuring costs comprise:

Severance payments	-	8,500
	-	8,500

b) Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £nil (2020: £8,500).

c) Staff numbers

The average number of persons employed by the Academy Trust during the year was as follows:

	2020/21	2019/20
	No.	No.
Teachers	27	26
Administration and support	20	21
Management	5	5
	52	52

d) Higher paid staff

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

	2020/21	2019/20
	No.	No.
£60,001 - £70,000	1	1
£70,001 - £80,000	1	-

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 and employer national insurance contributions) received by key management personnel for their services to the academy trust was £390,945 (2020: £349,542).

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Notes to the Financial Statements for the Year Ended 31 August 2021

9 Related Party Transactions – Trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from employment with the Academy Trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

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

		2020/21	2019/20
		£000	£000
J Doherty (Staff trustee and Accounting Officer)	Remuneration	70-75	60-65
	Employer's pension contributions paid	15-20	5-10
C O'Dowda (Staff trustee and Accounting Officer)	Remuneration	-	40-45
	Employer's pension contributions paid	-	5-10
D Edmondson (Staff trustee)	Remuneration	40-45	40-45
	Employer's pension contributions paid	5-10	0-5

During the period ended 31 August 2021, no trustees received any reimbursement of expenses (2020: none).

10 Trustees and officers insurance

The Academy Trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10m. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

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Notes to the Financial Statements for the Year Ended 31 August 2021

11 Tangible fixed assets

	Leasehold Land and Buildings £	Furniture and Equipment £	Computer Equipment £	Total £
Cost				
At 1 September 2020	11,319,937	617,902	509,738	12,447,577
Acquisitions	-	4,706	17,394	22,100
At 31 August 2021	11,319,937	622,608	527,132	12,469,677
Depreciation				
At 1 September 2020	674,313	161,976	419,390	1,255,679
Charged in year	226,399	57,946	29,712	314,057
At 31 August 2021	900,712	219,922	449,102	1,569,736
Net book values				
At 31 August 2020	10,645,624	455,926	90,348	11,191,898
At 31 August 2021	10,419,225	402,686	78,030	10,899,941

12 Stock

	2020/21 £	2019/20 £
Uniform stocks	1,097	1,168

13 Debtors

	2020/21 £	2019/20 £
VAT recoverable	18,127	28,670
Prepayments and accrued income	41,882	248,262
	60,009	276,932

14 Current asset investments

	2020/21 £	2019/20 £
Bank deposits	-	500,000

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Notes to the Financial Statements for the Year Ended 31 August 2021

15 Creditors: amounts falling due within one year

	2020/21	2019/20
	£	£
Trade creditors	23,068	67,614
Other taxation and social security	38,577	32,381
Other creditors falling due within one year	55,967	49,535
Accruals and deferred income	34,867	37,291
	152,479	186,821

	2020/21	2019/20
	£	£
Deferred income at 1 September 2020	6,300	63,408
Released from previous years	(6,300)	(63,408)
Resources deferred in the year	-	6,300
Deferred income at 31 August 2021	-	6,300

At the balance sheet date the academy trust was holding funds received in advance for trip income relating to the forthcoming financial year.

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Notes to the Financial Statements for the Year Ended 31 August 2021

16 Funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers £	Gains and losses £	Balance at 31 August 2021 £
Restricted general funds						
General Annual Grant (GAG)	1,038,393	2,451,405	(1,975,619)	(14,900)	-	1,499,279
Pupil premium	-	33,604	(33,604)	-	-	-
Start Up Grants	-	234,000	(234,000)	-	-	-
Rates reclaim	-	30,208	(30,208)	-	-	-
Teachers' pay grant	-	26,317	(26,317)	-	-	-
Teachers' pension grant	-	74,366	(74,366)	-	-	-
Local authority grants	-	9,274	(9,274)	-	-	-
Catch-up premium	-	18,160	(18,160)	-	-	-
Other DfE/ESFA C-19 funding	-	3,600	(3,600)	-	-	-
Other Coronavirus funding	-	12,770	(12,770)	-	-	-
Other educational activities	-	123,362	(123,362)	-	-	-
	1,038,393	3,017,066	(2,541,280)	(14,900)	-	1,499,279
Pension reserve	(368,000)	-	(131,000)	-	(62,000)	(561,000)
	670,393	3,017,066	(2,672,280)	(14,900)	(62,000)	938,279
Restricted fixed asset funds						
Fixed asset fund	11,191,898	-	(314,057)	22,100	-	10,899,941
ESFA capital grants (DFC)	-	11,206	-	(11,206)	-	-
Other capital grants	-	(4,006)	-	4,006	-	-
	11,191,898	7,200	(314,057)	14,900	-	10,899,941
Total restricted funds	11,862,291	3,024,266	(2,986,337)	-	(62,000)	11,838,220
Total unrestricted funds	17,221	1,490	-	-	-	18,711
Total funds	11,879,512	3,025,756	(2,986,337)	-	(62,000)	11,856,931

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Notes to the Financial Statements for the Year Ended 31 August 2021

16 Funds (continued)

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

General annual grant

This includes all funding received from the ESFA to carry out the objectives of the academy. It includes the school budget share; minimum funding guarantee; education services grant; insurance; rates; and pre-16 high needs funding streams.

Other DfE/ESFA grants

This is funding received from the ESFA for specific purposes.

Local authority grants

This is funding received from the local authority for specific purposes, for example Special Educational Needs funding.

Other educational activities

This includes all other educational income/expenditure.

Pension reserve

This represents the negative reserve in respect of the liability on the LGPS pension scheme which was transferred to the Academy Trust on conversion.

Fixed asset fund

The fund includes the value of the tangible fixed assets of the academy on conversion, and amounts transferred from GAG or other restricted funds specifically for expenditure on tangible fixed assets, and the annual charges for depreciation of these assets.

DfE/ESFA capital grants

This is funding received from the DfE/ESFA specifically for expenditure on tangible fixed assets.

Transfers between funds

Transfers to the restricted fixed asset fund represent the cost of fixed asset additions which have been funded from restricted or unrestricted general funds.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2021.

UTC Portsmouth

Notes to the Financial Statements for the Year Ended 31 August 2021

16 Funds (continued)

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers £	Gains and losses £	Balance at 31 August 2020 £
Restricted general funds						
General Annual Grant (GAG)	716,579	2,171,797	(1,845,842)	(4,141)	-	1,038,393
Pupil premium	-	40,766	(40,766)	-	-	-
Start Up Grants	-	295,500	(295,500)	-	-	-
Rates reclaim	-	29,933	(29,933)	-	-	-
Teachers' pay grant	-	28,816	(28,816)	-	-	-
Teachers' pension grant	-	75,539	(75,539)	-	-	-
Other educational activities	-	189,582	(189,582)	-	-	-
	716,579	2,831,933	(2,505,978)	(4,141)	-	1,038,393
Pension reserve	(256,000)	-	(94,000)	-	(18,000)	(368,000)
	460,579	2,831,933	(2,599,978)	(4,141)	(18,000)	670,393
Restricted fixed asset funds						
Fixed asset fund	11,478,321	-	(433,107)	146,684	-	11,191,898
ESFA capital grants (DFC)	17,317	10,064	-	(27,381)	-	-
Other capital grants	16,005	99,157	-	(115,162)	-	-
	11,511,643	109,221	(433,107)	4,141	-	11,191,898
Total restricted funds	11,972,222	2,941,154	(3,033,085)	-	(18,000)	11,862,291
Total unrestricted funds	12,997	23,820	(19,596)	-	-	17,221
Total funds	11,985,219	2,964,974	(3,052,681)	-	(18,000)	11,879,512

UTC Portsmouth

Notes to the Financial Statements for the Year Ended 31 August 2021

17 Analysis of net assets between funds

	Un-restricted funds	Restricted general funds	Restricted pension funds	Restricted fixed asset funds	Total funds
	£	£	£	£	£
Tangible fixed assets	-	-	-	10,899,941	10,899,941
Current assets	18,711	1,651,758	-	-	1,670,469
Current liabilities	-	(152,479)	-	-	(152,479)
Pension scheme liability	-	-	(561,000)	-	(561,000)
Total net assets	18,711	1,499,279	(561,000)	10,899,941	11,856,931

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

	Un-restricted funds	Restricted general funds	Restricted pension funds	Restricted fixed asset funds	Total funds
	£	£	£	£	£
Tangible fixed assets	-	-	-	11,191,898	11,191,898
Current assets	17,221	1,225,214	-	-	1,242,435
Current liabilities	-	(186,821)	-	-	(186,821)
Pension scheme liability	-	-	(368,000)	-	(368,000)
Total net assets	17,221	1,038,393	(368,000)	11,191,898	11,879,512

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Notes to the Financial Statements for the Year Ended 31 August 2021

18 Long-term commitments, including operating leases

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

	2020/21	2019/20
	£	£
Amounts due within one year	11,567	8,097
Amounts due between one and five years	4,391	8,740
	<u>15,958</u>	<u>16,837</u>

19 Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2020/21	2019/20
	£	£
Net income / (expenditure) for the reporting period	39,419	(87,707)
Adjusted for:		
Depreciation	314,057	433,107
Capital grants from DfE and other capital income	(7,200)	(109,221)
Interest receivable	(1,490)	(452)
Defined benefit pension scheme cost less contributions payable	126,000	90,000
Defined benefit pension scheme finance cost	5,000	4,000
Decrease in stocks	71	71
Decrease / (increase) in debtors	216,923	(22,294)
Decrease in creditors	(34,342)	(94,084)
Net cash provided by Operating Activities	<u>658,438</u>	<u>213,420</u>

20 Cash flows from investing activities

	2020/21	2019/20
	£	£
Dividends, interest and rents from investments	1,490	452
Decrease / (increase) in current asset investments	500,000	(500,000)
Purchase of tangible fixed assets	(22,100)	(146,684)
Capital grants from DfE Group	7,200	109,221
Net cash provided by / (used in) investing activities	<u>486,590</u>	<u>(537,011)</u>

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Notes to the Financial Statements for the Year Ended 31 August 2021

21 Analysis of cash and cash equivalents

	2020/21	2019/20
	£	£
Cash at bank and in hand	<u>1,609,363</u>	<u>464,335</u>

22 Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	Acquisition/ disposal of subsidiaries £	New finance leases £	Other non-cash changes £	At 31 August 2021 £
Cash	464,335	1,145,028	-	-	-	1,609,363
Total	464,335	1,145,028	-	-	-	1,609,363

23 Members liability

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

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Notes to the Financial Statements for the Year Ended 31 August 2021

24 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 Hampshire County Council. 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.

Contributions amounting to £45,117 were payable to the schemes at 31 August 2021 (2020: £36,635) and are included within creditors.

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 four 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.
- 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. 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%.

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Notes to the Financial Statements for the Year Ended 31 August 2021

24 Pension and similar obligations (continued)

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 £236,532 (2020: £208,873).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was as follows:

	2021	2020
	£	£
Employer's contributions	75,000	64,000
Employees' contributions	25,000	23,000
	<u>100,000</u>	<u>87,000</u>

The agreed contribution rates for future years are 18.9% for employers and 5.5% to 12.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of 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

	2021	2020
Rate of increase in salaries	3.6%	3.3%
Rate of increase for pensions in payment/inflation	2.6%	2.3%
Discount rate for scheme liabilities	1.7%	1.7%
Inflation assumption (CPI)	<u>2.6%</u>	<u>2.3%</u>

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

	2021	2020
<i>Retiring today</i>		
Males	23.1	23.0
Females	<u>25.5</u>	<u>25.5</u>
<i>Retiring in 20 years</i>		
Males	24.8	24.7
Females	<u>27.3</u>	<u>27.2</u>

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Notes to the Financial Statements for the Year Ended 31 August 2021

24 Pension and similar obligations (continued)

Sensitivity analysis

Increase/(reduction) in defined benefit obligation

	2021	2020
	£	£
Discount rate +0.1%	(35,000)	(23,000)
Discount rate -0.1%	36,000	23,000
Mortality assumption – 1 year increase	37,000	23,000
Mortality assumption – 1 year decrease	(36,000)	(23,000)

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

	2021	2020
	£	£
Equities	254,000	159,000
Gilts	78,000	55,000
Property	26,000	17,000
Cash	4,000	4,000
Other	77,000	46,000
Total market value of assets	439,000	281,000

The actual return on scheme assets was £60,000 (2020: -£3,000).

Amount recognised in the Statement of Financial Activities

	2020/21	2019/20
	£	£
Current service cost	201,000	154,000
Interest income	(6,000)	(5,000)
Interest cost	11,000	9,000
Total amount recognised in the SOFA	206,000	158,000

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Notes to the Financial Statements for the Year Ended 31 August 2021

24 Pension and similar obligations (continued)

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

	2020/21	2019/20
	£	£
At 1 September	649,000	449,000
Current service cost	201,000	154,000
Interest cost	11,000	9,000
Employee contributions	25,000	23,000
Actuarial loss	116,000	10,000
Benefits paid	(2,000)	4,000
At 31 August	1,000,000	649,000

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

	2020/21	2019/20
	£	£
At 1 September	281,000	193,000
Interest income	6,000	5,000
Actuarial gain / (loss)	54,000	(8,000)
Employer contributions	75,000	64,000
Employee contributions	25,000	23,000
Benefits paid	(2,000)	4,000
At 31 August	439,000	281,000

25 Related party transactions

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 9.