



Smailes Goldie
Chartered Accountants

Smailes Goldie
Copy

The Ron Dearing UTC

Financial Statements

31st August 2017



The Ron Dearing UTC

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The Ron Dearing UTC

Reference and Administrative Details for the Year Ended 31st August 2017

Members

C Spencer
Prof A E H Speight
A R Bullock

Trustees

C Spencer
J F Connolly
Dr B Charlesworth (Appointed 06.09.2016)
M N Davies (Appointed 06.09.2016)
Dr W E Grundy (Appointed 31.01.2017)
Y Moir (Appointed 31.01.2017)
J Speedy (Appointed 31.01.2017)
K E Arundel (Appointed 31.01.2017)
M Curry (Appointed 31.01.2017)
A N Greenwood (Appointed 31.01.2017)
K Wilkinson (Appointed 31.01.2017)
A R Bullock (Resigned 31.01.2017)
F Dowling (Resigned 31.01.2017)
S Humm (Resigned 31.01.2017)
Prof A E H Speight (Resigned 31.01.2017)
A Tuscher (Resigned 17.10.2017)

Senior Management Team

School Principal

S Pashley

Company Registration Number

10009591 (England and Wales)

Registered Office:

The Ron Dearing UTC
Kingston Square
Hull
East Yorkshire
HU1 3HF

Independent Auditors:

Smailes Goldie
Chartered Accountants
Statutory Auditor
Regent's Court
Princess Street
Hull
HU2 8BA

Bankers:

Barclays Bank plc
1/5 King Edward Street
Hull
HU1 3RL

Solicitors:

Rollits LLP
Citadel House
58 High Street
Hull
HU1 1QE

The Ron Dearing UTC

Report of the Trustees for the year ended 31st August 2017

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31st August 2017. The trustees have adopted the provisions of 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) (effective 1 January 2015) and the Academies Accounts Direction issued by the Education and Skills Funding Agency.

The Academy Trust opened as a University Technical College in September 2017.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The principal objective of the trust is to advance for the public benefit education in the United Kingdom by establishing, maintaining, managing and developing a university technical college (UTC) providing a balanced curriculum of secondary education with a focus on our specialisms of mechatronics and digital technology. Our approach to education is based upon 'learning by doing'.

Objectives, strategies and activities

Our main objective for the year was to ensure that the UTC successfully opened in September 2017 with a full cohort of students in a new purpose built building.

In order to achieve this the trust successfully appointed a principal and other key staff, agreed arrangements with Hull City Council on the design and build of the UTC and undertook an intensive multi-media marketing campaign.

These activities were undertaken within the additional publicity and opportunities derived from Hull City of Culture 2017.

Public benefit

The trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission. The trust has operated in accordance with the terms of the funding provided by the Department for Education and other public bodies.

STRATEGIC REPORT

Achievement and performance

Charitable activities

The purpose built college was handed over to the trust on the 6th September 2017. It opened five days later with full cohorts of year 10 and year 12 pupils.

As the UTC develops, trustees will report on other key performance indicators relating to the development of the curriculum, recruitment of pupils, progress of pupils, behaviour and attendance of pupils and their destinations. Trustees will also report on progress in developing the network of partners and sponsors.

Financial review

Financial overview

The principal source of funding for the trust during the year were project development and capital grants from the Education & Skills Funding Agency (ESFA).

Expenditure on fixed assets, funded by ESFA grants, are capitalised.

Prior to opening as a UTC the trust was unable to reclaim any VAT incurred. Overall gross expenditure matched the income received and was spent on the purposes intended by the ESFA and out sponsors. On 1 September 2017 the trust will be eligible to reclaim the VAT incurred; as a result the accounts have been prepared on a net basis and the VAT reclaimed will provide a carry forward for the trust.

Investment policy and objectives

The trust currently has no investments. To maintain the trust's cash flow requirements all monies are currently held in a current account.

The Ron Dearing UTC

Report of the Trustees for the year ended 31st August 2017

STRATEGIC REPORT

Financial review

Reserves policy

The reserves at the end of the year are £230,644.

The majority of the activity undertaken and expenditure incurred by the trust is supported by regular payments from the ESFA. As a result, trustees do not expect to have significant reserves during the initial stages of opening the UTC.

Trustees will adopt a formal policy on reserves during 2017-2018 taking account of the guidance offered by the Charity Commission and Department for Education.

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.

Principal risks and uncertainties

Trustees developed a robust risk management strategy prior to opening which it will continue and develop as an operational UTC. A finance subcommittee has been established by trustees, whose remit is to consider the principal risks and uncertainties the trust faces.

The trustees assess the principal long term risks and uncertainties facing the UTC as:

- Students - the ability to attract sufficient students that are able to undertake the curriculum offered by the UTC
- Grant Income - the delivery of the UTC's curriculum is more expensive per pupil than the delivery of a broad curriculum in a typical secondary school, concerns have been expressed regarding the outcomes of new national funding formula
- Staff recruitment - the ability to attract and retain the required specialist staff

Plans for future periods

Prior to opening the Department for Education approved a five-year plan for the development of the UTC in July 2017. This sets out key developments in the curriculum, pupil recruitment and financial targets. Trustees will monitor progress against these plans and adjust them, if necessary, in conjunction with the ESFA and Department for education.

In broad terms, to achieve the outcomes required pupil numbers over the next six years will grow as follows:

2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
KS4 - 120	KS4 - 240	KS4 - 270	KS4 - 300	KS4 - 300	KS4 - 300
KS5 - 110	KS5 - 220	KS5 - 230	KS5 - 240	KS5 - 270	KS5 - 300

STRUCTURE, GOVERNANCE AND MANAGEMENT

Charity 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 Ron Dearing UTC are also the directors of the charitable company for the purposes of company law. The charitable company is known as Ron Dearing UTC. Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1. Following the opening of the UTC the following additional trustees were appointed on 17 October 2017:

- D Hallett
- D J Keel
- R Martin
- S M Royce

The Ron Dearing UTC

Report of the Trustees for the year ended 31st August 2017

STRUCTURE, GOVERNANCE AND MANAGEMENT

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 debts and liabilities contracted before they ceased to be a member.

Trustees' Indemnities

The Trustees are covered by indemnity insurance purchased at the Academy Trust's expense to cover the liability of the trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of duty of which they may be guilty in relation to the Academy Trust. This cover is provided under the Department for Education's risk prevention arrangement.

Recruitment and appointment of new trustees

Trustees are mainly recruited through the Trust's connections with its sponsor and partner organisations. The arrangements for the appointment of trustees is in the Articles of association of the Academy Trust.

Organisational structure

The board of trustees is responsible for the appointment and appraisal of the principal, and is accountable to the trust's members and the Department for Education.

The Principal, acting as Chief Executive Officer, is responsible for all aspects of the day to day management and operation of the trust and is its Accounting Officer.

A scheme of delegation is in place which has established a schedule of responsibilities and matters reserved for the board of trustees.

Induction and training of new trustees

The trust is committed to providing trustees with appropriate training to enable them to perform their roles and duties, and works closely with the Baker Dearing Trust and local authority in this respect. Once the UTC has opened a thorough skills analysis will be undertaken to ensure trustees receive the training they need to fulfil their role and carry out the objects of the trust.

Arrangements for setting remuneration of key management remuneration

The board of trustees has established a subcommittee to set and review the pay arrangements of senior staff, specifically the Principal and Vice Principals. In making their decisions they make reference to the pay arrangements at other similar education establishments, progress towards the objects of the trust and the trust's financial position.

Related parties

A key element to the provision of the UTC will be its links to industry. Prior to opening the sponsors of the UTC were:

- Hull University
- KCOM a leading provider of communications and IT solutions to both consumer and business markets across the UK
- RB a global force in health, hygiene and the home
- Smith & Nephew a global medical technology business
- Siemens Gamesa a pioneer in green energies
- Spencer Group a leading specialist engineering business

The trust will be actively seeking additional partners as it develops its business and education offer.

The trust has developed a policy to manage any potential conflicts of interest that might arise.

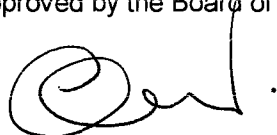
The Ron Dearing UTC

**Report of the Trustees
for the year ended 31st August 2017**

AUDITORS

The auditors, Smailes Goldie, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by the Board of Trustees on 12th December 2017 and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'C Spencer', with a small dot at the end.

C Spencer - Trustee

The Ron Dearing UTC

Governance Statement for the Year Ended 31st August 2017

Scope of Responsibility

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

The board of 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 Ron Dearing UTC 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'.

Governance

The information on governance included here supplements that described in the Report of the Trustees and in the Statement of Trustees Responsibilities. The board of trustees has formally met 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Date appointed	Date resigned	Meetings attended	Out of a possible
C Spencer			6	6
J F Connolly			4	6
B Charlesworth	06.09.2016		5	6
M N Davies	06.09.2016		3	6
W E Grundy	31.01.2017		2	4
Y Moir	31.01.2017		3	4
J Speedy	31.01.2017		3	4
K E Arundel	31.01.2017		1	4
M Curry	31.01.2017		4	4
A N Greenwood	31.01.2017		1	4
K Wilkinson	31.01.2017		4	4
A R Bullock		31.01.2017	3	4
F Dowling		31.01.2017	0	4
S Humm		31.01.2017	1	4
A E H Speight		31.01.2017	2	4
A Tuscher		17.10.2017	6	6

As part of the development of the board of trustees, and in accordance with the Academies Financial Handbook, there will be a detailed review of governance arrangements during 2017-2018. Trustees will seek external support in undertaking this review.

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 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 will seek to deliver optimum value for money by overseeing the competitive tendering of key contracts, building partnerships with other institutions and the business community, and through the recruitment of staff who are committed to the ethos of the UTC.

The Ron Dearing UTC

Governance Statement for the Year Ended 31st August 2017

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 charitable company 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 The Ron Dearing UTC for the period 1st September 2016 to 31st August 2017 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the charitable company 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 charitable company's significant risks that has been in place for the period 1st September 2016 to 31st August 2017 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 finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided that during 2017-2018 we will appoint the chief finance officer at another UTC (Lincoln UTC) to carry out a peer review. This work will include:

- testing of payroll systems;
- testing of purchase systems;
- testing of control account/ bank reconciliations.

The Ron Dearing UTC

Governance Statement for the Year Ended 31st August 2017

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:

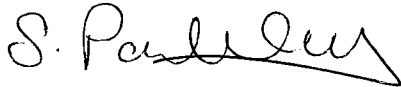
- the work of the external auditor
- the work of the trustees within the Academy Trust and seconded staff who have responsibility for the development and maintenance of the internal control framework

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

Approved by the board of trustees on 12th December 2017 and signed on its behalf by:



C Spencer - Trustee



S Pashley - Accounting Officer

The Ron Dearing UTC

Statement on Regularity, Propriety and Compliance for the year ended 31st August 2017

As accounting officer of The Ron Dearing UTC I have considered my responsibility to notify the charitable company board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the charitable company 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 2016.

I confirm that I and the charitable company board of trustees are able to identify any material irregular or improper use of all funds by the charitable company, or material non-compliance with the terms and conditions of funding under the charitable company's funding agreement and the Academies Financial Handbook 2016.

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.



S Pashley - Accounting Officer

12th December 2017

The Ron Dearing UTC

Statement of Trustees Responsibilities for the year ended 31st August 2017

The trustees (who act as governors of The Ron Dearing UTC and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, 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" 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 the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those 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 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards [FRS 102] have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

In so far as the trustees are aware:

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

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 the Board of Trustees on 12th December 2017 and signed on its behalf by:



C Spencer - Trustee

Report of the Independent Auditors to the Members of The Ron Dearing UTC

Opinion

We have audited the financial statements of The Ron Dearing UTC (the 'Academy Trust') for the year ended 31st August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 2015 and the Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency (ESFA).

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 auditors' 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.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st August 2017 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland';
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2016 to 2017.

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 Auditors' 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

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

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

Other information

The 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 Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, 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.

Report of the Independent Auditors to the Members of The Ron Dearing UTC

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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees 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 Report of the Trustees.

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

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

Responsibilities of trustees

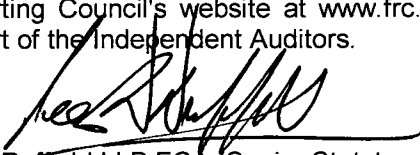
As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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.

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 Report of the Independent Auditors.



Peter Duffield LLB FCA (Senior Statutory Auditor)
for and on behalf of Smailes Goldie
Chartered Accountants
Statutory Auditor
Regent's Court
Princess Street
Hull
East Yorkshire
HU2 8BA

12th December 2017

Note:

The maintenance and integrity of The Ron Dearing UTC website is the responsibility of the trustees; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Independent Reporting Accountant's Assurance Report on Regularity to The Ron Dearing UTC and the Education and Skills Funding Agency

In accordance with the terms of our engagement and further to the requirements of the Education and Skills Funding Agency (ESFA), as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Ron Dearing UTC during the period 1st September 2016 to 31st August 2017 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 The Ron Dearing UTC and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Ron Dearing UTC 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 Ron Dearing UTC and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Ron Dearing UTC's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Ron Dearing UTC's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2016, 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 2016 to 2017. 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 1st September 2016 to 31st August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

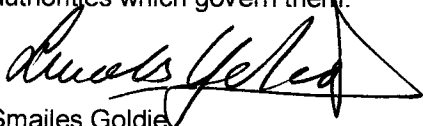
The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

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 charitable company's income and expenditure.

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 1st September 2016 to 31st August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Smailes Goldie
Chartered Accountants
Regent's Court
Princess Street
Hull
East Yorkshire
HU2 8BA

12th December 2017

The Ron Dearing UTC

Statement of Financial Activities
for the year ended 31st August 2017

				Year ended 31.8.17	Period 17.2.16 to 31.8.16	
	Notes	Unrestricted Fund £	Restricted Fixed Assets Funds £	Restricted Funds £	Total funds £	Total funds £
INCOME AND ENDOWMENTS FROM Charitable activities						
Donations and capital grants	3	-	233,638	50,859	284,497	-
Funding for the academy's educational operations	4	-	-	<u>236,039</u>	<u>236,039</u>	-
Total		-	233,638	286,898	520,536	-
EXPENDITURE ON Charitable activities						
Academy's educational operations	5	-	<u>890</u>	<u>289,002</u>	<u>289,892</u>	-
NET INCOME/(EXPENDITURE)		-	232,748	(2,104)	230,644	-
RECONCILIATION OF FUNDS						
Total funds brought forward		-	-	-	-	-
TOTAL FUNDS CARRIED FORWARD		<u>-</u>	<u>232,748</u>	<u>(2,104)</u>	<u>230,644</u>	<u>-</u>

All of the charitable company's activities derive from acquisitions in the current year.

**Balance Sheet
At 31st August 2017**

	Notes	2017 £	2016 £
FIXED ASSETS			
Tangible assets	10	<u>232,747</u>	-
CURRENT ASSETS			
Debtors	11	59,699	-
Cash at bank		<u>189,981</u>	-
		249,680	-
CREDITORS			
Amounts falling due within one year	12	<u>(251,783)</u>	-
NET CURRENT ASSETS/(LIABILITIES)		<u>(2,103)</u>	-
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>230,644</u>	-
NET ASSETS		<u>230,644</u>	-
FUNDS			
Restricted funds	15	<u>230,644</u>	-
TOTAL FUNDS		<u>230,644</u>	-

The financial statements were approved by the Board of Trustees on 12th December 2017 and were signed on its behalf by:



C Spencer -Trustee

The Ron Dearing UTC

**Cash Flow Statement
for the year ended 31st August 2017**

		Year ended 31.8.17 £	Period 17.2.16 to 31.8.16 £
Cash flows from operating activities:	Notes		
Cash generated from operations	20	144,490	-
Interest paid		<u>(238)</u>	<u>-</u>
Net cash provided by operating activities		<u>144,252</u>	<u>-</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(228,644)	-
Capital grants from DfE/ESFA		<u>274,373</u>	<u>-</u>
Net cash provided by investing activities		<u>45,729</u>	<u>-</u>
Change in cash and cash equivalents in the reporting period		189,981	-
Cash and cash equivalents at the beginning of the reporting period		<u>-</u>	<u>-</u>
Cash and cash equivalents at the end of the reporting period		<u>189,981</u>	<u>-</u>

The notes form part of these financial statements

**Notes to the Financial Statements
for the year ended 31st August 2017**

1. STATEMENT OF ACCOUNTING POLICIES

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

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2016 to 2017 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The Ron Dearing UTC meets the definition of a public benefit entity under FRS 102.

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 income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Grants

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

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.

Sponsorship income

Sponsorship income provided to the charity which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where it is probable that the income will be received and the amount can be measured reliably.

Other income

Other income is recognised in the period it is receivable and to the extent the charity has provided the goods or services.

**Notes to the Financial Statements - continued
for the year ended 31st August 2017**

2. ACCOUNTING POLICIES - continued

Donated fixed assets

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the charity's accounting policies.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Charitable activities

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

Tangible fixed assets

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

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. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Furniture and Equipment	25% per annum
ICT Equipment	33.3% per annum

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.

Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 11.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 12. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Notes to the Financial Statements - continued
for the year ended 31st August 2017

2. ACCOUNTING POLICIES - continued

Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

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

Pension costs and other post-retirement benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') a defined benefit scheme.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 18, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

3. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds £	Restricted funds £	Year ended 31.8.17 Total funds £	Period 17.2.16 to 31.8.16 Total funds £
Capital Grants	-	228,645	228,645	-
Transfer from R D Enterprises Limited	-	55,852	55,852	-
	-	<u>284,497</u>	<u>284,497</u>	-

Notes to the Financial Statements - continued
for the year ended 31st August 2017

4. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	Year ended 31.8.17 Total funds £	Period 17.2.16 to 31.8.16 Total funds £
Other DFE Grants	-	160,000	160,000	-
Greenport RDF grant	-	36,257	36,257	-
Pre-opening VAT	-	39,782	39,782	-
	-	<u>236,039</u>	<u>236,039</u>	-

5. EXPENDITURE

	Staff costs £	Non-pay expenditure Premises Other costs £ £		Year ended 31.8.17 Total £	Period 17.2.16 to 31.8.16 Total £
Charitable activities Academy's educational operations					
Direct costs	92,039	-	-	92,039	-
Allocated support costs	<u>3,572</u>	<u>4,386</u>	<u>189,895</u>	<u>197,853</u>	-
	<u>95,611</u>	<u>4,386</u>	<u>189,895</u>	<u>289,892</u>	-

Net income/ (expenditure) is stated after charging/ (crediting):

	Year ended 31.8.17 £	Period 17.2.16 to 31.8.16 £
Auditors' remuneration	2,500	-
Auditors' remuneration for non-audit work	750	-
Depreciation - owned assets	<u>891</u>	-

Notes to the Financial Statements - continued
for the year ended 31st August 2017

6. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	Year ended 31.8.17 Total funds £	Period 17.2.16 to 31.8.16 Total funds £
Direct costs	-	92,039	92,039	-
Support costs	-	197,853	197,853	-
	-	289,892	289,892	-

	Year ended 31.8.17 Total £	Period 17.2.16 to 31.8.16 Total £
Analysis of support costs		
Support staff costs	3,572	-
Depreciation	890	-
Technology costs	173	-
Premises costs	4,386	-
Other support costs	185,582	-
Governance costs	3,250	-
Total support costs	197,853	-

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st August 2017 nor for the period ended 31st August 2016.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31st August 2017 nor for the period ended 31st August 2016.

Notes to the Financial Statements - continued
for the year ended 31st August 2017

8. STAFF COSTS

	Year ended 31.8.17 £	Period 17.2.16 to 31.8.16 £
Wages and salaries	74,248	-
Social security costs	9,308	-
Operating costs of defined benefit pension schemes	<u>11,750</u>	<u>-</u>
	95,306	-
Staff training costs	<u>305</u>	<u>-</u>
	<u>95,611</u>	<u>-</u>

The average number of persons (including senior management team) employed by the charitable company during the year was as follows:

	Year ended 31.8.17	Period 17.2.16 to 31.8.16
Teaching	<u>2</u>	<u>-</u>

No employees received emoluments in excess of £60,000.

Key Management Personnel

The key management personnel of the Academy Trust comprise the senior management team as listed on page 1. The total remuneration and other benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £64,743 (2016: £nil).

9. TRUSTEES' AND OFFICERS' INSURANCE

The charitable company 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 £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.