

The Ron Dearing UTC
(A company limited by guarantee)

**Annual Report and
Financial Statements**

**For the year ended
31st August 2020**

The Ron Dearing UTC

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The Ron Dearing UTC

Reference and Administrative Details

Members	C Spencer Prof A E H Speight A R Bullock
Trustees (Directors)	C Spencer J Connolly Dr B Charlesworth Dr W Grundy Y Moir J Speedy (resigned 15 November 2019) K Arundel K Wilkinson S M Royce D Hallett (resigned 15 November 2019) Prof S Kelly L Rogers D Keel R Martin K MacDonald C Lorenz
Senior Management Team	S Pashley, School Principal M Ollerenshaw, Vice Principal S Willacy, Vice Principal
Principal and Registered Office	The Ron Dearing UTC Kingston Square Hull HU2 8BQ
Registration Number	10009591
Auditor	Smailes Goldie Regent's Court Princess Street Hull East Yorkshire HU2 8BA
Bankers	Lloyds Bank Plc Grand Buildings Jameson Street Hull HU1 3JX

The Ron Dearing UTC

Reference and Administrative Details (continued)

Solicitors	Rollits LLP Citadel House 58 High Street Hull HU1 1QE
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The Ron Dearing UTC

Trustees' Report for the Year Ended 31 August 2020

The Trustees present their Annual Report together with the Financial Statements and Auditors' Report of the charitable company for the year ended 31 August 2020. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

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 The Ron Dearing UTC are also the directors of the charitable company for the purposes of company law. The charitable company is known as The Ron Dearing UTC. Details of the Trustees who served during the year 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 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 £1 for the debts and liabilities contracted before he/she ceases 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.

Method of recruitment and appointment or election of Trustees

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

Policies and procedures adopted for the induction and training of Trustees

The Academy Trust is committed to approving 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. A thorough skills analysis is undertaken annually to ensure trustees receive the training they need to fulfil their role and carry out the objects 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 Academy 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.

The Ron Dearing UTC

Trustees' Report for the Year Ended 31 August 2020 (continued)

Arrangements for setting pay and remuneration of key management personnel

The Trust has established a Pay Progression Sub Committee to determine the pay and remuneration of its staff. In particular, supported by the Trust's appointed Education Adviser, the committee determines the basic pay, bonus and other remuneration factors of the Principal and Vice Principals.

As well as data from the education sector, the links with business, allows the Trust to have access to information on the pay and conditions of senior staff within the region.

With the exception of the Principal, staff are on pay points agreed nationally for both teaching and non-teaching staff. Performance reviews take place in the Autumn Term, in accordance with the Trust's pay policy and changes in pay as a result of both national agreements and individual performance take effect from 1 September.

Trade union facility time

There are no relevant union officials employed the Academy Trust.

Related Parties and other Connected Charities and Organisations

A key element to the provision of the UTC is its links to industry. The Founding Partners of the UTC are:

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

The Ron Dearing UTC

Trustees' Report for the Year Ended 31 August 2020 (continued)

The UTC has engaged with the following companies as Major Partners and Partners. Further details of the arrangements Ron Dearing UTC has with its partners can be found on our website (www.rondearingutc.com).

- APD Comms (Major Partner)
- ARCO (Major Partner)
- Bonus Accessories (Major Partner)
- BP (Major Partner)
- C4DI & Wykeland Limited (Major Partner)
- Fujitsu (Major Partner)
- Greenport Hull (Major Partner)
- Ideal Boilers Ltd (Major Partner)
- Luxinar (Major Partner)
- Mira Showers (Major Partner)
- ORSTED (Major Partner)
- Sauce Consulting (Major Partner)
- Sewell Group (Major Partner)
- Sonco Trident (Major Partner)
- Wren Kitchens (Major Partner)
- Air Products (Partner)
- AJ Building (Partner)
- Baumer (Partner)
- Emerson Kitney (Partner)
- Horncastle (Partner)

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

Objectives and activities

Objects and aims

The principal objective of the Academy 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'.

The Ron Dearing UTC

Trustees' Report for the Year Ended 31 August 2020 (continued)

Objectives, strategies and activities

The key focus of the Academy Trust, its Trustees and staff, is to provide a unique employer-driven education to give our young people the edge in a rapidly evolving digital world.

RDUTC supports regional economic growth, developing tomorrow's workforce through innovative and pioneering education. As a distinctive learning community, we ensure that all students are motivated and inspired to become confident, skilled, employable and entrepreneurial professionals in particular in our specialisms of Engineering, Creative Digital and Technical Digital.

We ensure that all our students gain the knowledge, skills, attributes and qualifications they need to have the widest possible choice of career pathways both within and beyond our specialist areas.

We actively support and encourage students to be visionary, creative and entrepreneurial; to be ready and able to take risks and manage the consequences. We nurture the talents and aptitudes of young men and women to become active global citizens in the 21st century, ready to take on the world

The strategies Trustees put in place to recruit students, employ key staff and become a major partner for Hull businesses have continued throughout the year. As part of this strategy the UTC has partnered with GORSE SCITT, an Ofsted outstanding provider in school centred initial teacher training

The UTC's curriculum at Key Stage 4 and post-16 has been carefully developed to ensure students gain all the key academic qualifications they need, as well as enabling them to study a range of professional and technical qualifications that the UTC's employer sponsors tell us are essential for students to succeed in the work place and at university. In addition to these exciting qualifications, the UTC prioritises the development of important personal and employability skills, including teamwork, leadership, communication, independence, resilience and entrepreneurship.

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 Academy Trust has operated in accordance with the terms of the funding provided by the Department for Education and other public bodies.

In setting our objectives and planning our activities the Trustees have carefully considered the Charity Commission's general guidance on public benefit.

The Ron Dearing UTC

Trustees' Report for the Year Ended 31 August 2020 (continued)

Strategic Report

Charitable activities

The purpose-built college opened in September 2017 and is now in its fourth year. Recruitment of students has surpassed targets agreed with the Department for Education, and significant partnerships to deliver project-based learning have been established with our partner employers.

In March 2020 the UTC was inspected by Ofsted – and received a glowing report and a rating of outstanding in all areas. Ofsted reported that:

“Ron Dearing UTC has the hallmarks of a school that could be viewed as a guiding light in the educational sector. Pupils attending the school are fortunate to receive an exceptional quality of education. Many parents and carers say that, since starting at the school, their children have changed for the better. Indeed, pupils are mature and act professionally at all times. They achieve particularly well from their different starting points.

Pupils' behaviour is exemplary. Staff and pupils report very high levels of satisfaction. Pupils say that staff really care about them and that they feel safe. Relationships between pupils and staff are extremely positive. Everyone is on first name terms. When walking around the superb facilities and observing the interactions between staff and pupils, one could be excused for forgetting that you are in a school at all. Leaders have worked hard to create an environment which is business-like and heavily focused on the world of work.

The school has considerable links to industry and business in the local area and beyond. Pupils and staff work very closely with professionals, both in the school and the workplace. Pupils develop a wide range of employability skills so they are ready to enter the world of work.

So far, when leaving the school, all pupils have secured apprenticeships with the school's partner employers, attended university or found alternative employment.”

The full report can be found at - <https://reports.ofsted.gov.uk/provider/23/144766>

The Ron Dearing UTC

Trustees' Report for the Year Ended 31 August 2020 (continued)

Strategic Report

Students at the UTC have achieved excellent results in their GCSEs and level 2 Technical qualifications for the second year in a row, confirming Ofsted's judgement that the school provides its students with an outstanding education.

Highlights of the GCSE results achieved by Ron Dearing UTC's Year 11 students include:

- 81% of students achieved grades 4-9 in both English and Maths.
- 50% of students secured grades 5-9 in English and Maths.

The Hull school's specialisms have also performed exceptionally strongly, with a significant number of students achieving the highest grades:

- 33% of students achieved Distinction* or Distinction in Creative iMedia.
- 30% achieved Distinction* or Distinction in Digital Technology.
- 46% awarded Distinction* or Distinction in Engineering Design.

Results at A level were also outstanding. All 80 Year 13 students at the school are now set to secure employment, an apprenticeship or a place at university after an overall pass rate of 100%.

Highlights at A level, included:

- 40% of all grades are A* or A.
- 86% of grades are A*-C.
- Seventeen students have straight A* or A grades.

The results are based on centre assessed grades submitted by the school which have been subjected to a process of moderation by Ofqual, the independent qualifications regulator.

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

The principal source of funding for the trust during the year were from pupil led funding from the Education & Skills Funding Agency (ESFA). As a new academy, the UTC also received additional funds to cover dis-economies of scale and help to provide the specialist resources required by the UTC.

Significant funds were also received from its Partners, that have enabled the UTC to provide additional resources and support for its students.

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

The Ron Dearing UTC

Trustees' Report for the Year Ended 31 August 2020 (continued)

Strategic Report

Reserves Policy

The reserves at the end of the year are £352,900 (2019: £811,492). Of this, £586,420 (2019: £380,263) is total reserves excluding the fixed asset and pension reserves,

The majority of the activity undertaken and expenditure incurred by the trust is supported by regular payments from the ESFA. These payments include support to cover dis-economies of scale, but given the success of the UTC in recruiting students, these dis-economies are not as prevalent. The growing reserves will be used for the benefit of the current students and set aside to cover future costs relating to the replacement and development of our ICT.

Trustees believe that it is prudent to have reserves to cover up to 3 months of regular expenditure, this equates to approximately £500k.

Investments Policy

The Academy Trust currently has no investments. To maintain the Academy Trust's cash flow requirements all monies are currently held in an interest bearing current account.

Trustees are mindful that additional investments may be prudent in the future and, should the opportunity arise, have agreed an investment policy.

Principal Risks and Uncertainties

A finance subcommittee has been established by Trustees, whose remit is to consider the principal risks and uncertainties the Academy Trust faces. A risk register has been established, with the nature of the risk, its likelihood of occurring and impact, and any mitigating circumstances recorded. The register is formally reviewed twice a year and trustees are reminded of the key risks as part on the monthly management accounts.

The Trustees and staff, supported by the Department for Education and Local Authority, have managed the risks relating to COVID-19 in accordance with the guidance available. Adjustments to the building and day to day activities have been made to ensure staff and pupils are safe. We will continue to make all adjustments required to maintain a safe environment, whilst monitoring the additional costs to do so.

The Trustee's assessment of the principal long-term risks and uncertainties facing the UTC as:

- **ICT Infrastructure** - The ability to maintain and develop the specialist platforms (ICT) required to deliver its curriculum.
- **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. The additional support the UTSC has received from the Department for Education is due to end in 2021/2022.
- **Sponsor Income** - Our USP is the involvement of our partners. Many of partners initially signed 3-year agreements which were renewed September 2020. Additional partners are also be sought to support the UTC.
- **Staff** - The ability to recruit and retain staff with the knowledge required to deliver in specialist areas. With the success of the UTC the loss of key staff to other education establishments is more likely than in earlier years.

The Ron Dearing UTC

Trustees' Report for the Year Ended 31 August 2020 (continued)

Strategic Report

- Students - The ability to attract sufficient students that are able to undertake the curriculum offered by the UTC.

Fundraising

The UTC secures additional funds through sponsor and partner firms. The UTC is supported by Founding Partners, Major Partners (who provide the same level of support as our Founding Partners) and Partners. In addition to supporting the college, some partners have also bought naming rights to rooms within the college.

Potential partners meet with the Principal and / or Chair to ensure that the relationship is mutually beneficial and provides added value to the education of the UTC's students. Partnership agreements are formally drawn up with the assistance of advice provided by the UTC's solicitors.

All partners commit to meeting with the UTC to monitor the development of the partnership.

Plans for Future Periods

Having reached capacity ahead of schedule and achieved an outstanding Ofsted report the UTC is seeking ways to share its good practices and extend the influence it has both locally and nationally. Careful consideration of how this might be undertaken, whilst maintaining standards at the UTC, is underway.

Plans will be agreed and monitored by trustees, who have developed a number of groups to help it to monitor progress against its plans, involving not only trustees employed by the UTC's business partners, but also representatives from the partners HR and Production teams.

The full Governing Body meets at least three times a year, so consider the overall effectiveness of the UTC and receive reports from the committees.

Committees generally meet once per term; these cover Finance & Audit, Pay and Progression, Curriculum Development, Teaching & Learning, Employability Skills, Safeguarding and Health & Safety.

Auditor

In so far as the Trustees are aware:

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

Reappointment of auditor

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Smailes Goldie as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

The Trustees' Report, incorporating a strategic report, was approved by the Board of Trustees on 2 December 2020 and signed on its behalf by:

The Ron Dearing UTC

Trustees' Report for the Year Ended 31 August 2020 (continued)

Strategic Report

A handwritten signature in blue ink, appearing to read 'C Spencer', is written over a horizontal dotted line.

C Spencer
Chair

The Ron Dearing UTC

Governance Statement

Statement on governance and internal control

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that The 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 S Pashley, 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 The 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' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 3 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
C Spencer	3	3
K Arundel	1	3
Dr B Charlesworth	1	3
J Connolly	2	3
Dr W Grundy	3	3
D Keel	1	3
Prof S Kelly	0	3
C Lorenz	2	3
K MacDonald	3	3
R Martin	1	3
Y Moir	2	3
S Pashley	3	3
L Rogers	1	3
S M Royce	1	3
K Wilkinson	2	3

Governance reviews

As part of the development of the Board of Trustees, and in accordance with the Academies Financial Handbook, a detailed review of governance arrangements took place, led by an experienced external adviser. The adviser spoke with individual Trustees and attended Trust meetings; producing their report in July 2019, for consideration by Trustees.

Trustees will continue to review arrangements each year.

The Ron Dearing UTC

Governance Statement (continued)

Review of value for money

As Accounting Officer the member 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 seeks 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.

During the year, following discussion with Trustees, changes were made to the staffing structure within the UTC to reflect the growth over the first 3 years. A review of existing contracts was undertaken, though no significant changes resulted from this.

Trustees approved proposals for staff to be involved with other schools as consultants, to support programmes to retain staff, share our expertise and derive additional income for the UTC.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of 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 The Ron Dearing UTC for the year ended 31 August 2020 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 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 ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ended 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Ron Dearing UTC

Governance Statement (continued)

The risk and control framework

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

- 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. The Trust appointed the chief finance officer of UTC Leeds to carry out a peer review. The work included:

- testing of payroll systems;
- testing of purchase and sales ledger systems;
- testing of control account/bank reconciliations;
- review of financial information presented to Trustees.

The report from the peer review was reported to the Finance and Audit committee in June 2020 and actions identified to improve the controls within the UTC.

The peer review work was undertaken as planned, and there were no material control or other issues reported. The next peer review will be undertaken in the Spring 2021.

Review of effectiveness

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

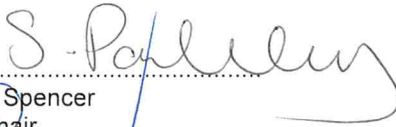
- the work of the responsible officer (peer review);
- the work of the external auditor;
- the financial management and governance self assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control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

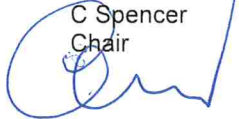
The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Ron Dearing UTC

Governance Statement (continued)

Approved by the Board of Trustees on 2 December 2020 and signed on its behalf by:


.....
C Spencer
Chair


.....
S Pashley
Accounting Officer

The Ron Dearing UTC

Statement on Regularity, Propriety and Compliance

As Accounting Officer of The Ron Dearing UTC I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and 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 2019.

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

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Board of Trustees and the ESFA.

A handwritten signature in black ink, appearing to read 'S. Pashley', written over a dotted line.

S Pashley
Accounting Officer

2 December 2020

The Ron Dearing UTC

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 and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and apply them consistently
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020
- 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 the Board of Trustees on 2 December 2020 and signed on its behalf by:



C Spencer
Chair

The Ron Dearing UTC

Independent Auditor's Report on the Financial Statements 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 31 August 2020, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including 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 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2020 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Academy Trust 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 Academy Trust'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 Trustees' annual report, other than the financial statements and our auditor's report thereon. Other information includes the Trustees' report (incorporating the Strategic Report and the Directors' Report), the Governance statement, and the Accounting Officer's 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.

The Ron Dearing UTC

Independent Auditor's Report on the Financial Statements to the Members of The Ron Dearing UTC (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 17], the Trustees (who are also the Directors of the Academy Trust 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 Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy Trust or to cease operations, or have no realistic alternative but to do so.

The Ron Dearing UTC

Independent Auditor's Report on the Financial Statements to the Members of The Ron Dearing UTC (continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report

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



.....
Luke Taylor BSc(Hons) ACA (Senior Statutory Auditor)
For and on behalf of Smailes Goldie,
Chartered Accountants
Statutory Auditor
Regent's Court
Princess Street
Hull
East Yorkshire
HU2 8BA

2 December 2020

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.

The Ron Dearing UTC

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

In accordance with the terms of our engagement letter dated 12 November 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Ron Dearing UTC during the period 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Ron Dearing UTC and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may 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 Governing Body's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of the The Ron Dearing UTC's funding agreement with the Secretary of State for Education dated 1 September 2016 and the Academies Financial Handbook extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by 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 Ron Dearing UTC

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

The work undertaken to draw to our conclusion includes:

- Ensuring value for money is sought for all goods/services procured by the Academy Trust, including those procured from related parties of the Academy Trust.
- Ensuring that fixed asset additions are made in line with the terms of the funding received and that fixed asset disposals are properly authorised by the DfE.
- Ensuring that expenditure incurred through the Academy Trust bank account and debit card is appropriate for the purposes of the Academy Trust and that there has been no personal expenditure from the Academy Trust's funds.
- Ensuring pension contributions are paid to the respective schemes in a timely manner.
- Ensuring returns required by regulatory or funding authorities are completed on a timely basis.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from 1 September 2019 to 31 August 2020 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

2 December 2020

The Ron Dearing UTC

Statement of Financial Activities for the Year Ended 31 August 2020 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2019/20 Total £	2018/19 Total £
Income and endowments from:						
Donations and capital grants	2	132,000	-	30,183	162,183	222,591
<i>Charitable activities:</i>						
Funding for the Academy trust's educational operations	3	19,601	3,911,717	-	3,931,318	3,406,463
Investments	4	821	-	-	821	351
Total		152,422	3,911,717	30,183	4,094,322	3,629,405
Expenditure on:						
Raising funds	5	1,522	-	-	1,522	4,595
<i>Charitable activities:</i>						
Academy trust educational operations	6	8,001	3,843,618	439,773	4,291,392	3,640,770
Total		9,523	3,843,618	439,773	4,292,914	3,645,365
Net income/(expenditure)		142,899	68,099	(409,590)	(198,592)	(15,960)
Transfers between funds		(121,841)	-	121,841	-	-
Other recognised gains and losses						
Actuarial gains on defined benefit pension schemes	22	-	(260,000)	-	(260,000)	(58,000)
Net movement in funds/(deficit)		21,058	(191,901)	(287,749)	(458,592)	(73,960)
Reconciliation of funds						
Total funds brought forward at 1 September 2019		11,759	210,504	589,229	811,492	885,452
Total funds carried forward at 31 August 2020		32,817	18,603	301,480	352,900	811,492

The Ron Dearing UTC

(Registration number: 10009591)

Balance Sheet as at 31 August 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	11	301,480	589,229
Current assets			
Debtors	12	86,487	46,531
Cash at bank and in hand		<u>761,125</u>	<u>693,984</u>
		847,612	740,515
Creditors: Amounts falling due within one year	13	<u>(261,192)</u>	<u>(360,252)</u>
Net current assets		<u>586,420</u>	<u>380,263</u>
Total assets less current liabilities		<u>887,900</u>	<u>969,492</u>
Net assets excluding pension liability		887,900	969,492
Pension scheme liability	22	<u>(535,000)</u>	<u>(158,000)</u>
Net assets including pension liability		<u><u>352,900</u></u>	<u><u>811,492</u></u>
Funds of the Academy:			
Restricted funds			
Restricted general fund		18,603	210,504
Restricted fixed asset fund		<u>301,480</u>	<u>589,229</u>
		320,083	799,733
Unrestricted funds			
Unrestricted general fund		<u>32,817</u>	<u>11,759</u>
Total funds		<u><u>352,900</u></u>	<u><u>811,492</u></u>

The financial statements on pages 23 to 47 were approved by the Board of Trustees, and authorised for issue on 2 December 2020 and signed on their behalf by:

.....
C Spencer
Chair

The Ron Dearing UTC

Statement of Cash Flows for the Year Ended 31 August 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by operating activities	17	167,407	524,103
Interest paid		-	-
Cash inflows from investing activities	18	<u>(100,266)</u>	<u>(75,005)</u>
Change in cash and cash equivalents in the year		67,141	449,098
Cash and cash equivalents at 1 September		<u>693,984</u>	<u>244,886</u>
Cash and cash equivalents at 31 August	19	<u><u>761,125</u></u>	<u><u>693,984</u></u>

The Ron Dearing UTC

Notes to the Financial Statements for the Year Ended 31 August 2020

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 2019 to 2020 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 have taken note of the guidance issued by the Financial Reporting Council on Going Concern Assessments in determining that this is the appropriate basis of preparation of the financial statements and have considered a number of factors. The Trustees considered plausible downside scenarios resulting from the impact of the COVID-19 outbreak and its effect on the general position of the Academy Trust and its longer term viability. This has specifically included reviewing the levels of surplus cash and reserves and detailed forecasting using sensitivity analysis to ensure that the worst case scenario situation does not put the going concern concept at risk. 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, certainty of receipt and the amount can be measured reliably.

The Ron Dearing UTC

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

Grants

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

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

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the Balance Sheet in the restricted fixed asset fund. Capital grants are spent on capital projects in line with the terms and conditions of the grant. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Sponsorship income

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

Donations

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

Other income

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

Donated goods, facilities and services

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

The Ron Dearing UTC

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 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 Academy Trust's accounting policies.

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.

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.

The Ron Dearing UTC

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

Tangible fixed assets

Assets costing £3,000 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 and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful lives, per the table below.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

Asset class	Depreciation method and rate
Furniture and Equipment	25% per annum
ICT Equipment	33.3% per annum

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.

Leased assets

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

Financial Instruments

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

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

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

The Ron Dearing UTC

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 13. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Taxation

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

Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pension benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial 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 gains and losses.

The Ron Dearing UTC

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by 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.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in the pension and similar obligations note, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	2019/20 Total £	2018/19 Total £
Capital grants	-	30,183	30,183	68,006
Other donations	132,000	-	132,000	154,585
	<u>132,000</u>	<u>30,183</u>	<u>162,183</u>	<u>222,591</u>

The Ron Dearing UTC

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

3 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	2019/20 Total £	2018/19 Total £
DfE/ESFA revenue grants				
General Annual Grant (GAG)	-	3,140,599	3,140,599	2,716,706
Other DfE/ ESFA grants	-	472,493	472,493	311,614
Start Up grants	-	83,000	83,000	209,500
	-	3,696,092	3,696,092	3,237,820
Other government grants				
Local authority grants	-	152,528	152,528	79,568
Non-government grants and other income				
Other income from the academy trust's operations	19,601	63,097	82,698	89,075
Total grants	<u>19,601</u>	<u>3,911,717</u>	<u>3,931,318</u>	<u>3,406,463</u>

4 Investment income

	Unrestricted funds £	Restricted funds £	2019/20 Total £	2018/19 Total £
Short term deposits	<u>821</u>	<u>-</u>	<u>821</u>	<u>351</u>

The Ron Dearing UTC

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

5 Expenditure

	Non Pay Expenditure			2019/20	2018/19
	Staff costs	Premises	Other costs	Total	Total
	£	£	£	£	£
Expenditure on raising funds					
Direct costs	-	-	1,522	1,522	4,595
Academy's educational operations					
Direct costs	2,306,381	-	280,054	2,586,435	2,225,629
Allocated support costs	715,463	560,117	429,377	1,704,957	1,415,141
	<u>3,021,844</u>	<u>560,117</u>	<u>710,953</u>	<u>4,292,914</u>	<u>3,645,365</u>

Net income/(expenditure) for the year includes:

	2019/20	2018/19
	£	£
Operating lease rentals	6,511	5,663
Depreciation	419,019	396,181
Fees payable to auditor - audit	7,500	7,000
Fees payable to auditor - other non-audit services	<u>2,000</u>	<u>1,875</u>

6 Charitable activities

	2019/20	2018/19
	£	£
Direct costs - educational operations	2,586,435	2,225,629
Support costs - educational operations	<u>1,704,957</u>	<u>1,415,141</u>
	<u>4,291,392</u>	<u>3,640,770</u>

The Ron Dearing UTC

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

6 Charitable activities (continued)

	2019/20 Total £	2018/19 Total £
Analysis of support costs		
Support staff costs	715,463	488,932
Depreciation	419,019	396,181
Technology costs	57,755	30,634
Premises costs	141,098	118,471
Legal costs - other	-	2,230
Other support costs	326,741	329,335
Governance costs	44,881	49,358
Total support costs	<u>1,704,957</u>	<u>1,415,141</u>

7 Staff

Staff costs

	2019/20 £	2018/19 £
Staff costs during the year were:		
Wages and salaries	2,213,608	1,833,931
Social security costs	227,199	188,958
Operating costs of defined benefit pension schemes	581,037	353,688
	<u>3,021,844</u>	<u>2,376,577</u>
Supply staff costs	-	6,516
	<u>3,021,844</u>	<u>2,383,093</u>

Staff numbers

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

	2019/20 No	2018/19 No
Charitable Activities		
Teachers	33	28
Administration and support	30	21
Management	7	7
	<u>70</u>	<u>56</u>

The Ron Dearing UTC

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

7 Staff (continued)

Higher paid staff

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

	2020 No	2019 No
£70,001 - £80,000	2	2
£120,001 - £130,000	-	1
£130,001 - £140,000	1	-

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 £389,362 (2019: £359,754).

8 Related party transactions - trustees' remuneration and expenses

There were no Trustees' remuneration or other benefits for the year ended 31 August 2020 nor for the year ended 31 August 2019.

Trustees' expenses

During the year ended 31 August 2020, travel and subsistence expenses totalling £247 were reimbursed or paid directly to 1 Trustee. No travel and subsistence expenses were reimbursed or paid directly to Trustees during the year ended 31 August 2019.

Other related party transactions involving the Trustees are set out in note 23.

9 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 Trust business, and provides unlimited cover on any one claim. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme membership. The cost of this insurance is included in the total insurance cost.

The Ron Dearing UTC

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

10 Statement of financial activities for prior year

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2018/19 Total £
Income and endowments from:					
Donations and capital grants	2	124,175	-	98,416	222,591
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	15,360	3,391,103	-	3,406,463
Investments	4	351	-	-	351
Total		<u>139,886</u>	<u>3,391,103</u>	<u>98,416</u>	<u>3,629,405</u>
Expenditure on:					
Raising funds	5	4,595	-	-	4,595
<i>Charitable activities:</i>					
Academy trust educational operations	6	<u>35,509</u>	<u>3,197,122</u>	<u>408,139</u>	<u>3,640,770</u>
Total		<u>40,104</u>	<u>3,197,122</u>	<u>408,139</u>	<u>3,645,365</u>
Net income/(expenditure)		99,782	193,981	(309,723)	(15,960)
Transfers between funds		(176,426)	119,523	56,903	-
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	22	<u>-</u>	<u>(58,000)</u>	<u>-</u>	<u>(58,000)</u>
Net movement in (deficit)/funds		(76,644)	255,504	(252,820)	(73,960)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2018		<u>88,403</u>	<u>(45,000)</u>	<u>842,049</u>	<u>885,452</u>
Total funds carried forward at 31 August 2019		<u>11,759</u>	<u>210,504</u>	<u>589,229</u>	<u>811,492</u>

The Ron Dearing UTC

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

11 Tangible fixed assets

	Furniture and equipment £	Computer equipment £	Total £
Cost			
At 1 September 2019	234,008	1,055,042	1,289,050
Additions	<u>35,925</u>	<u>95,345</u>	<u>131,270</u>
At 31 August 2020	<u>269,933</u>	<u>1,150,387</u>	<u>1,420,320</u>
Depreciation			
At 1 September 2019	96,670	603,151	699,821
Charge for the year	<u>62,222</u>	<u>356,797</u>	<u>419,019</u>
At 31 August 2020	<u>158,892</u>	<u>959,948</u>	<u>1,118,840</u>
Net book value			
At 31 August 2020	<u>111,041</u>	<u>190,439</u>	<u>301,480</u>
At 31 August 2019	<u>137,338</u>	<u>451,891</u>	<u>589,229</u>

The property to which the Academy Trust operates has not yet been recognised in the financial statements because it is currently occupied under a licence to occupy arrangement with Kingston upon Hull City Council.

12 Debtors

	2020 £	2019 £
Sundry debtors	1,200	-
VAT recoverable	50,559	25,891
Other debtors	11,363	625
Prepayments and accrued income	<u>23,365</u>	<u>20,015</u>
	<u>86,487</u>	<u>46,531</u>

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Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

13 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	64,223	66,597
Other taxation and social security	57,200	47,389
Other creditors	53,677	156,980
Accruals and deferred income	86,092	89,286
	<u>261,192</u>	<u>360,252</u>

	2020 £	2019 £
Deferred income		
Deferred income at 1 September 2019	11,760	11,502
Resources deferred in the period	20,184	11,760
Amounts released from previous periods	<u>(11,760)</u>	<u>(11,502)</u>
Deferred income at 31 August 2020	<u>20,184</u>	<u>11,760</u>

Deferred income carried forward relates to grant funding and bursary income received for the 2020-21 Academic Year.

14 Funds

	Balance at 1 September 2019 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	368,504	3,140,599	(2,955,500)	-	553,603
Start Up Grant	-	83,000	(83,000)	-	-
Pension fund	(158,000)	-	(117,000)	(260,000)	(535,000)
Other DfE/EFA Grants	-	625,021	(625,021)	-	-
Other restricted funds	-	63,097	(63,097)	-	-
	<u>210,504</u>	<u>3,911,717</u>	<u>(3,843,618)</u>	<u>(260,000)</u>	<u>18,603</u>

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Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

14 Funds (continued)

	Balance at 1 September 2019 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted fixed asset funds					
DfE/ESFA Capital Grant	417,412	30,183	(339,277)	-	108,318
Other fixed assets	170,766	-	(99,491)	121,841	193,116
Fixed assets transferred from R D Enterprises Limited	1,051	-	(1,005)	-	46
	<u>589,229</u>	<u>30,183</u>	<u>(439,773)</u>	<u>121,841</u>	<u>301,480</u>
Total restricted funds	799,733	3,941,900	(4,283,391)	(138,159)	320,083
Unrestricted funds					
Unrestricted general funds	<u>11,759</u>	<u>152,422</u>	<u>(9,523)</u>	<u>(121,841)</u>	<u>32,817</u>
Total funds	<u>811,492</u>	<u>4,094,322</u>	<u>(4,292,914)</u>	<u>(260,000)</u>	<u>352,900</u>

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

Other DfE/ESFA grants and other restricted grants must be used for the specific purpose for which they are given. Such grants and income enable the Academy Trust to fulfil its charitable objectives.

Restricted Fixed Asset Funds include the fixed assets transferred to the Academy Trust and DfE/ESFA capital grants. These funds represent fixed assets transferred from R D Enterprises and assets purchased from DfE/ESFA capital grants received.

General Annual Grant (GAG) must be used for the normal running costs of the Academy. 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 as at 31 August 2020.

Restricted Pension Fund relates to the deficit on the Local Government Pension Scheme.

During the year amount of £121,841 was transferred from the Unrestricted Fund to the Restricted Fixed Asset Fund to fund capital expenditure during the year.

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Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

14 Funds (continued)

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

	Balance at 1 September 2018 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	-	2,716,706	(2,348,202)	-	368,504
Start Up Grant	-	209,500	(209,500)	-	-
Pension fund	(45,000)	-	(55,000)	(58,000)	(158,000)
Other DfE/EFA Grants	-	391,182	(510,705)	119,523	-
Other restricted funds	-	73,715	(73,715)	-	-
	<u>(45,000)</u>	<u>3,391,103</u>	<u>(3,197,122)</u>	<u>61,523</u>	<u>210,504</u>
Restricted fixed asset funds					
DfE/ESFA Capital Grant	679,599	68,006	(336,072)	5,879	417,412
Other fixed assets	159,827	30,410	(70,495)	51,024	170,766
Fixed assets transferred from R D Enterprises Limited	<u>2,623</u>	<u>-</u>	<u>(1,572)</u>	<u>-</u>	<u>1,051</u>
	<u>842,049</u>	<u>98,416</u>	<u>(408,139)</u>	<u>56,903</u>	<u>589,229</u>
Total restricted funds	797,049	3,489,519	(3,605,261)	118,426	799,733
Unrestricted funds					
Unrestricted general funds	<u>88,403</u>	<u>139,886</u>	<u>(40,104)</u>	<u>(176,426)</u>	<u>11,759</u>
Total funds	<u>885,452</u>	<u>3,629,405</u>	<u>(3,645,365)</u>	<u>(58,000)</u>	<u>811,492</u>

15 Analysis of net assets between funds

Fund balances at 31 August 2020 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	301,480	301,480
Current assets	32,817	802,724	12,071	847,612
Current liabilities	-	(249,121)	(12,071)	(261,192)
Pension scheme liability	-	(535,000)	-	(535,000)
Total net assets	<u>32,817</u>	<u>18,603</u>	<u>301,480</u>	<u>352,900</u>

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

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Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

15 Analysis of net assets between funds (continued)

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	589,229	589,229
Current assets	11,759	728,756	-	740,515
Current liabilities	-	(360,252)	-	(360,252)
Pension scheme liability	-	(158,000)	-	(158,000)
Total net assets	<u>11,759</u>	<u>210,504</u>	<u>589,229</u>	<u>811,492</u>

16 Commitments under operating leases

Operating leases

At 31 August 2020 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2020 £	2019 £
Amounts due within one year	6,511	6,511
Amounts due between one and five years	<u>7,599</u>	<u>8,431</u>
	<u>14,110</u>	<u>14,942</u>

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Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

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

	2019/20	2018/19
	£	£
Net expenditure	(198,592)	(15,960)
Depreciation	419,019	396,181
Capital grants from DfE and other capital income	(30,183)	(68,006)
Interest receivable	(821)	(351)
Defined benefit pension scheme cost less contributions payable	113,000	53,000
Defined benefit pension scheme finance cost	4,000	2,000
(Increase)/decrease in debtors	(39,956)	20,302
(Decrease)/increase in creditors	(99,060)	136,937
Net cash provided by Operating Activities	<u>167,407</u>	<u>524,103</u>

18 Cash flows from investing activities

	2019/20	2018/19
	£	£
Purchase of tangible fixed assets	(131,270)	(143,362)
Capital funding received from sponsors and others	30,183	68,006
Interest received	821	351
Net cash used in investing activities	<u>(100,266)</u>	<u>(75,005)</u>

19 Analysis of cash and cash equivalents

	2020	2019
	£	£
Cash at bank and in hand	<u>761,125</u>	<u>693,984</u>
Total cash and cash equivalents	<u>761,125</u>	<u>693,984</u>

20 Analysis of changes in net debt

	At 1 September 2019	Cash flows	At 31 August 2020
	£	£	£
Cash	<u>693,984</u>	<u>67,141</u>	<u>761,125</u>
Total	<u>693,984</u>	<u>67,141</u>	<u>761,125</u>

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Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

21 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 £1 for the debts and liabilities contracted before he/she ceases to be a member.

22 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 East Riding of Yorkshire 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 £53,667 were payable to the schemes at 31 August 2020 (2019: £37,447) 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. 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 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 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

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Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

22 Pension and similar obligations (continued)

- 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%.

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 £394,600 (2019: £243,708).

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

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

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £99,000 (2019 - £72,000), of which employer's contributions totalled £73,000 (2019 - £53,000) and employees' contributions totalled £26,000 (2019 - £19,000). The agreed contribution rates for future years are 17.5 percent for employers and between 5.5 and 12.5 percent 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

	2020 %	2019 %
Rate of increase in salaries	3.10	2.50
Rate of increase for pensions in payment/inflation	2.20	2.30
Discount rate for scheme liabilities	1.70	1.90

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

	2020	2019
Retiring today		
Males retiring today	20.90	20.80
Females retiring today	23.30	23.30
Retiring in 20 years		
Males retiring in 20 years	21.80	22.00
Females retiring in 20 years	24.80	24.90

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Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

22 Pension and similar obligations (continued)

Sensitivity analysis

	2020 £	2019 £
0.5% decrease in real discount rate	155,000	51,000
0.5% increase in the pension rate	132,000	51,000
0.5% increase in the salary increase rate	<u>20,000</u>	<u>-</u>

The sensitivity regarding the principal actuarial assumptions used to measure the scheme liabilities are set out above. This gives the approximate monetary increase to the obligation by changing the assumptions.

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

	2020 £	2019 £
Equities	415,140	102,240
Government bonds	100,640	21,600
Property	75,480	15,840
Cash and other liquid assets	<u>37,740</u>	<u>4,320</u>
Total market value of assets	<u>629,000</u>	<u>144,000</u>

The actual return on scheme assets was £383,000 (2019 - £2,000).

Amounts recognised in the statement of financial activities

	2019/20 £	2018/19 £
Current service cost	186,000	105,000
Interest income	(4,000)	(3,000)
Interest cost	8,000	5,000
Past service cost	<u>-</u>	<u>1,000</u>
Total amount recognised in the SOFA	<u>190,000</u>	<u>108,000</u>

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Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

22 Pension and similar obligations (continued)

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

	2019/20 £	2018/19 £
At start of period	302,000	112,000
Current service cost	186,000	105,000
Interest cost	8,000	5,000
Employee contributions	26,000	19,000
Actuarial (gain)/loss	643,000	60,000
Benefits paid	(1,000)	-
Past service cost	-	1,000
At 31 August	<u>1,164,000</u>	<u>302,000</u>

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

	2019/20 £	2018/19 £
At start of period	144,000	67,000
Interest income	4,000	3,000
Actuarial gain/(loss)	383,000	2,000
Employer contributions	73,000	53,000
Employee contributions	26,000	19,000
Benefits paid	(1,000)	-
At 31 August	<u>629,000</u>	<u>144,000</u>

23 Related party transactions

Owing to the nature of the Academy Trust and the composition of the board of governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

R Charlesworth, wife of B Charlesworth, a Trustee, is employed by the Academy Trust as a Teacher. R Charlesworth's appointment was made in open competition and B Charlesworth was not involved in the decision making process regarding appointment. R Charlesworth is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a Trustee.

A Bulger, daughter of C Lorenz, a Trustee, is employed by the Academy Trust as an IAG Mentor. A Bulger's appointment was made in open competition and C Lorenz was not involved in the decision making process regarding appointment. A Bulger is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a Trustee.

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