



The Ron Dearing UTC

Report of Audit Findings

for the year ended 31 August 2022

Σ Smailes Goldie Group
CREATING ADVANTAGE

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Glossary

LGPS	Local Government Pension Scheme
TPS	Teachers' Pension Scheme
ESFA	Education & Skills Funding Agency
DfE	Department for Education
MAT	Multi Academy Trust
AT	Academy Trust

Introduction

We present our report summarising the findings from the audit work that we have performed for The Ron Dearing UTC for the year ended 31st August 2022.

This report has been prepared for your sole use in connection with the continuing operations of the Academy Trust. It should not be provided to or relied upon by any other person, used or referred to in any document, or used for any other purpose without our prior consent in writing.

The management letter which includes instances of control and governance weaknesses that we have noted during the course of our audit work is included within this report. The management letter alone is required to be submitted to the ESFA along with the financial statements.

We appreciate this opportunity to be of service to you. If you have any questions regarding the matters set out in this report, or require us to carry out any additional work, please contact Luke Taylor or Zoe Fildes.

We also take this opportunity to thank Suzanne Blakey & Steve Willacy and the rest of the team at the Academy Trust for their time and assistance afforded whilst we were completing our audit work.

Key Audit Areas and our Approach

Audit Area	Our Approach
Income	<p>The majority of the income received during the year will be from the ESFA in the form of the General Annual Grant.</p> <p>We will perform a full reconciliation of the General Annual Grant received from the ESFA by agreeing to remittance advises and amounts received into the Academy Trust's bank account.</p> <p>Other income received during the period will be a mix of funding or grants paid by other government agencies as well as any that is self-generated.</p> <p>We will review all other funding correspondence and ensure that any amounts highlighted by the review are appropriately recognised in the accounts.</p> <p>In respect of any self-generated income, we will review the procedures set out in the Financial Management Regulations and ensure that these are being properly adhered to.</p>
Expenditure	<p>Wages and salaries will account for a large proportion of the Academy Trust's expenditure for the period and as such this is addressed as a key risk area in our audit approach.</p> <p>Our approach to auditing the wages and salary costs incurred by the Academy Trust will include both detailed testing at employee level and a reconciliation of the total cost to core records.</p> <p>The detailed testing will focus on selecting particular wages costs in the accounting records and tracing these back to payroll information including verifying the existence of each member of staff selected.</p> <p>The reconciliation of total payroll costs will ensure that the sum of the total payroll costs each month agrees to the overall costs recorded in the accounting records.</p>
Fixed Assets	<p>Fixed assets, and in particular Land and Buildings, will represent the vast majority of the assets held by the Academy Trust on its balance sheet and therefore our audit approach will be tailored to focus on this key risk area.</p> <p>The value of land and buildings, held in the accounting records, will be checked to previous valuations or historic costings. The value of any new properties transferred into the Academy Trust or acquired during the year will be agreed to an external valuation or purchase documentation.</p> <p>For the other fixed assets owned we will review the fixed asset registers prepared the Academy Trust and agree additions in the year to purchase invoices and similarly agree the details of any asset disposals to correspondence and invoice documentation as appropriate.</p> <p>Depreciation provided on the assets owned is one of the largest 'non-cash' costs. We will perform a proof in total to ensure that depreciation is calculated and provided in accordance with the policies that are set out in the financial statements.</p>

**Local Government Pension
Scheme Liability**

The LGPS liabilities represent a key area that we will target as part of our normal audit procedures. The detailed work that we will perform regarding the LGPS will be an evaluation of the valuation and other reports presented to the Academy Trust by the LGPS actuary to value the scheme liability.

Our evaluation will include an assessment of the assumptions made by the actuary in relation to our knowledge of the Academy Trust and also our previous experience and knowledge of scheme valuations. Any financial information included within the valuation such as contributions made by the employer and employee will be agreed back to the financial records of the Academy Trust to ensure accuracy of the valuation.

Funds

The Academy Trust has a number of different funds within the overall fund headings of 'Restricted', 'Restricted Fixed Asset' and 'Unrestricted'.

Our work on these funds will include checking the allocation of income and expenditure to the individual funds to ensure that this is correct and in accordance with any funding agreements that the Academy Trust has in relation to income received.

Regularity

In addition to our audit engagement we are also required to provide a limited assurance report on regularity to both the Academy Trust Board and the ESFA to provide assurance that government funds have been spent for the specific purposes intended by Parliament.

Our work on regularity will largely be covered by the work performed on income and expenditure as described above.

We will however be required to perform some additional procedures, which are likely to include reviews of any credit/debit card expenditure and a review of the policy for its use, ensuring pension contributions are paid in a timely manner and that returns required by regulatory or funding authorities are completed on a timely basis.

Review of the Year

The following section summarises the financial statements of The Ron Dearing UTC for the year ended 31 August 2022. The financial statements are included within this document and have been prepared in accordance with the Academies Accounts Direction 2021/22 and include our unqualified independent auditor's report and our unmodified independent reporting accountant's report on regularity.

Net incoming/outgoing resources for the period

The table below summarises the incoming and outgoing resources of the Academy Trust for the current and preceding year.

	2022	2021
	£	£
Incoming resources	16,428,802	4,745,620
Resources expended	(5,645,384)	(4,799,081)
Net incoming/(outgoing) resources	10,783,417	(53,461)
Actuarial gain(losses) on LGPS	1,011,000	(196,000)
Net movement in funds	11,794,417	(249,461)

The net incoming resources show a surplus in the year ended 31 August 2022, however, this is reported after a number of non-cash accounting adjustments are made including depreciation charges of £334,307 (2021: £198,299), LGPS adjustments of £277,000 (2021: £161,000), one-off capital donations relating to the leasehold land & buildings of £10,177,616 (2021: £Nil) and income receivable in relation to assets under construction of £1,115,196 (2021: £Nil). When removing these costs in both years, the Academy Trust has made an 'operational' surplus of £101,912 (2021: £305,588).

Incoming resources

Incoming resources are broken down for the purposes of the financial statements to show the split between different sources of income received by the Academy Trust.

	2022	2021
	£	£
Educational Operations	4,931,849	4,568,164
Donations & Capital	11,496,622	177,340
Investment	331	116
Other trading activities	-	-
Total incoming resources	16,428,802	4,745,620

Total incoming resources, in particular income from educational operations, has risen significantly following the Academy Trust opening its doors from 1 September 2017. Income from educational operations is primarily driven by pupil numbers, and was therefore expected to rise year on year until it reaches capacity.

Donations and capital income consists of donations from sponsors totalling £151,774 (2021: £147,500), with the remaining £1,167,233 (2021: £29,840) being capital grants from the ESFA in relation to the funding for the conversion of the fire station building for the schools use and £10,117,616 relating to the donated leasehold buildings.

As is highlighted in the analysis of total incoming resources above, the income received in respect of the Academy Trust's

Educational Operations represents the vast majority of the total regular income received. The table below shows a breakdown of this income category for both 2022 and 2021.

	2022 £	2021 £
General Annual Grant	4,309,955	3,799,104
Other DfE/ESFA Grants	322,109	562,359
Local Authority	180,964	90,301
Other grants and income	110,890	64,720
Catch-up premium	-	25,040
Other COVID-19 funding	7,931	26,640
Total Funding for the Academy Trust's Educational Operations	4,931,849	4,568,164

Income from educational operations primarily relates to grants from the DfE/ESFA, of which the General Annual Grant accounts for £4,309,955 of this income. The grants are driven by pupil numbers, which will continue to increase as the Academy Trust expands to full capacity.

Income from other DfE/ESFA grants includes a £15,000 (2021: £20,000) start up grant, £100,000 (2021: £200,000) transitional funding grant and income received for rates relief, Teachers' pay, Teachers' pension and pupil premium.

Local authority income is made up of SEND funding and other local authority grants. SEN funding has decreased in the year to £26,631 (2021: £42,534). Local authority grants has increased to £154,333 from £47,767. largely due to additional grants received from Hull City Council.

Other grants and income has increased due to an increase in Consultancy recharges of £54,875 and miscellaneous income of £19,428.

The Academy Trust received £7,930 of funding for COVID-19 Mass testing. All of this funding was spent in 2021/22.

Resources expended

The table below shows an overview summary of the expenditure incurred by the Academy Trust for 2022 and 2021.

	2022 £	2021 £
Teaching staff costs	2,995,542	2,698,654
Support staff costs	1,199,281	901,956
Other costs	1,116,254	970,696
Depreciation	334,308	198,299
Total resources expended	5,645,384	4,769,605

When analysing teaching and support staff costs in proportion to total income received from educational operations, The Ron Dearing UTC's total wages costs accounted for 79.8% (2021: 79.5%) for the year ended 31 August 2022. When comparing this statistic to national benchmarking information for similar Academy Trusts, the average proportion of staff costs to income from educational operations is in the range 76.0% to 81.0%.

Depreciation charge has decreased largely due to a high amount of IT equipment becoming fully depreciated during the earlier parts of the year.

Other costs have increased to £1,116,254 (2021: £970,696) for the year ended 31 August 2022. The majority of costs incurred were in line with the budgets set by the Academy Trust, with the key increases being curriculum stock and examination fees up by £47,982 and £34,339 retrospectively due to the increase in student numbers during the year and return to pre covid norms. Marketing and PR costs have increased by £54,832 due to the high level of advertisement in student campaigns, social media and having a 12 month media space on double-decker buses.

Funds carried forward

The table below summaries the fund movements in the Academy Trust during the current year.

	Brought forward £	Movement in the year £	Carried forward £
Unrestricted fund	119,512	64,194	183,706
Restricted funds	660,783	(212,227)	448,556
LGPS Reserve	(892,000)	734,000	(158,000)
Restricted fixed asset funds	215,144	11,208,451	11,423,595

The combined total of Unrestricted funds and Restricted funds carried forward of £632,262 represents the total income and expenditure carry forward reserves position for the Academy Trust at 31 August 2022. Of this £285,600 has been ringfenced for the fire station project.

The LGPS Reserve balance of £158,000 reflects the value of the Academy Trust's LGPS deficit at 31 August 2022 and the Restricted Fixed Asset fund of £11,423,595 represents the total value of the assets owned by the Academy Trust plus any unspent capital funding at the year end. At 31 August 2022 the Academy Trust had £14,951 unspent capital funding.

The total Unrestricted and Restricted funds is, in effect, the Academy Trust's 'controllable' or 'operational' reserves. The fire station project is causing the controllable position to decrease as expected to £632,262 (2021: £780,295)

Assets

The total net book value of fixed assets owned by the Academy Trust at 31 August 2022 is £11,423,595 (2021: £192,042). During the financial period, the leasehold land & buildings have been included as donated assets from Hull City Council, recognised as an addition of £10,117,166. There were further additions of £108,026 in the year, with these mainly being spent on updating ICT equipment and improvements to the main building.

Debtors totalling £1,108,377 (2021: £91,608) primarily relate to prepayments and accrued income balance of £891,343 (2021: £56,937). The increase is due to 90% of the funding in relation to the conversion of the fire station building to be recognised from the DfE/ESFA. VAT recoverable debtor has increased from £19,744 to £172,942. The increase is due to the high construction costs incurred in August 2022.

Cash at bank at 31 August 2022 totalled £1,179,206, increasing £14,442 from 12 months earlier.

Liabilities

Creditors totalling £1,655,321 (2021: £481,860) include £146,312 (2021: £141,740) due to the HMRC and the Pensions Regulator. Trade creditors have increased from £118,304 to £1,007,692, largely due to the ongoing construction work in relation to the fire station building being converted for the school's use. Other creditors include a pupil number adjustment of

£Nil (2021: £51,559). Accruals have increased to £500,330 from £148,476 due to the inclusion of post year end invoices relating to the fire station project.

LGPS deficit

The table below summarises the Local Government Pension Scheme position which was valued by the scheme actuary at 31 August 2022 as having a net liability of £158,000.

	2022	2021
	£	£
Equity Instruments	760,500	609,270
Property	101,400	97,130
Cash	10,140	17,660
Government bonds	141,960	158,940
Total value of scheme assets	1,014,000	883,000
Present value of future obligations	(1,172,000)	(1,775,000)
Net deficit position	(158,000)	(892,000)

During the year, the net deficit has decreased on the Local Government Pension Scheme however the balance is lower than the cash held by the Academy Trust.

The key reason for the significant decrease in the deficit is the actuarial loss recognised in the year of £1,011,000. The increase in the discount rate from 1.7% to 4.3%, which has reduced the present value of the future pension liabilities hence the significant reduction in the scheme liabilities. The actuarial loss is dictated by the assumptions used by the actuary in valuing the scheme at the year end. This is not specific to Ron Dearing UTC, and many Academies in the year ended 31 August 2022 have seen similar actuarial losses being reported.



The Ron Dearing UTC
Management Letter
for the year ended 31 August 2022

1. Overview

Context

The Academies Financial Handbook is the Education & Skills Funding Agency's (ESFA) financial guide for the governing body and managers of Academy Trusts. Drawing on the overall financial requirements specified in an Academy Trust's Funding Agreement, it describes the financial responsibilities reflecting their status as companies limited by guarantee, exempt charities and public bodies.

The Academies Financial Handbook sets out the overall governance framework for Academy Trusts and describes the key systems and controls that should be in place. It balances the need for effective financial governance with the freedoms that Academy Trusts need over their day to day business and it sets out the areas of HM Treasury's Managing Public Money that apply to trusts, and reflects the 'seven principles of public life' (selflessness, integrity, objectivity, accountability, openness, honesty and leadership) to which public office holders must adhere. It also discusses in detail the requirements for preparing an annual trustees' report and accounts in order to comply with company law, accounting standards and Charity Commission expectations.

In May 2020 an updated Academies Financial Handbook 2021 was issued by the ESFA effective from 1 September 2021. Based on the guidance and requirements of this updated handbook the Academy Trust has produced its own Financial Regulations Manual. This manual specifies the detailed financial systems and controls adopted by the Academy Trust and has remained in use throughout the period ended 31st August 2022.

Summary conclusion

Having completed our audit of the financial statements for the period ended 31st August 2022, our general observation is that the Board of Trustees has a diligent and thorough approach to fulfilling its roles and responsibilities under statute and regulations, charity law and the funding agreements applicable during the year.

Throughout the period, the finance team has taken a proactive approach to ensuring that staff and budget holders are aware of their day to day financial responsibilities within the framework of the Academy Trust's Financial Regulations Manual.

In overview, we have concluded that there were no major systemic failures during the period and the Academy Trust's commitment to the principles of regularity, propriety and compliance is robust.

Section 2 of this report highlights the points that were noted in last year's management letter and provides details of how the Academy Trust has moved forward to resolve these.

Our detailed findings for the current year are set out in section 3. We rated our findings based on a colour coded system as follows:

Red	A Key Concern. Action required immediately.
Amber	A Moderate Concern. Action is believed to be required.
Yellow	A Minor Concern. Action is believed to be required but it is not considered a significant issue.

2. Points noted in the management letter for the year ended 31 August 2021

Area	Grading	Point noted	Recommendation	Client comments	Resolved/ unresolved
Purchases	Yellow	On a few occasions it was noted that some purchase invoices were not signed to evidence authorisation.	Ensure all purchase invoices are authorised prior to payment in accordance with the Financial Management Policy.	Authorisation of invoices is sought via email from the relevant authority and attached, along with the invoice, to the transaction in Sage. Where authorisation has been received verbally we will ensure that this is followed up with written confirmation by email.	Prior year point remains unresolved

3. Points noted during the course of the audit for the year ended 31 August 2022

Area	Grading	Points noted	Implications	Recommendations	Client comments
Purchases	Yellow	It was noted that there was no evidence of authorisation of purchase invoices.	Purchase invoices may be paid if they are in dispute or alternatively invoices may take a while to be paid if there is no evidence of authorisation. This could lead to a breakdown in supplier relationships.	Ensure all purchase invoices are authorised prior to payment in accordance with the Financial Management Policy.	Due to staffing changes midway through year. A new Purchase Order system independent of Sage has been implemented for 2022/23 for all purchasing which adheres to the Financial Management Policy.
Wages	Yellow	It was noted that 8 out of 20 employees contracts of employments were not signed.	This may create issues if disputes were to arise between the employee and the employer with regards to the terms of their contract.	Ensure all contracts of employment are signed as authorised.	HR SLA to be reinstated with Hull CC to mitigate this.
Directors changes	Yellow	It was noted that a directors change was not reported to Companies House within the 14 days period of change.	Filing late documentation can affect your credit and damage the reliability of the Trust to external users.	Ensure that all changes are kept up to date and are communicated to Companies House within the 14 days period.	Responsibility of updating companies house delegated to new member of staff.
Purchases	Yellow	It was noted that 5 out of the purchase transactions selected (sample of 40 in total) no orders could be seen.	There is the potential that purchases are being made for unnecessary (or unapproved) items, which could result in overspend by the school.	Ensure all purchases have a purchase order in accordance with the Financial Management Policy.	Due to staffing changes midway through year. A new Purchase Order system independent of sage has been implemented for 2022/23 for all purchasing which adheres to the Financial Management Policy.

Purchases	Yellow	For 7 purchases transactions selected out of a sample of 40, it was noted these did not have the relevant quotes obtained or approval in accordance with the Financial Management Policy.	There is the risk purchases are not being made at the best price which could result in overspend by the school.	Ensure quotes and tenders are obtained in accordance with the Financial Management Policy	Additional system in place for 2022/23 which includes renewal of existing contracts to be implemented.
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The Ron Dearing UTC
Letter of Representation - Audit
for the year ended 31 August 2022

Smailes Goldie
Regent's Court
Princess Street
Hull
HU2 8BA

07 December 2022

Dear Sirs

The following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience such as we consider necessary in connection with your audit of the Academy Trust's financial statements and, as relevant, your assurance engagement on regularity for the year ended 31 August 2022. These enquiries have included inspection of supporting documentation where appropriate and are sufficient to satisfy ourselves that we can make each of the following representations. All representations are made to the best of our knowledge and belief.

General

1. We have fulfilled our responsibilities as trustees as set out in the terms of your engagement letter dated 07 October 2022, under the Companies Act 2006 for preparing financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), for being satisfied that they give a true and fair view and for making accurate representations to you.
2. All the transactions undertaken by the Academy Trust have been properly reflected and recorded in the accounting records.
3. All the accounting records have been made available to you for the purpose of your audit and regularity assurance engagement. We have provided you with unrestricted access to all appropriate persons within the Academy Trust, and with all other records and related information requested, including minutes of all management and trustee meetings and correspondence with the Education and Skills Funding Agency, Department for Education and the Charity Commission.
4. The financial statements are free of material misstatements, including omissions.
5. The effects of uncorrected misstatements, totalling £2,584 (as set out in appendix 1 to this letter) are immaterial both individually and in total.
6. We approve the accounting adjustments you have made (as set out in the appendix 2 to this letter) which result in a revised net Surplus for the year of £11,794,418.
7. We acknowledge that you assist us in the preparation of statutory financial statements and tax computations. We are aware that to mitigate any threat of self review or long term association of senior personnel you adopt a system of safeguards, which includes review of these matters by senior staff not involved in the original preparation of the financial statements and tax computations, and on a sample basis your files are subject to separate internal cold reviews and reviews by the UK200 group. We consider that these safeguards are adequate to maintain your independence.

Internal control and fraud

8. We acknowledge our responsibility for the design, implementation and maintenance of internal control systems to prevent and detect fraud and error and which conform to the requirements both of propriety and good financial management. We have disclosed to you the results of our risk assessment that the financial statements may be misstated as a result of fraud.
9. We have disclosed to you all instances of known or suspected fraud affecting the entity involving management, employees who have a significant role in internal control or others that could have a material effect on the financial statements.
10. We have also disclosed to you all information in relation to allegations of fraud or suspected fraud affecting the entity's financial statements communicated by current or former employees, analysts, regulators or others.

Assets and liabilities

11. The Academy Trust has satisfactory title to all assets and there are no liens or encumbrances on the Academy Trust's assets, except for those that are disclosed in the notes to the financial statements.
12. All actual liabilities, contingent liabilities and guarantees given to third parties have been recorded or disclosed as appropriate.
13. We have no plans or intentions that may materially alter the carrying value and where relevant the fair value measurements or classification of assets and liabilities reflected in the financial statements.
14. We confirm that the inclusion of the new leasehold properties has been done so at fair value.
15. We confirm the amount relating to the fire station (assets under construction) has been recognised at fair value.

Accounting estimates

16. The methods, data and significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement and disclosure that is reasonable in the context of the applicable financial reporting framework.

Loans and arrangements

17. The Academy Trust has not granted any advances or credits to, or made guarantees on behalf of directors other than those disclosed in the financial statements.

Legal claims

18. We have disclosed to you all claims in connection with litigation that have been, or are expected to be, received and such matters, as appropriate, have been properly accounted for, and disclosed in, the financial statements.

Law and regulations

19. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.

Related parties

20. Related party relationships and transactions, comply with the Academy Trust's financial regulations, relevant requirements of the Academies Financial Handbook and have been appropriately accounted for and disclosed in the financial statements. We have disclosed to you all relevant information concerning such relationships and transactions and are not aware of any other matters which require disclosure in order to comply with the requirements and guidance set out in the Companies Act 2006, the Charities SORP and the Academies Accounts Direction issued by the Education and Skills Funding Agency.
21. We confirm we have included all related party transactions within the disclosures of the financial statements. The related party transactions have occurred at the market rate and ESFA approval has been obtained as required.

Subsequent events

22. All events subsequent to the date of the financial statements which require adjustment or disclosure have been properly accounted for and disclosed.

Going concern

23. We believe that the Academy Trust's financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the Academy Trust's needs. We also confirm our plans for futures action required to enable the Academy Trust to continue as a going concern are feasible. We have considered a period of twelve months from the date of approval of the financial statements. We believe that no further disclosures relating to the Academy Trust's ability to continue as a going concern need to be made in the financial statements.
24. We confirm we see no issue in completing the required works or conditions to ensure we received the full Post-16 Capital Funding grant from the DfE.

Grants and donations

25. Grants made by the Department for Education and Education and Skills Funding Agency have been applied for the purposes intended and the Accounting Officer has ensured regular and proper use and value for money of monies received from government.
26. All other grants, donations and other income, the receipt of which is subject to specific terms or conditions, have been notified to you. There have been no breaches of terms or conditions in the application of such income.

Capital commitment

27. We confirm the capital commitments of £3,512,031 have been recognised within the Academy Trust's financial statements for the year-ended 31st August 2022 in relation to the conversion of the fire station property for the Academy Trust's use.

We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that so far as we are aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware.

We confirm that so far as we are aware, there is no relevant other information needed by you in connection with preparing your reporting accountant's assurance report on regularity of which you are unaware.

Each trustee has taken all the steps that he/she ought to have taken as a trustee in order to make themselves aware of any relevant audit/other information and to establish that you are aware of that information.

Yours faithfully

S Pashley
Accounting Officer

R Martin
Chair

This letter is approved by the Board of Trustees on 07 December 2022 and is signed on their behalf.

Appendix 1 - Approval of Unadjusted Differences

Set out in the table below is a summary of the unadjusted differences identified throughout the audit process. The table shows how these unadjusted differences would impact on the net Surplus and carry forward fund amounts if the adjustments were to be made.

	£
Surplus per financial statements	11,794,418
Pupil premium for the months ended July and August 2022 not provided for	10,609
Reversal of Pupil Premium for the months ended July not provided in previous year	(13,079)
Bad debt write off	(1,500)
Business rates refund	6,554
Surplus if differences are adjusted	11,797,002
Total funds carried forward per financial statements	11,738,314
Net effect of unadjusted differences	2,584
Total funds carried forward if differences are adjusted	11,740,898

The Board of Trustees acknowledges receipt of the unadjusted differences on 07 December 2022 and confirms that, both individually and in aggregate, they are not considered to be material. The appendix is signed on behalf of the Board by:

S Pashley
Accounting Officer

R Martin
Chair

Appendix 2 - Approval of Audit Adjustments

The table below summaries the adjustments that have been made to the financial information that was provided to us on commencement of our audit work.

	£
Deficit per financial information supplied by Suzanne Blakey	(56,529)
Defined benefit pension adjustment	734,000
Recognition of capital grant income accrued to reflect 90% of the funding from the DfE/ESFA	1,152,196
Long leasehold land & buildings	10,177,616
Long leasehold land & buildings	(212,865)
Surplus per financial statements	11,794,418

The above adjustments are acknowledged and approved by the Board of Trustees on 07 December 2022. The appendix is signed on behalf of the Board by:

S Pashley
Accounting Officer

R Martin
Chair



The Ron Dearing UTC
Letter of Representation - Regularity
for the year ended 31 August 2022

Smailes Goldie
Regent's Court
Princess Street
Hull
HU2 8BA

07 December 2022

Dear Sirs

The following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience such as I consider necessary in connection with your assurance report on regularity to The Ron Dearing UTC and the Education and Skills Funding Agency (ESFA) for the year ended 31 August 2022. These enquiries have included inspection of supporting documentation where appropriate and are sufficient to satisfy me that I can make each of the following representations. All representations are made to the best of my knowledge and belief.

General

1. I have fulfilled my responsibilities as accounting officer under the requirements of the funding agreement between The Ron Dearing UTC and the Secretary of State for Education dated 01 September 2016 and the Academies Financial Handbook 2021.
2. I acknowledge my personal responsibility to Parliament for the regularity and propriety of the public finances for which I am answerable; for the keeping of proper accounts; for effective internal controls; for prudent and economical administration; for the avoidance of waste and extravagance; for achieving value for money; and for the efficient and effective use of all the resources in my charge.
3. I acknowledge my responsibility to notify the governing body and the ESFA of any instances of material irregularity or impropriety, or non-compliance with the terms of the Academy Trust's funding agreement and have had due regard to the requirements of the Academies Financial Handbook 2021 in performing this duty.
4. Any instances of material irregularity, impropriety, or non-compliance discovered to date have been notified to the governing body and the ESFA.
5. Significant matters of which you should be aware have been brought to your attention including any instances of irregularity, impropriety or non-compliance with laws and regulations specific to the Academy Trust's authorising framework.
6. Full and free access has been granted to all records, correspondence, information and explanations that you have considered necessary to enable you to perform your work.

Yours faithfully

S Pashley
Accounting Officer



The Ron Dearing UTC
Annual Report & Financial Statements
for the year ended 31 August 2022

Company Registration Number:
10009591 (England and Wales)

The Ron Dearing UTC

(A Company Limited by Guarantee)

Annual Report and Financial Statements

Year Ended 31 August 2022

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

The Ron Dearing UTC

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The Ron Dearing UTC

Reference and administrative details

Members	<p>C Spencer (resigned 8 September 2021)</p> <p>A R Bullock (appointed 1 February 2022 and resigned 15 February 2022)</p> <p>R Martin (appointed 8 September 2021)</p> <p>P Robinson (appointed 1 February 2022 and resigned 15 February 2022)</p>
Trustees (Directors)	<p>C Spencer</p> <p>J Connolly</p> <p>Dr B Charlesworth</p> <p>Dr W Grundy</p> <p>Y Moir</p> <p>J Speedy (appointed 1 February 2022)</p> <p>K Arundel</p> <p>K Wilkinson</p> <p>Prof S Kelly</p> <p>L Rodgers (resigned 1 February 2022)</p> <p>D Keel (resigned 1 February 2022)</p> <p>R Martin, Chair</p> <p>K MacDonald (resigned 1 February 2022)</p> <p>C Lorenz (resigned 1 February 2022)</p> <p>G Sward</p> <p>E Robson</p> <p>N J Cavill</p> <p>J Klemp</p> <p>L Robinson (resigned 5 May 2022)</p> <p>D P Chong (resigned 1 February 2022)</p> <p>T Shaw (appointed 13 March 2022)</p> <p>J C Hutchinson (appointed 1 February 2022)</p> <p>L Botham (appointed 5 May 2022)</p>
Senior Management Team	<p>S Pashley, School Principal</p> <p>M Ollerenshaw, Vice Principal</p> <p>S Willacy, Vice Principal</p>
Principal and Registered Office	<p>The Ron Dearing UTC</p> <p>Kingston Square</p> <p>Hull</p> <p>HU2 8BQ</p>
Registration Number	10009591 (England and Wales)

The Ron Dearing UTC

Reference and administrative details (continued)

Auditor	Smailes Goldie Regent's Court Princess Street Hull East Yorkshire HU2 8BA
Bankers	Lloyds Bank Plc Grand Buildings Jameson Street Hull HU1 3JX
Solicitors	Rollits LLP Citadel House 58 High Street Hull HU1 1QE

The Ron Dearing UTC

Trustees' report for the Year Ended 31 August 2022

The Trustees present their Annual Report together with the Financial Statements and Auditors' Report of the charitable company for the year ended 31 August 2022. 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 they cease to be a member, such amount as may be required, not exceeding £1 for the 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.

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 2022 (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.

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:

- 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 2022 (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).

- AJ Building (Partner)
- ARCO (Major Partner)
- Baumer (Partner)
- Bonus Accessories (Major Partner)
- C4DI & Wykeland Limited (Major Partner)
- CDS (Major Partner)
- Design Signage Solutions (Major Partner)
- Fujitsu (Major Partner)
- Harper Fox (Partner)
- Heald (Partner)
- Horncastle (Partner)
- Ideal Boilers Ltd (Major Partner)
- Ineos (Major Partner)
- LSTC Group (Partner)
- Luxinar (Major Partner)
- Mira Showers (Major Partner)
- ORSTED (Major Partner)
- Sauce Consulting (Major Partner)
- Sewell Group (Major Partner)
- Equinor (Major Partner)
- Humberside fire service (Major Partner)
- 55 group (Major Partner)
- Quickline (Major Partner)
- IRISNDT (Major Partner)
- Shiphams valves (Major Partner)
- Advanced plastics (Major Partner)
- Jupiter (Major Partner)
- Fit 24 (Major Partner)
- BCAB (Partner)
- Northern power grid (Partner)
- CATCH (Partner)
- Ridings consultants (Partner)
- Spectrum (Partner)

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

The Ron Dearing UTC

Trustees' report for the Year Ended 31 August 2022 (continued)

Engagement with employees (including disabled persons)

The Companies (Miscellaneous Reporting) Regulations 2018 introduce a requirement for companies with more than 250 employees to include a statement in their directors' (trustees') report summarising action taken during the period to introduce, maintain or develop arrangements aimed at:

- providing employees with information on matters of concern to them
- consulting employees or their representatives regularly so that the views of employees can be considered in making decisions which are likely to affect their interests
- encouraging the involvement of employees in the company's performance
- achieving a common awareness on the part of all employees of the factors affecting the performance of the company
- its policy in respect of applications for employment from disabled persons, the treatment of employees who become disabled and the training, career development and promotion of disabled person.

The Department for Business, Energy and Industrial Strategy (BEIS) has published guidance to help companies understand how this affects them. The Charities Commission has also published a guide: Charities SORP Information Sheet 3: The Companies (Miscellaneous Reporting) Regulations 2018 and UK Company Charities.

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 2022 (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.

The Ron Dearing UTC

Trustees' report for the Year Ended 31 August 2022 (continued)

Strategic Report

Charitable activities

The purpose-built college opened in September 2017 and is now in its fifth 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 2022 (continued)

Students at the UTC have achieved excellent results in their GCSEs and Level 2 Technical qualifications for the third year in a row, confirming Ofsted's judgement that the school provides its students with an outstanding education. All Year 11 students have progressed onto Sixth Form, FE College or apprenticeships, the vast majority staying on into the RDUTC Sixth Form.

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

- 83% of students achieved grades 4-9 in both English and Maths.
- 62% 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:

- 95 % of all grades L2P – D* in all specialist areas (Creative Digital, Engineering & Digital Technology)
- 63% of all grades L2M – D* in all specialist areas (Creative Digital, Engineering & Digital Technology)
- 22% of all grades D*- D in all specialist areas (Creative Digital, Engineering & Digital Technology)

Results at A level were also outstanding. All Year 13 students at the school have secured employment, an apprenticeship or a place at university after an overall pass rate of 100%.

Highlights at post-16, included:

- Average grade for A level subjects is B+ compared to a national average of C+
- Average grade for Level 3 Technical subjects is Distinction* compared to a national average of Merit*

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.

The Ron Dearing UTC

Trustees' report for the Year Ended 31 August 2022 (continued)

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.

At the year end, there was a surplus in the year of £49,963 in general resitricted, excluding the expenditure linked with the defined benefit pension scheme and unrestricted funds. This surplus has been generated due to underspends in certain areas, including exam fees due to the cancellation of external examinations, and other planned curriculum expenditure due to the period of remote learning, meaning certain practical activities could not take place. Sponsorship income increased due to attracting new Partners and Major Partners during the year. The UTC also received unbudgeted growth funding from the Local Authority due to the increase in pupil numbers compared to the previous year. The savings made in curriculum expenditure will be spent in the forthcoming year as part of the efforts to support students with catching up on missed time in lessons. There was also a specific effort to generate an in-year surplus to increase the restricted and unrestricted general reserves this year to maximise the reserves available to contribute to the UTC's expansion plans for the forthcoming years.

Reserves Policy

The reserves at the end of the year are £11,897,857 (2021: £103,439). Of this, £966,569 (2021: £780,295) 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. Within the reserves, £367,000 has also been ringfenced to contribute to the expansion of the UTC as match-funding for funding from the ESFA's 16-19 expansion fund.

Trustees believe that it is prudent to have reserves to cover up to 1 month of regular expenditure, this equates to approximately £415,000.

Investment 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.

The Ron Dearing UTC

Trustees' report for the Year Ended 31 August 2022 (continued)

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 of 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 UTC 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. The UTC has engaged an additional 5 partners during 2021/22.
- **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.
- **Students** - The ability to attract sufficient students that are able to undertake the curriculum offered by the UTC.

Fundraising

Under the provisions of the Charities (Protection and Social Investment) Act 2016, this section must include information on fundraising practices. The areas to cover are included in section 13 of the Act and include:

- approach to fundraising
- work with, and oversight of, any commercial participators / professional fundraisers
- fundraising conforming to recognised standards
- monitoring of fundraising carried out on its behalf
- fundraising complaints
- protection of the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches, and undue pressure to donate.

Trustees may also find it helpful to refer to the Charity Commission publication "Charity fundraising: a guide to trustee duties (CC20)".

Where an academy trusts does not undertake formal fundraising, it could include "The academy trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees".

The Ron Dearing UTC**Trustees' report for the Year Ended 31 August 2022 (continued)*****Plans for future periods***

The UTC has been successful in its application to the Post-16 Capacity Fund. This will fund the expansion of the UTC into a neighbouring building, creating space for an additional 200 students in the Sixth Form. The funding awarded is £3,722,922.

The UTC has committed £413,600 of its general reserves for match-funding for this project, £128,000 has been utilised in the year, as well as an additional £527,705 to cover expenditure not covered by the Post-16 Capacity Fund.

As a result of the total project exceeding the original P16CF Grant amount, The UTC has secured an additional £375,000 of sponsorship funding and the UTC will also commit another £280,727 from its general reserves to meet the shortfall of the project.

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 7 December 2022 and signed on its behalf by:

.....
R Martin
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 (resigned 8 September 2021)	0	3
K Arundel	1	3
N J Cavill	2	3
Dr B Charlesworth	0	3
D P Chong (resigned 1 February 2022)	0	1
J Connolly	3	3
J Klempe	1	3
Dr W Grundy	2	3
D Keel (resigned 1 February 2022)	0	1
Prof S Kelly	2	3
L Robinson (resigned 5 May 2022)	1	1
E Robson	3	3
Y Moir	3	3
C Lorenz (resigned 1 February 2022)	0	1
K Wilkinson	2	3
R Martin (appointed 8 September 2021)	3	3
G Sward	3	3
K MacDonald (resigned 1 February 2022)	0	1
S Pashley	3	3
T Shaw (appointed 13 March 2022)	1	1
J C Hutchinson (appointed 1 February 2022)	2	3
L Botham (appointed 5 May 2022)	1	1

The Ron Dearing UTC

Governance statement (continued)

J Speedy (appointed 1 February 2022)	2	3
L Rodgers (resigned 1 February 2022)	1	1

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.

The arrangements were reviewed this year.

The governance arrangements have continued to be effective during the restrictions arising as a result of the COVID-19 pandemic as the Trustees have convened remotely when required, both for their Board and Committee meetings, and for meetings with staff.

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, a review of existing contracts was undertaken to ensure all were still required and delivered good value. No significant changes were required as a result of this. A detailed review of curriculum consumables expenditure was undertaken, which has resulted in an overhaul of the curriculum consumables budgeting, purchasing and storing system. Curriculum consumable expenditure will be managed centrally by the admin function rather than each individual department. This will reduce duplicate purchases, benefit from economies of scale and enable the monitoring of use to reduce wastage.

Following the Trustees' approval last year 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 UTC worked with seven different education providers during the year providing opportunities for seven members of staff and generating income for the UTC.

The Ron Dearing UTC

Governance statement (continued)

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 2022 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 2022 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;
- 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 Engineering Northern Lincolnshire UTC to carry out a peer review. The reviewer's role includes giving advice on financial and other matters and performing a range of checks on the Academy Trust's financial and other systems. In particular, the checks carried out in the current period included:

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

The peer review was undertaken in August 2021 and the report will be presented to the Finance and Audit committee at the next meeting. There were no material control or other issues reported. The next peer review will be undertaken in Summer 2022.

The Ron Dearing UTC

Governance statement (continued)

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 Finance and General Purposes Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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;
- identification and management of risks.

The Board of Trustees has decided not to appoint an auditor for this purpose.

This option has been chosen as the Trustees have appointed C Spencer, a trustee, to carry out a programme of internal checks.

The auditor's Responsible Officer's role includes giving advice on financial and other matters and performing a range of checks on the academy trust's financial and other systems. In particular the checks carried out in the current period included:

On a quarterly basis, the Responsible Officer reports to the Board of Trustees, through the audit committee on the operation of the systems of control and on the discharge of the Board of Trustees's financial responsibilities. The Responsible Officer annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

Approved by the Board of Trustees on 7 December 2022 and signed on its behalf by:

.....
R Martin
Chair

.....
S Pashley
Accounting Officer

The Ron Dearing UTC

Statement of 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 2021.

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 2021.

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.

.....
S Pashley
Accounting Officer

7 December 2021

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 2021 to 2022;
- 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; and
- 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 7 December 2022 and signed on its behalf by:

.....
R Martin
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') for the year ended 31 August 2022, which comprise the Statement of Financial Activities for the year ended 31 August 2022 (including Income and Expenditure Account), Balance Sheet as at 31 August 2022, Statement of Cash Flows for the year ended 31 August 2022, 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 2021 to 2022 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's affairs as at 31 August 2022 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 2021 to 2022 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 responsibilities for the audit of the financial statements section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

The Ron Dearing UTC

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

Conclusions relating to going concern

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

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

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

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. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and Trustees' 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 company 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

The Ron Dearing UTC

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

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 18], the Trustees 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'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 or to cease operations, or have no realistic alternative but to do so.

Auditor 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.

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

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Academy Trust, including the Companies Act 2006, Charities SORP 2019, Academies Accounts Direction 2021 to 2022, data protection, anti-bribery, employment, environmental and health and safety legislation. An understanding of these laws and regulations and the extent of compliance was obtained through discussion with management and inspecting legal and regulatory correspondence as necessary.

We assessed the susceptibility of the Academy Trust's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management and considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- investigated the rationale behind significant or unusual transactions.
- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

The Ron Dearing UTC

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- tested journal entries to identify unusual transactions;

A further description of our responsibilities is available 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'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'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 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

7 December 2022

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 Assurance 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 2021 to 2022, 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 2021 to 31 August 2022 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 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 dated 1 September 2016 and the Academies Financial Handbook 2021 to 2022, 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 2021 to 2022. 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 2021 to 31 August 2022 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts 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 Assurance 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 2021 to 31 August 2022 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

7 December 2022

The Ron Dearing UTC

**Statement of Financial Activities for the Year Ended 31 August 2022
(including Income and Expenditure Account)**

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2021/22 Total £	2020/21 Total £
Income and endowments from:						
Donations and capital grants	2	151,774	-	11,344,848	11,496,622	177,340
<i>Charitable activities:</i>						
Funding for the Academy trust's educational operations	3	89,662	4,842,187	-	4,931,849	4,568,164
Investments	4	331	-	-	331	116
Total		<u>241,767</u>	<u>4,842,187</u>	<u>11,344,848</u>	<u>16,428,802</u>	<u>4,745,620</u>
Expenditure on:						
Raising funds	5	-	-	-	-	112
<i>Charitable activities:</i>						
Academy trust educational operations	6	<u>34,515</u>	<u>5,276,476</u>	<u>334,393</u>	<u>5,645,384</u>	<u>4,798,969</u>
Total		<u>34,515</u>	<u>5,276,476</u>	<u>334,393</u>	<u>5,645,384</u>	<u>4,799,081</u>
Net income/(expenditure)		207,252	(434,289)	11,010,455	10,783,418	(53,461)
Transfers between funds		(143,058)	(54,938)	197,996	-	-
Other recognised gains and losses						
Actuarial gains on defined benefit pension schemes	23	<u>-</u>	<u>1,011,000</u>	<u>-</u>	<u>1,011,000</u>	<u>(196,000)</u>
Net movement in funds/(deficit)		64,194	521,773	11,208,451	11,794,418	(249,461)
Reconciliation of funds						
Total funds/(deficit) brought forward at 1 September 2021		<u>119,512</u>	<u>(231,217)</u>	<u>215,144</u>	<u>103,439</u>	<u>352,900</u>
Total funds carried forward at 31 August 2022		<u>183,706</u>	<u>290,556</u>	<u>11,423,595</u>	<u>11,897,857</u>	<u>103,439</u>

The Ron Dearing UTC

**(Registration number: 10009591 (England and Wales))
Balance Sheet as at 31 August 2022**

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	11	11,423,595	192,043
Current assets			
Debtors	12	1,108,377	91,608
Cash at bank and in hand		<u>1,179,206</u>	<u>1,193,648</u>
		2,287,583	1,285,256
Creditors: Amounts falling due within one year	13	<u>(1,655,321)</u>	<u>(481,860)</u>
Net current assets		<u>632,262</u>	<u>803,396</u>
Total assets less current liabilities		<u>12,055,857</u>	<u>995,439</u>
Net assets excluding pension liability		12,055,857	995,439
Pension scheme liability	23	<u>(158,000)</u>	<u>(892,000)</u>
Net assets including pension liability		<u>11,897,857</u>	<u>103,439</u>
Funds of the Academy:			
Restricted funds			
Restricted general fund		290,556	(231,217)
Restricted fixed asset fund		<u>11,423,595</u>	<u>215,144</u>
		11,714,151	(16,073)
Unrestricted funds			
Unrestricted general fund		<u>183,706</u>	<u>119,512</u>
Total funds		<u>11,897,857</u>	<u>103,439</u>

The financial statements on pages 25 to 52 were approved by the Board of Trustees, and authorised for issue on 7 December 2022 and signed on their behalf by:

.....
R Martin
Chair

The Ron Dearing UTC

Statement of Cash Flows for the year ended 31 August 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash provided by operating activities	18	206,239	491,429
Interest paid		-	-
Cash inflows from investing activities	19	<u>(220,681)</u>	<u>(58,906)</u>
Change in cash and cash equivalents in the year		(14,442)	432,523
Cash and cash equivalents at 1 September		<u>1,193,648</u>	<u>761,125</u>
Cash and cash equivalents at 31 August	20	<u>1,179,206</u>	<u>1,193,648</u>

The Ron Dearing UTC

Notes to the Financial Statements for the Year Ended 31 August 2022

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.

Going concern

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

Income

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

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.

The Academy Trust is benefiting from DfE's Post 16 Capacity Fund. The funding for the programme is not recognised as a capital grant until there is unconditional entitlement from costs being incurred, and the development occurring on a site where the Academy Trust controls (through ownership, lease or licence) [tailor to circumstances] the site where the development is occurring. The expenditure is capitalised in assets under construction until the project is complete.

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.

The Ron Dearing UTC

**Notes to the Financial Statements for the Year Ended 31 August 2022
(continued)**

1 Accounting policies (continued)

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'.

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 2022
(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.

Assets under construction

Assets under construction are recognised at cost. The assets under construction are not depreciated until they are brought into use, at which point they will be transferred to Fixed Assets and depreciated in line with the applicable accounting policy.

The Ron Dearing UTC

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

1 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.

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

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

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

Fund accounting

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

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

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

The Ron Dearing UTC

Notes to the Financial Statements for the Year Ended 31 August 2022
(continued)

1 Accounting policies (continued)

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 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	2021/22 Total £	2020/21 Total £
Capital grants	-	1,167,232	1,167,232	29,840
Donations - local authority asset transfer	-	10,177,616	10,177,616	-
Other donations	151,774	-	151,774	147,500
	<u>151,774</u>	<u>11,344,848</u>	<u>11,496,622</u>	<u>177,340</u>

The Ron Dearing UTC

Notes to the Financial Statements for the Year Ended 31 August 2022
(continued)

3 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	2021/22 Total £	2020/21 Total £
DfE/ESFA revenue grants				
UTC transitional	-	100,000	100,000	200,000
Pupil premium	-	61,577	61,577	66,615
Other	-	76,812	76,812	71,423
Teachers' pay	-	17,963	17,963	41,853
Teachers' pension	-	50,758	50,758	162,468
General Annual Grant (GAG)	-	4,309,954	4,309,954	3,799,104
Start Up grants	-	15,000	15,000	20,000
	-	4,632,064	4,632,064	4,361,463
Other government grants				
Local authority grants	-	180,964	180,964	90,301
COVID-19 additional funding (DfE/ESFA)				
Catch-up premium	-	-	-	25,040
COVID-19 additional funding (non-DfE/ESFA)				
Other COVID-19 funding	-	7,931	7,931	26,640
Non-government grants and other income				
Other income from the academy trust's operations	89,662	21,228	110,890	64,720
Total grants	<u>89,662</u>	<u>4,842,187</u>	<u>4,931,849</u>	<u>4,568,164</u>

The Academy Trust received £7,931 of funding for COVID-19 Mass testing. All of this funding was spent in 2021/22.

The Ron Dearing UTC

**Notes to the Financial Statements for the Year Ended 31 August 2022
(continued)**

4 Investment income

	Unrestricted Funds	2022/21 Total	2021/20 Total
	£	£	£
Short term deposits	<u>331</u>	<u>331</u>	<u>116</u>

The Ron Dearing UTC

Notes to the Financial Statements for the Year Ended 31 August 2022
(continued)

5 Expenditure

Net income/(expenditure) for the year includes:

	2021/22 £	2020/21 £
Operating lease rentals	1,088	6,511
Depreciation	121,443	198,299
Fees payable to auditor - audit	9,445	7,750
Fees payable to auditor - other non-audit services	18,820	2,100

Non Pay Expenditure

	Staff costs £	Premises £	Other costs £	2022/21 Total £	2021/20 Total £
Expenditure on raising funds					
Direct costs	-	-	-	-	112
Academy's educational operations					
Direct costs	2,995,542	-	383,266	3,378,808	2,959,974
Allocated support costs	1,199,281	502,040	565,255	2,266,576	1,838,995
	<u>4,194,823</u>	<u>502,040</u>	<u>948,521</u>	<u>5,645,384</u>	<u>4,799,081</u>

6 Charitable activities

	2021/22 £	2020/21 £
Direct costs - educational operations	3,378,808	2,959,974
Support costs - educational operations	2,266,576	1,838,995
	<u>5,645,384</u>	<u>4,798,969</u>

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**Notes to the Financial Statements for the Year Ended 31 August 2022
(continued)**

6 Charitable activities (continued)

	Educational operations £	2022/21 Total £	2021/20 Total £
Analysis of support costs			
Support staff costs	1,199,281	1,199,281	901,956
Depreciation	334,307	334,307	198,299
Technology costs	69,783	69,783	60,516
Premises costs	167,733	167,733	166,882
Other support costs	370,740	370,740	428,416
Governance costs	<u>124,732</u>	<u>124,732</u>	<u>82,926</u>
Total support costs	<u>2,266,576</u>	<u>2,266,576</u>	<u>1,838,995</u>

7 Staff

Staff costs

	2021/22 £	2020/21 £
Staff costs during the year were:		
Wages and salaries	2,998,496	2,640,796
Social security costs	325,878	278,242
Operating costs of defined benefit pension schemes	<u>870,449</u>	<u>711,048</u>
	<u>4,194,823</u>	<u>3,630,086</u>

Staff numbers

The average number of persons employed by the academy trust during the year was as follows:

	2022/21 No	2021/20 No
Teachers	36	36
Administration and support	35	32
Management	<u>13</u>	<u>12</u>
	<u>84</u>	<u>80</u>

Higher paid staff

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

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Notes to the Financial Statements for the Year Ended 31 August 2022
(continued)

7 Staff (continued)

	2022	2021
	No	No
£70,001 - £80,000	-	2
£90,001 - £100,000	2	-
£130,001 - £140,000	-	1
£140,001 - £150,000	<u>1</u>	<u>-</u>

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 £446,742 (2021: £395,678).

8 Related party transactions - trustees' remuneration and expenses

There were no Trustees' remuneration or other benefits for the year ended 31 August 2022 nor for the year ended 31 August 2021.

Trustees' expenses

During the year ended 31 August 2022, travel and subsistence expenses totalling £Nil (2021: £11) were reimbursed or paid directly to 0 Trustee (2021: 1 Trustee).

Other related party transactions involving the trustees are set out in note 24.

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.

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Notes to the Financial Statements for the Year Ended 31 August 2022
(continued)

10 Statement of financial activities for prior year

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2021/20 Total £
Income and endowments from:					
Donations and capital grants	2	147,500	-	29,840	177,340
Investments	4	116	-	-	116
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	43,720	4,524,444	-	4,568,164
Total		191,336	4,524,444	29,840	4,745,620
Expenditure on:					
Raising funds	5	112	-	-	112
<i>Charitable activities:</i>					
Academy trust educational operations	6	98,529	4,502,141	198,299	4,798,969
Total		98,641	4,502,141	198,299	4,799,081
Net income/(expenditure)		92,695	22,303	(168,459)	(53,461)
Transfers between funds		(6,000)	(76,123)	82,123	-
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	23	-	(196,000)	-	(196,000)
Net movement in funds/(deficit)		86,695	(249,820)	(86,336)	(249,461)
Reconciliation of funds					
Total funds brought forward at 1 September 2020		32,817	18,603	301,480	352,900
Total funds/(deficit) carried forward at 31 August 2021		119,512	(231,217)	215,144	103,439

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Notes to the Financial Statements for the Year Ended 31 August 2022
(continued)

11 Tangible fixed assets

	Leasehold land and buildings £	Assets under construction £	Furniture and equipment £	Computer equipment £	2022/21 Total £
Cost					
At 1 September 2021	-	-	280,524	1,228,659	1,509,183
Additions	10,177,616	1,280,218	49,861	58,165	11,565,860
Disposals	-	-	(7,671)	-	(7,671)
At 31 August 2022	<u>10,177,616</u>	<u>1,280,218</u>	<u>322,714</u>	<u>1,286,824</u>	<u>13,067,372</u>
Depreciation					
At 1 September 2021	-	-	228,016	1,089,125	1,317,141
Charge for the year	212,864	-	36,845	84,598	334,307
Eliminated on disposals	-	-	(7,671)	-	(7,671)
At 31 August 2022	<u>212,864</u>	<u>-</u>	<u>257,190</u>	<u>1,173,723</u>	<u>1,643,777</u>
Net book value					
At 31 August 2022	<u>9,964,752</u>	<u>1,280,218</u>	<u>65,524</u>	<u>113,101</u>	<u>11,423,595</u>
At 31 August 2021	<u>-</u>	<u>-</u>	<u>52,508</u>	<u>139,534</u>	<u>192,042</u>

The transactions relating to land and buildings include the addition of two leasehold land and buildings which were donated to the Academy Trust at a total value of £10,177,616.

The Academy Trust entered into an agreement with the local council and Department for Education (DfE) to convert one of the donated leasehold land & buildings for the Academy Trust's use. The amounts relating to assets under construction is the expenditure to date to convert the building into its intended use for the school.

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Notes to the Financial Statements for the Year Ended 31 August 2022
(continued)

12 Debtors

	2022	2021
	£	£
Trade debtors	44,092	-
VAT recoverable	172,942	19,744
Other debtors	-	14,927
Prepayments and accrued income	891,343	56,937
	<u>1,108,377</u>	<u>91,608</u>

At the balance sheet date the Academy Trust recognised accrued income of £843,619 in relation to the 90% DfE funding of the assets under construction project cost.

13 Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	1,007,692	118,304
Other taxation and social security	76,638	72,758
Other creditors	70,661	142,322
Accruals	500,330	148,476
	<u>1,655,321</u>	<u>481,860</u>

	2022	2021
	£	£
Deferred income		
Deferred income at 1 September 2021	-	11,945
Amounts released from previous periods	-	(11,945)
Deferred income at 31 August 2022	<u>-</u>	<u>-</u>

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Notes to the Financial Statements for the Year Ended 31 August 2022
(continued)

14 Funds

	As restated Balance at September 2021 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2022 £
Restricted general funds					
General Annual Grant (GAG)	572,153	4,253,147	(4,438,716)	(69,974)	316,610
Other DfE/ESFA Grants	52,638	317,340	(288,692)	-	81,286
Pension Reserve	(892,000)	-	(277,000)	1,011,000	(158,000)
Local Authority Grants	35,992	180,964	(166,296)	-	50,660
COVID-19 Catch up Premium	-	61,577	(61,577)	-	-
Other non-DfE/ESFA					
COVID-19 funding	-	7,931	(7,931)	-	-
Other Grants	-	21,228	(36,264)	15,036	-
	<u>(231,217)</u>	<u>4,842,187</u>	<u>(5,276,476)</u>	<u>956,062</u>	<u>290,556</u>
Restricted fixed asset funds					
DfE/ESFA Capital Grant	53,084	1,167,232	(21,599)	101,581	1,300,298
Other fixed assets	162,060	-	(99,930)	96,415	158,545
Donated assets	-	10,177,616	(212,864)	-	9,964,752
	<u>215,144</u>	<u>11,344,848</u>	<u>(334,393)</u>	<u>197,996</u>	<u>11,423,595</u>
Total restricted funds	(16,073)	16,187,035	(5,610,869)	1,154,058	11,714,151
Unrestricted funds					
Unrestricted general funds	119,512	241,767	(34,515)	(143,058)	183,706
Total funds	<u>103,439</u>	<u>16,428,802</u>	<u>(5,645,384)</u>	<u>1,011,000</u>	<u>11,897,857</u>

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Notes to the Financial Statements for the Year Ended 31 August 2022
(continued)

14 Funds (continued)

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

The General Annual Grant represents funds received from the ESFA towards the operation of the Academy Trust. The Academy Trust is not subject to GAG carry forward limits.

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.

Local Authority Grants represent income received for SEND teaching, Pupil Growth and Disproportionality and FSM income.

The COVID-19 Catch up Premium was received as a one-off universal catch-up premium to support children and young people to catch up lost time after school closure.

Other non-DfE/ESFA COVID-19 funding was received under the National Testing Programme to support with costs incurred conducting on-site testing.

Capital grant funding was received from the DfE/ESFA of £1,152,196 in relation to the conversion of a council property into a building for the Academy Trust's use.

Within restricted and unrestricted reserves £941,305 has been ringfenced to contribute to the expansion of the UTC as match-funding for an application to the ESFA's 16-19 expansion fund.

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

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 together with any unspent capital funding carried forward at 31 August 2022.

Donated fixed assets relate to the donation of leasehold of property from the Local Authority recognised in the year of £10,177,616.

During the year amounts of £69,974 and £128,022 was transferred from the GAG fund and Unrestricted fund, respectively, to the Restricted Fixed Asset Fund to fund capital expenditure.

During the year £15,036 was transferred from the unrestricted fund to Other Grants fund.

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Notes to the Financial Statements for the Year Ended 31 August 2022
(continued)

14 Funds (continued)

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

	Balance at 1 September 2020 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	As restated Balance at 31 August 2021 £
Restricted general funds					
General Annual Grant (GAG)	553,603	3,799,104	(3,704,431)	(76,123)	572,153
Other DfE/ESFA Grants	-	562,359	(509,721)	-	52,638
Pension Reserve	(535,000)	-	(161,000)	(196,000)	(892,000)
Local Authority Grants	-	90,301	(54,309)	-	35,992
COVID-19 Catch up Premium	-	25,040	(25,040)	-	-
Other non-DfE/ESFA COVID-19 funding	-	26,640	(26,640)	-	-
Other Grants	-	21,000	(21,000)	-	-
	<u>18,603</u>	<u>4,524,444</u>	<u>(4,502,141)</u>	<u>(272,123)</u>	<u>(231,217)</u>
Restricted fixed asset funds					
DfE/ESFA Capital Grant	108,318	29,840	(85,074)	-	53,084
Other fixed assets	193,116	-	(113,179)	82,123	162,060
Fixed assets transferred from R D Enterprises Limited	<u>46</u>	<u>-</u>	<u>(46)</u>	<u>-</u>	<u>-</u>
	<u>301,480</u>	<u>29,840</u>	<u>(198,299)</u>	<u>82,123</u>	<u>215,144</u>
Total restricted funds	320,083	4,554,284	(4,700,440)	(190,000)	(16,073)
Unrestricted funds					
Unrestricted general funds	<u>32,817</u>	<u>191,336</u>	<u>(98,641)</u>	<u>(6,000)</u>	<u>119,512</u>
Total funds	<u>352,900</u>	<u>4,745,620</u>	<u>(4,799,081)</u>	<u>(196,000)</u>	<u>103,439</u>

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Notes to the Financial Statements for the Year Ended 31 August 2022
(continued)

15 Analysis of net assets between funds

Fund balances at 31 August 2022 are represented by:

	Unrestricted funds	Restricted general funds	Restricted fixed asset funds	Total funds
	£	£	£	£
Tangible fixed assets	-	-	11,423,595	11,423,595
Current assets	183,705	706,313	1,397,565	2,287,583
Current liabilities	-	(417,299)	(1,238,022)	(1,655,321)
Pension scheme liability	-	(158,000)	-	(158,000)
Total net assets	183,705	131,014	11,583,138	11,897,857

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

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£	£	£	£
Tangible fixed assets	-	-	192,043	192,043
Current assets	150,862	1,048,597	85,797	1,285,256
Current liabilities	(31,350)	(387,814)	(62,696)	(481,860)
Pension scheme liability	-	(892,000)	-	(892,000)
Total net assets	119,512	(231,217)	215,144	103,439

16 Capital commitments

	2022 £
Contracted for, but not provided in the financial statements	3,512,031

The Academy Trust have entered into an agreement with the local council and Department for Education (DfE) to convert a property into a building for the Academy Trust's use. The work undertaken up to 31st August 2022 has been included within the fixed assets under assets under construction of £1,280,218. The expected remaining costs to completion are £3,512,031. The Academy Trust has recognised income of £1,115,196 to date from the Post 16 Capital Funding and a further £2,570,726 is expected to be received as the Academy Trust fulfils the funding requirements.

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Notes to the Financial Statements for the Year Ended 31 August 2022
(continued)

17 Long-term commitments, including operating leases

Operating leases

At 31 August 2022 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2022 £	2021 £
Amounts due within one year	1,088	6,511
Amounts due between one and five years	-	1,088
	<u>1,088</u>	<u>7,599</u>

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Notes to the Financial Statements for the Year Ended 31 August 2022
(continued)

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

	2021/22 £	2020/21 £
Net income/(expenditure)	10,783,418	(53,461)
Depreciation	334,307	198,299
Capital grants from DfE and other capital income	(1,167,232)	(29,840)
Interest receivable	(331)	(116)
Defined benefit pension scheme cost less contributions payable	100,456	151,000
Defined benefit pension scheme finance cost	17,000	10,000
Donations - local authority asset transfer	(10,177,616)	-
Increase in debtors	(857,224)	(5,121)
Increase in creditors	1,173,461	220,668
Net cash provided by Operating Activities	206,239	491,429

19 Cash flows from investing activities

	2021/22 £	2020/21 £
Purchase of tangible fixed assets	(1,388,244)	(88,862)
Capital grants from DfE Group	1,167,232	29,840
Interest received	331	116
Net cash used in investing activities	(220,681)	(58,906)

20 Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand and at bank	1,179,206	1,193,648
Total cash and cash equivalents	1,179,206	1,193,648

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Notes to the Financial Statements for the Year Ended 31 August 2022
(continued)

21 Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash	1,193,648	(14,442)	1,179,206
	-	-	-
Total	<u>1,193,648</u>	<u>(14,442)</u>	<u>1,179,206</u>

22 Member 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 they cease to be a member, such amount as may be required, not exceeding £1 for the debts and liabilities contracted before they ceased to be a member.

23 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 . 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 £69,674 were payable to the schemes at 31 August 2022 (2021: £68,982) 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.

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Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

23 Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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 £491,824 (2021: £465,094).

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

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

- Employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)

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 2022 was £148,000 (2021 - £133,000), of which employer's contributions totalled £109,000 (2021 - £99,000) and employees' contributions totalled £39,000 (2021 - £34,000). 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.

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**Notes to the Financial Statements for the Year Ended 31 August 2022
(continued)**

23 Pension and similar obligations (continued)

Principal actuarial assumptions

	2022	2021
	%	%
Rate of increase in salaries	3.95	3.80
Rate of increase for pensions in payment/inflation	3.05	2.90
Discount rate for scheme liabilities	<u>4.25</u>	<u>1.65</u>

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

	2022	2021
Retiring today		
Males	20.80	21.00
Females	23.50	23.70
Retiring in 20 years		
Males	22.00	22.20
Females	<u>25.30</u>	<u>25.50</u>

Sensitivity analysis

	2022	2021
	£	£
0.1% decrease in real discount rate	30,000	45,000
0.1% increase in the pension rate	28,000	40,000
0.1% increase in the salary increase rate	3,000	5,000
1 year increase in member life expectancy	<u>47,000</u>	<u>71,000</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:

	2022	2021
	£	£
Equities	760,500	609,270
Government bonds	141,960	158,940
Property	101,400	97,130
Cash and other liquid assets	<u>10,140</u>	<u>17,660</u>
Total market value of assets	<u>1,014,000</u>	<u>883,000</u>

The actual return on scheme assets was £Nil (2021 - £123,000).

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**Notes to the Financial Statements for the Year Ended 31 August 2022
(continued)**

23 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2021/22	2020/21
	£	£
Current service cost	369,000	248,000
Interest income	(16,000)	(12,000)
Interest cost	33,000	22,000
Past service cost	-	2,000
Total amount recognised in the SOFA	<u>386,000</u>	<u>260,000</u>

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Notes to the Financial Statements for the Year Ended 31 August 2022
(continued)

23 Pension and similar obligations (continued)

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

	2021/22	2020/21
	£	£
At start of period	1,775,000	1,164,000
Current service cost	369,000	248,000
Interest cost	33,000	22,000
Employee contributions	39,000	34,000
Actuarial (gain)/loss	(1,042,000)	307,000
Benefits paid	(2,000)	(2,000)
Past service cost	-	2,000
At 31 August	<u>1,172,000</u>	<u>1,775,000</u>

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

	2021/22	2020/21
	£	£
At start of period	883,000	629,000
Interest income	16,000	12,000
Actuarial gain/(loss)	(31,000)	111,000
Employer contributions	109,000	99,000
Employee contributions	39,000	34,000
Benefits paid	(2,000)	(2,000)
At 31 August	<u>1,014,000</u>	<u>883,000</u>

The Ron Dearing UTC**Notes to the Financial Statements for the Year Ended 31 August 2022**
(continued)**24 Related party transactions**

Owing to the nature of the Academy Trust and the composition of the Board of Trustees 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 AFH, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, 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.

S Kennedy, son of S Pashley, the School Principal, is employed by the Academy Trust as a Specialist Teaching Assistant in the Creative department. S Kennedy's appointment was made in open competition and S Pashley was not involved in the decision making process regarding appointment. S Kennedy is paid within the normal pay scale for his role and receives no special treatment as a result of his relationship to the School Principal.

P Kennedy, Husband of S Pashley, the School Principal, is employed by the Academy Trust as a Front of House Manager. P Kennedy's appointment was made in open competition and S Pashley was not involved in the decision-making process regarding appointment. S.Pashley discussed whether it was appropriate for P.Kennedy to apply for the post with the Chair of Governors before P.Kenendy applied. The Chair confirmed it was, providing S.Pashley wasn't involved in the selection process. P Kennedy is paid within the normal pay scale for his role and receives no special treatment as a result of his relationship to the School Principal.

P Murphy, wife of M Ollerenshaw, a Vice Principal, is employed by the Academy Trust as an English Teacher. P Murphy's appointment was made in open competition and M Ollerenshaw was not involved in the decision making process regarding appointment. P Murphy is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a Vice Principal.

Contact us

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