

Annual Report and Financial Statements

Year to 31 August 2020



Reference and administrative information

Members	University of East London Thames Water Utilities Ltd Costain Ltd Skanska UK plc Chelmsford Diocese Educational Trust
Directors	Shahina Ahmad Chris Beales Janet Burr Prof. Charles Egbu Dan Forbes-Pepitone Geoffrey Fowler Eryca Freemantle Jeremy Galpin (Chair) Anne Heal (Vice Chair) Matthew Herbert (Parent Director) Nick Rathbone Harry Wain Lucy Webster Ian Wightman (Parent Director)
Leadership Team	
Principal & CEO	Geoffrey Fowler
Vice Principal – Quality of Education	Victoria Webb
Vice Principal - Wellbeing	Gloria Gold
Chief Financial Officer	Dave Watherston
Company and academy name	London Design & Engineering UTC
Registered address	London Design & Engineering UTC Docklands Campus University Way London E16 2RD
Company registration number	08283657
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	Lloyds Bank plc PO Box 1000 Andover BX1 1LT

DIRECTORS' REPORT

The Directors of London Design & Engineering UTC ('the academy trust') present their annual report together with the financial statements and the auditor's reports of the charitable company for the year to 31 August 2020. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The financial statements have been prepared in accordance with the accounting policies set out on pages 28 to 33 of the attached financial statements and comply with the Academy's memorandum and articles of association, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

The trust operates a University Technical College (UTC) for learners aged 13+ based in Newham serving the whole of London and beyond. It opened in September 2016 and moved into its purpose build, state-of-the-art permanent building, on the dock front of London's Royal Albert Dock in January 2019. For the academic year 2019/20 the UTC increased its learners on roll, and is now at its full capacity of 600 learners in national curriculum year groups 9 to 11 and Sixth Form, in addition the UTC has 50 adult apprentice learners.

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 Directors of the London Design & Engineering UTC Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as London Design & Engineering UTC. Details of the Directors who served during the year are included below.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Constitution (continued)

Director	Appointed/resigned
Shahina Ahmad	
Chris Beales	
Janet Burr	
Prof. Charles Egbu	(appointed 1 September 2019)
Dan Forbes-Pepitone	
Geoffrey Fowler (CEO)	
Eryca Freeman	(appointed 16 January 2020)
Jeremy Galpin (Chair)	
Anne Heal	
Matthew Herbert (Parent Director)	
Nick Rathbone	
Catherine Ritman-Smith (Vice Chair)	(Resigned 31 December 2019)
Harry Wain	
Lucy Webster	
Ian Wightman (Parent Director)	

Members' liability

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

Director's Indemnities

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 Directors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to an aggregate amount of £10,000,000 per year. It is not possible to quantify the Directors and Officers indemnity element from the overall cost of the RPA scheme.

Method of Recruitment and Appointment or Election of Directors

The Board of Directors will contain at least 5 Directors and no more than 17, all of whom to be UK-based, in order to ensure both a range of views, but also that meetings can be scheduled and managed with ease. This includes a minimum of 2 elected Parent Directors. The CEO will for all purposes be treated as being an ex-officio Director.

The Directors may appoint staff Directors through such process as they may determine, usually by secret ballot, provided that the total number of Directors (including the Principal) who are employees of the academy does not exceed one third of the total number of Directors. The Directors may appoint up to 3 co-opted Directors.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Policies and Procedures Adopted for the Induction and Training of Directors

On appointment, new Directors follow an induction programme, which includes an induction meeting with the Clerk to the Board of Directors to understand their roles and responsibilities and how the Board and its Committees operate. A meeting with the Chair and Principal to understand the key issues affecting the UTC. A tour of the UTC and personal reading of key documents and information.

Organisational Structure

The organisational structure of the academy trust consists: The Board of Directors (i.e. the governing body); its Sub-Committees and the Principal and the UTC Leadership Team (LT). The purpose of this management structure is to distribute responsibility and accountability and to encourage involvement in decision making at all levels so that the UTC nurtures the talents of its entire staff to support continual improvement.

The Board of Directors supported by its Sub-Committees is responsible for setting the UTC's strategic direction; creating robust accountability, and ensuring financial probity.

The Principal and LT run and manage the UTC on a day-to-day basis at an executive level, implementing the policies set by the Board of Directors and reporting back to them.

The Board of Directors currently has established two Committees. Each Committee has its own terms of reference detailing its responsibilities. The terms of reference and meeting frequency for each Committee is reviewed and approved by the Board of Directors annually. The terms of reference for the Finance, Operations and Audit Committee ("FOAC") detail the UTC's authorised spending limits. The FOAC also, convenes a Remuneration Committee meeting once year to review the Trust's pay policy and agree the recommendations put forward by the Principal/CEO for the annual pay increases for all staff employed by the Trust. The Remuneration Committee also, sets the annual pay increase for the Principal/CEO.

The two Committees of the Board of Directors are the:

1. Standards, Teaching and Learning Committee; and
2. Finance, Operations and Audit Committee.

Furthermore, the Accounting Officer (i.e. the Principal) has personal responsibility for:

- ◆ the propriety and regularity of the public finances, for which they are answerable;
- ◆ the keeping of proper accounts;
- ◆ prudent and economical administration;
- ◆ the avoidance of waste and extravagance;
- ◆ ensuring value for money; and
- ◆ the efficient use of all resources.

The Principal as the Accounting Officer, has to operate within the schemes of delegation agreed with the Board of Directors.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Arrangements for setting pay and remuneration of key management personnel

London Design & Engineering UTC has a set of banded pay scales to which staff are appointed to. These have been benchmarked against other school and academies. Staff pay and progression are reviewed annually, including a performance management appraisal, to ensure value for money is delivered. The performance management appraisal for the Principal is undertaken by the Chair of the Board of Directors in a panel with other Board members.

Trade union facility time

No time was spent by relevant union officials on paid trade union activities during contracted employment hours in the relevant period for purposes of reporting under the Trade Union (Facility Time Publication Requirements) Regulations 2017.

Related Parties and other Connected Charities and Organisations

London Design & Engineering UTC Trust was originally set up in November 2012 and currently has the following five organisations as members: University of East London (UEL), Thames Water Utilities Ltd, Costain Ltd, Skanska UK plc and the Chelmsford Diocese Educational Trust. It was established in response to a lack of high-quality technical education and the need amongst employer sponsors to recruit work ready candidates with the right skills and attitude to fit into their organisations.

All five organisations are independent legal entities that also operate independently.

Objectives, Strategies and Activities

The London Design & Engineering (LDE) UTC prepares learners for the exciting and wide employment opportunities across the engineering and construction industry from major projects such as the Thames Tideway Tunnel, High Speed 2 through to the essential skills necessary to provide the new housing the UK needs.

LDE UTC provides both strong educational support and access to a thriving employment sector at all levels - be it apprentice or graduate engineer level - within the large and dynamic construction and engineering sector. Its STEM focused qualifications would, of course, also permit further studies and employment in other related science and technology sectors.

LDE UTC aims to achieve the following:

- ◆ Learners leave the UTC as work ready, independent, enterprising learners with a desire to succeed, take pride in their achievements, and have high self-esteem and confidence in their own identities. They will be technologically skilled and have a clear vision with achievable plans for their future.
- ◆ Become an outstanding centre of excellence, specialising in design and engineering, creating and sharing educational materials for both teacher delivery and teacher training. Develop professional and motivated staff and learners who will proactively engage with the vision, mission, core values and ethos of the UTC.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Objectives, Strategies and Activities (continued)

- ◆ Serve industry by listening and understanding their skills needs to create a relevant, sustainable and creative curriculum offer; by preparing their future workforces to have the transferable skills needed to cope in the demanding 21st century workplace environment.

At the heart of the LDE UTC is the vision to develop the next generation of tech savvy young learners, who will grasp the application of pure subjects and how they relate to solving some of the world's greatest challenges in sustainable living. The UTC's leading-edge technology learning spaces coupled with a pioneering and inspirational curriculum, integrating technical and academic subjects, will enable it to unlock the talents and skills of learners, training them today for jobs of tomorrow. Built around real work-related employer driven projects every aspect of the curriculum is linked to the learners' future. LDE UTC learners will be well known for having the skills, behaviours, attitudes, experience and knowledge looked for by leading employers. Being well connected with its sponsors, UTC learners will get unparalleled access to great opportunities for employment and future support.

Public Benefit

As laid down in its Articles of Association the Academy Trust exists for the benefit of public education in the United Kingdom. Secondary to this, is an object to promote for the benefit of the inhabitants of the areas in which the Academy is situated. In all instances the Academy exists for the benefit of the public.

STRATEGIC REPORT

Achievements and Performance

The London and Engineering (LDE) UTC has now been open for four years and has had a remarkable journey to establish itself over that period. Despite the many challenges, including being in temporary accommodation for two and half years, the LDE UTC continues to be a successful employer-led, over-subscribed, mixed-ability, multi-cultural and thriving College.

The first three years of operation were focused on putting in to place systems and processes and embedding them. As well as embedding the culture and ethos of the UTC. The fourth year of operation has been about refining these initial processes and turning them into good practice, as the College reaches full capacity with regards its learner numbers and enters steady state.

STRATEGIC REPORT (continued)

Achievements and Performance (continued)

Within the first month of the college year (2019/20) the LDE UTC had its first ever monitoring visit from Ofsted for its apprenticeship provision, which was disappointing as the UTC was judged to be making 'insufficient progress'. However, the Ofsted report did highlight a number of areas where the UTC's apprenticeship was doing well such as safeguarding and the welfare of learners. It also highlighted that management had accurately identified the challenges required to raise the quality of the apprenticeship programme. Management were implementing substantial changes to help address the weaknesses. However, at the time of the visit these changes were new, so it was too early to judge their effectiveness. The UTC continued to implement and embed the good practice highlighted, and focused on the areas of improvement raised throughout 2019/20. This hard work was rewarded shortly after the end of 2019/20 with a follow up OFSTED inspection on the apprenticeship provision taking place in October 2020 showing these endeavours had been successful and OFSTED judged that "reasonable progress" was being made in all areas, which was an excellent result in the face of the significant disruption caused by the COVID-19 pandemic.

As well as success in the apprenticeship provision, LDE UTCs full time learners (national curriculum year 9 to 11 and Sixth Formers) also had a very successful year, in hugely challenging circumstances.

The year began successfully with the College recruiting to full capacity in September 2019, this was the first intake since moving into the permanent building, and as such the first time it was possible to recruit to full capacity, so this was testament to the desire of learners and parents/carers to join the College.

The COVID-19 pandemic and the national lockdown meant that the College had to close fully in March 2020, and the summer 2020 examinations were cancelled by government. Learners instead were given centred assessed grades.

The College is very proud of its response to the COVID-19 pandemic, and the measures put in place have been recognised as exemplar by Public Health England (PHE) who following a review of our plans and a virtual tour noted "It was clear from the tour that you have spent a great deal of time and efforts creating a Covid-secure environment to reduce Covid risks among staff and students" and noted that PHE "welcome this proactive and innovative work as it is likely to make a real difference not only to Covid risks in the building but also more broadly to the wellbeing of staff and learners and the educational impacts of the pandemic."

The College was already in a strong position to move learning online given technology focus, existing remote learning resources and equipment. As such learning continued during the lockdown, including home learning, live video lessons and weekly wellbeing telephone calls. From mid-June 2020 the College partially opened to some year groups in line with government requirements. A thorough risk assessment and plan was put in place, with wide consultation with staff, learners and wider stakeholders, this risk assessment and plan was further developed in advance of full re-opening in September 2020.

STRATEGIC REPORT (continued)

Achievements and Performance (continued)

Measures which have been put-in place include significant investment in further remote learning technology, now every classroom has a web-cam, 360-degree mic and visualiser, so that lessons can be delivered effectively to all learners whether they are on-site or isolating at home without disruption. It also enables teachers to deliver lessons effectively if they have to isolate. This set-up has significantly reduced the negative impact on learning which would otherwise occur as learners and staff need to isolate due to COVID-19.

A thorough system of controls has been put in place to reduce the risk of transmission of COVID-19, this has been prepared in accordance with DfE guidance and is all documented in our COVID risk assessment and plan. Measures include increased touchpoint cleaning; monthly disinfectant and protective spraying across the whole building; perspex screens; hand sanitiser stations for each classroom and various other strategic placements around the College; disinfectant wipes for all desks; automatic door stops (which release on fire alarm sounding) to keep all doors open for ventilation and to reduce touch points; signage for one-way systems, information posters etc; adjustments to building services to enhance hygiene and ventilation.

The College has also put a focus on staff and learner wellbeing, introducing a confidential Employee Assistance Programme, which includes telephone and in-person counselling, weekly wellbeing calls for all staff and learners and various other wellbeing initiatives and signposting.

The cancellation of examinations in the summer of 2020 means that assessments were awarded based on awarding bodies own processes, including taking account of centre assessed grades. Our learners have achieved exceptional results through this process.

This meant the UTC's Achievement 8 (A8) scores at Key Stage 4 had improved and based on provisional national data were expect to be in line with national averages, which is a great achievement. Also, pleasing was the attainment of disadvantaged learners had improved and was now expecting to be well above the national average. Within the College the gap between disadvantaged and non-disadvantaged learners had narrowed.

At Key Stage 5 (KS5) the UTC's A Level attainment has increased by 2 grades on average compared to 2019's results, and provisional value added scores are broadly in line with national averages, which is an improvement.

The KS5 Technical results have always been a real strong point for LDE UTC and showed even further improvement this year with an average grade of "Distinction, Distinction" (DD), and the provisional completion and attainment (C&A) rate is +1.75 so nearly 2 grades higher than national average. We expect that once national data is verified in March 2021, LDE UTC will again be among the top performing technical providers nationally at KS5.

The College also, this year received its first ever set of apprenticeship grades, with an average grade of "Distinction, Distinction Plus" (DD+) and the provisional C&A rate for them was +1.5. This means every final year apprentice received one and half grades higher than what they would have been projected to achieve, which is a real credit to the apprentices and their teachers.

STRATEGIC REPORT (continued)

Going Concern

The Trust had net current assets at 31 August 2020 of £260,000 (2019 – £115,000). During the year the Trust made an operational surplus of £99,000 (2019 – surplus of £13,000). This excludes movements on the fixed assets fund and the defined benefit scheme pension adjustments. Due to strong learner recruitment and careful financial management, the UTC has been able to generate this modest level of reserves in its first four years as an open academy. This along with now being full to capacity has put the LDE UTC in a healthy financial position, as such budgets and forecasts for the first years of opening have been set to use these positives to further strengthening the unique offer of the UTC as a leading provider of technical education and training.

Post year end the UTC has continued to recruit learners well and is forecast to continue to make surpluses in each year of its 3 year forecast. While there is concern that increased costs during the COVID pandemic (particularly cleaning/hygiene and staff cover costs) may result in an unbudgeted deficit for 2020/21 the level of potential costs are not considered to be a threat to continued operations given the healthy level of reserves carried forward at 31 August 2020. The College is also strongly of the opinion that the DfE should be funding such exceptional COVID costs, and will be lobbying for this, however the College is not relying on this to remain a going concern.

In light of the above, the Directors have a reasonable expectation that the Trust has adequate resources to continue in operation for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

Financial Review

In addition to the operational result mentioned above, the value of the fixed asset funds held at the year end was £19,757,000 (2019 - £20,328,000), a decrease of £571,000 in the year (2019 – increase of £2,004,000). The net liability within the restricted pension fund was £1,000,000 (2019 - £519,000).

The total funds of the Trust as at 31 August 2020 was £18,971,000 (2019 - £19,924,000).

Principal Funding Sources

Most of the trust's income is obtained from the Education and Skills Funding Agency (ESFA), which is part of the Department for Education (DfE), in the form of recurrent grants. The grants received from the ESFA in the period to 31 August 2020 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The trust also receives capital grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice (FRS 102), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset balance is reduced by annual depreciation charges over the expected life of the relevant assets.

STRATEGIC REPORT (continued)

Financial Review (continued)

Reserves Policy

Funding for London Design & Engineering UTC is made up of restricted funds funded by fixed asset funds, General Annual Grant (GAG) funding and unrestricted funds, for example donations and carry over from the Academy Trust's pre-opening development grant.

The restricted funds shall be spent in accordance with the terms of the particular funds. Unrestricted funds are the 'free reserves; for use on the general purpose of the trust at the discretion of the Governors. The aim of the governors is to increase this reserve to meet future working capital requirements.

Total revenue funds carried forward as of 31 August 2020 were in excess of £200,000, however this represents less than one month of the UTCs payroll costs, this low ratio is due to funding pressures and the UTCs early stage of operations, with only four years' operations to build reserves. Directors have developed a cash reserves policy, to support the renewal of the UTC's specialist ICT and other equipment to keep the technology up to date to maintain the UTC's position as one of the most technically advanced Colleges in the UK. Further to this, Directors are aware of a number of future financial pressures and uncertainties including national funding levels, COVID-19 related costs and pension contribution rates. As such, they believe that a cautious approach to reserves is currently required.

While the UTC remains in its formative years it is not realistic to target significant surpluses, however the Board have set a policy to start building reserves from the 2020/21 academic year with a targeted operating surplus of 1% - 3% in that year, and 3% per annum from there onwards. This may need to be revisited if COVID-19 related increases in costs continue to be required and the government continues to state they will not provide any additional funding for COVID-19 costs to schools and Colleges in 2020/21

Investment Policy

Directors will consider the investment of surplus funds of the academy trust should future circumstances require, in accordance with the Academies Handbook.

Principal Risks and Uncertainties

The academy trust is developing a formal risk management process in place to assess all risks and implements risk management strategies. The process, which will be overseen and reviewed by the Directors on an annual basis, identifies the types of risk the academy trust faces. These risks are then assessed and prioritised in terms of their potential impact and the likelihood of occurrence. Where necessary, actions to mitigate the risks identified are put in place.

STRATEGIC REPORT (continued)

Principal Risks and Uncertainties (continued)

The principal risks for the academy trust are connected with:

- ◆ The funding climate for academy trusts. Mitigation includes encouraging sponsors and partners to make donations in cash or in-kind to keep the UTC's offer differentiated from other providers; alternative revenue streams are being investigated and robust budget monitoring and forecasting procedures are in place;
- ◆ Developing the reputation of the trust and achieving positive outcomes for the students. Mitigation includes working closely with the Department for Education (DfE) Educational Advisers team, maintaining a strong focus on setting targets and tracking student progress through a dedicated Standards, Teaching & Learning Committee and recruiting high quality teaching and leadership personnel; and
- ◆ Management of the temporary site and the move to the permanent site is no longer a risk as this was successfully managed, with the move taking place in January 2019 without the loss of any teaching days.

Fundraising

The UTC does not actively solicit donations and therefore is not registered with the Fundraising Regulator or subscribe to any fundraising codes of practice. When donations from individuals are received, the UTC aims to protect personal data and never sells data or swaps data with other organisations. During 2019/20, the UTC received no complaints about fundraising activities.

Plans for Future Periods

The UTCs three-year plan key priorities are:

- ◆ Sustaining the LDE UTC's Future;
- ◆ Embedding the Quality of Teaching, Learning and Assessment;
- ◆ Embedding Personal Development, Behaviour and Welfare of the Highest Standard; and
- ◆ Ensuring Leadership and Strategic Guidance is of the Highest Quality.

For the next academic year, 2020/21, the UTC's key priority will be:

- ◆ Close the Covid-19 Gap for learners;
- ◆ Improved – Attainment;
- ◆ Improved – Attendance (after taking account of COVID-19 absences); and
- ◆ Improved – Activities (Maximise Employer and University links).

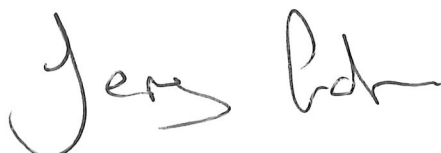
Directors' report Year to 31 August 2020

AUDITOR

Insofar as the Directors are aware:

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

The Directors' report, incorporating a strategic report, was approved by order of the board of Directors, as the company directors, and signed on the board's behalf by:



Jeremy Galpin

Chair of the Board of Directors

Date: 14/12/2020

GOVERNANCE STATEMENT

Scope of Responsibility

As Directors we acknowledge we have overall responsibility for ensuring that the London Design & Engineering 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 Directors has delegated the day-to-day responsibility to the Principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between London Design & Engineering UTC and the Secretary of State for Education. They are also responsible for reporting to the Board of Directors any material weaknesses or breakdowns in internal control.

Governance

As Directors, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance, and have recently had an audit of governance by an accredited a National Leader of Governance.

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

Board of Director Meetings

Director	Meetings Attended	Out of a possible
Jeremy Galpin (Chair)	5	5
Geoffrey Fowler (CEO)	5	5
Catherine Ritman-Smith	1	2
Chris Beales	4	5
Janet Burr	4	5
Harry Wain	3	5
Dan Forbes Pepitone	3	5
Anne Heal (Vice Chair)	4	5
Nick Rathbone	4	5
Lucy Webster	3	5
Prof. Charles Egbu	5	5
Shahina Ahmad	2	5
Eryca Freemantle	3	3
Matthew Herbert	3	5
Ian Wightman	3	5

Finance, Audit & Operations Committee Meetings

Director	Meetings Attended	Out of a possible
Nick Rathbone (Chair)	4	4
Geoffrey Fowler (CEO)*	4	4
Janet Burr	2	4
Anne Heal	4	4
Celia Carlisle (Co-opted)	4	4
Ying Kay (Co-opted)	3	4

*Geoffrey Fowler is an attendee only for the Audit Committee portions of these meetings.

Review of Value for Money

As accounting officer, the principal has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Directors where value for money can be improved, including the use of benchmarking data where appropriate.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in London Design & Engineering UTC for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Directors 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 Directors is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period from 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Directors.

Impact of COVID-19

During the COVID-19 pandemic the Trust has taken due note of PPN 02/20 and PPN 04/20, however in all cases the trust has work collaboratively with our suppliers to ensure appropriate arrangements were in place to maintain the mutual best interest of the College and our suppliers, with value for money for the College has been maintained throughout.

Overall during this academic year, while there has been significant investment in COVID related controls and additional remote learning and working technology, there has also been savings both directly and indirectly related to the College closure during lockdown. Overall the financial impact of COVID-19 has not been onerous during 2019/20, and the College has finished the year with a surplus. However, the on-going impact of COVID-19 post year end (in 2020/21) is likely to be financially negative, because the costs of COVID-19 (including increased cleaning and hygiene measures, increased staff absence costs and PPE costs) remain, however the savings associated with closure are no longer present, because the College is now fully open. The Trust is of the view that additional funding should be made available from the Department for Education to pay for these unavoidable increases in costs relating to COVID-19, however at present no such funding has been announced.

The Risk and Control Framework

The academy trust has developed a system of internal financial control which 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 Directors
- ◆ regular reviews by the Finance, Audit & Operations committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- ◆ setting targets to measure financial and other performance
- ◆ clearly defined purchasing (asset purchase or capital investment) guidelines
- ◆ delegation of authority and segregation of duties
- ◆ identification and management of risks

The Board of Directors has considered the need for a specific internal audit function and has previously appointed Buzzacott LLP to carry out a programme of internal checks. A new provider will need to be appointed to continue this programme for 2020/21 in order to avoid having both internal and external audits conducted by the same firm in accordance with the recently revised FRC Ethical Standard.

The role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular, the checks carried out in the current period included a review of the use of pupil premium and a review of delegation of authority and financial procedures. Results are reported to the board of trustees through the Finance, Audit & Operations Committee.

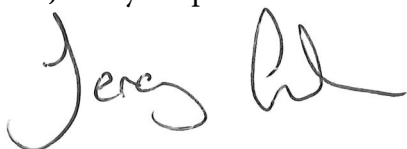
Review of Effectiveness

As accounting officer, the principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by the work of the 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 audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Directors and signed on its behalf by:

Jeremy Galpin



Chair of the Board of Directors

Date: 14/12/2020



Geoffrey Fowler

Accounting Officer

Date: 11th December 2020

Statement on regularity, propriety and compliance 31 August 2020

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of London Design & Engineering UTC, I have considered my responsibility to notify the academy trust board of Directors and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

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

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



Geoffrey Fowler

Accounting Officer

Date: 11th December 2020

Statement of directors' responsibilities 31 August 2020

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors (who act as governors of the academy trust and are also the directors of the Academy for the purposes of company law) are responsible for preparing the Directors' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Charities' SORP (FRS 102) and the Academies Accounts Direction 2019 to 2020;
- ◆ make judgments and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Academy will continue in operation.

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

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

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

Approved by order of the members of the Board of Directors and signed on its behalf by:

 Jeremy Galpin

Chair of the Board of Directors

Date: 14/12/2020

Independent auditor's report on the financial statements to the Members of London Design & Engineering UTC

Opinion

We have audited the financial statements of London Design & Engineering UTC (the 'charitable company') for the year ended 31 August 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the related notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (the Charities SORP (FRS 102)) and the Academies Accounts Direction 2019 to 2020.

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006; and
- ◆ have been prepared in accordance with the Charities SORP (FRS 102) and Academies Accounts Direction 2019 to 2020.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report including the strategic report.

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

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

Responsibilities of directors

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

Responsibilities of directors (continued)

In preparing the financial statements, the directors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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



17.12.2020

Hugh Swainson, Senior Statutory Auditor
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Independent reporting auditor's assurance report on regularity to London Design & Engineering UTC and the Education and Skills Funding Agency

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

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

Respective responsibilities of London Design & Engineering UTC's accounting officer and the reporting auditor

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

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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.

Independent auditor's reports 31 August 2020

Approach (continued)

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- ◆ An assessment of the risk of material irregularity and impropriety across all of the academy trust's activities;
- ◆ Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- ◆ Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

Conclusion

Nothing has come to our attention in the course of our work which suggests that in all material respects the expenditure disbursed and income received during the period from 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Hugh Swainson

17.12.2020

Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

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

	Notes	Restricted funds			2020 Total funds £'000	2019 Total funds £'000
		Unrestricted general fund £'000	General fund £'000	Fixed assets fund £'000		
Income from:						
Donations and capital grants	1	50	—	27	77	4,065
Charitable activities						
. Funding for the academy's educational operations	2	—	5,009	—	5,009	3,631
Other trading activities	3	8	62	—	70	128
Total income		58	5,071	27	5,156	7,824
Expenditure on:						
Charitable activities						
. Academy's educational operations	5	61	5,091	811	5,963	5,953
Total expenditure	4	61	5,091	811	5,963	5,953
Net income (expenditure)		(3)	(20)	(784)	(807)	1,871
Transfers between funds	11	—	(213)	213	—	—
Other recognised losses						
Actuarial losses on defined benefit pension schemes	15	—	(146)	—	(146)	(192)
Net movement in funds		(3)	(379)	(571)	(953)	1,679
Reconciliation of funds						
Total fund balances brought forward at 31 August 2019	11	61	(465)	20,328	19,924	18,245
Total fund balances carried forward at 31 August 2020		58	(844)	19,757	18,971	19,924

All of the Academy's activities derived from continuing operations during the above two financial periods.

Balance sheet 31 August 2020

	Notes	2020 £'000	2020 £'000	2019 £'000	2019 £'000
Fixed assets					
Tangible fixed assets	8		19,711		20,328
Current assets					
Debtors	9	417		728	
Cash at bank and in hand		678		589	
		<u>1,095</u>		<u>1,317</u>	
Liabilities					
Creditors: amounts falling due within one year	10	(835)		(1,202)	
Net current assets			<u>260</u>		<u>115</u>
Total assets less current liabilities					
			<u>19,971</u>		<u>20,443</u>
Defined benefit pension scheme	15		(1,000)		(519)
Total net assets			<u>18,971</u>		<u>19,924</u>
Funds of the Academy					
Restricted income funds					
. Fixed assets fund	11		19,757		20,328
. General fund	11		156		54
. Pension reserve	11		(1,000)		(519)
Total restricted funds			<u>18,913</u>		<u>19,863</u>
Unrestricted funds					
. General fund	11		58		61
Total funds			<u>18,971</u>		<u>19,924</u>

The financial statements on page 24 to 48 were approved by the Directors, and authorised for issue on 14/12/2020 and are signed on their behalf by:



Jeremy Galpin

Jeremy Galpin
Chair of the Board of Directors

London Design & Engineering UTC
Company Limited by Guarantee
Registration Number: 08283657 (England and Wales)

Statement of cash flows Year to 31 August 2020

		2020 £'000	2019 £'000
Cash flows from operating activities			
Net cash provided by (used in) operating activities	A	226	(108)
Cash flows from investing activities	B	(137)	(2,911)
Change in cash and cash equivalents in the year		89	(3,019)
Reconciliation of net cash flow to movement in net funds:			
Cash and cash equivalents at 1 September 2019		589	3,608
Cash and cash equivalents at 31 August 2020	C	678	589
A Reconciliation of net (expenditure) income to net cash flows from operating activities			
		2020 £'000	2019 £'000
Net (expenditure) income for the year (as per the statement of financial activities)		(807)	1,871
Adjusted for:			
Depreciation charges (note 8)		785	1,439
Rental expense		26	580
Capital grants from DfE and other capital income		(27)	(4,026)
Defined benefit pension scheme cost less contributions payable (note 15)		326	150
Defined benefit pension scheme finance cost (note 15)		9	(4)
Decrease (increase) in non-capital debtors		10	(31)
Decrease in non-capital creditors		(96)	(87)
Net cash provided by (used in) operating activities		226	(108)
B Cash flows from investing activities			
		2020 £'000	2019 £'000
Capital insurance income		—	24
Disposal of tangible fixed assets		—	11
Purchase of tangible fixed assets		(168)	(3,455)
Decrease in capital debtors		301	3,141
Decrease in capital creditors		(271)	(6,054)
Rental expenditure funded by capital grants from DfE/ESFA		(26)	(580)
Capital grants from DfE/ESFA		27	4,002
Net cash used in investing activities		(137)	(2,911)
C Analysis of cash and cash equivalents			
		2020 £'000	2019 £'000
Cash at bank and in hand		678	589
Total cash and cash equivalents		678	589

Statement of cash flows Year to 31 August 2020

D Analysis of changes in net debt

	At 1 September 2019 £'000	Cash flows £'000	At 31 August 2020 £'000
Total: cash	589	88	677

Principal accounting policies 31 August 2020

Statement of accounting policies

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

Basis of preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Going concern

The Trust had net current assets at 31 August 2020 of £260,000 (2019 – £115,000). During the year the Trust made an operational surplus of £99,000 (2019 – surplus of £13,000). This excludes movements on the fixed assets fund and the defined benefit scheme pension adjustments. Due to strong learner recruitment and careful financial management, the UTC has been able to generate this modest level of reserves in its first four years as an open academy. This along with now being full to capacity has put the LDE UTC in a healthy financial position, as such budgets and forecasts for the first years of opening have been set to use these positives to further strengthening the unique offer of the UTC as a leading provider of technical education and training.

Post year end the UTC has continued to recruit learners well and is forecast to make continue to make surpluses in each year of its 3 year forecast. While there is concern that increased costs during the COVID pandemic (particularly cleaning and staff cover costs) may result in an unbudgeted deficit for 2020/21 the level of potential costs are not considered to be a threat to continued operations given the healthy level of reserves carried forward at 31 August 2020. The College is also strongly of a opinion that the DfE should be funding such exceptional COVID costs, and will be lobbying for this, however the College is not relying on this to remain a going concern.

In light of the above, the Directors have a reasonable expectation that the Trust has adequate resources to continue in operation for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

Principal accounting policies 31 August 2020

Income

All income is 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.

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

Where an asset is being constructed and the trust is recognising an asset on balance sheet for the development from ESFA funding, then the policy for this should be disclosed.

Where a trust is recognising an asset under these programmes, it should not be accrued on the basis of the funding letter, which does not give rise to an unconditional entitlement.

Donated services

Donated services are included at estimated market value. The value of these services is recognised as a donation to the UTC. The value of the services is charged against the 'Academy's educational activities'. Where it is impractical to obtain a market value for the services provided they are not recognised in the financial statements.

Expenditure

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

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 expenditure is stated net of recoverable VAT.

Principal accounting policies 31 August 2020

Tangible fixed assets

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy's depreciation policy.

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

Leasehold land and buildings	The lesser of 50 years or the remaining term of the lease
Furniture and equipment	5 years
Computer equipment	3 years

Depreciation will be charged on assets under construction once they are brought into use.

Debtors

Debtors are recognised at their settlement amount less any provision for non-recoverability. Prepayments are valued at the amounts prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand. Notice deposits are included on the balance sheet as short term deposits.

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.

Principal accounting policies 31 August 2020

Financial instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 9. Prepayments are not financial instruments.

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

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 10. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Taxation

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

Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education and Skills Funding Agency, Department for Education or other funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other grants received from the Education and Skills Funding Agency.

Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 15, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded 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 operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

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.

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

Critical accounting estimates and areas of judgement (continued)

- The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 15, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.
- The net book value of tangible fixed assets is based on the original cost/value of the asset net of provision for depreciation. The depreciation provision to date is based on the Directors' assessment of the estimated useful economic lives of such assets.

These estimates, together with the going concern assessment as described above, also constitute the key critical areas of judgement applied by the Directors in the preparation of the financial statements.

Notes to the Financial Statements Year to 31 August 2020

1 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed assets funds £'000	2020 Total funds £'000	2019 Total funds £'000
Capital grants	—	—	27	27	4,002
Donations	50	—	—	50	63
	50	—	27	77	4,065

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed assets funds £'000	2019 Total funds £'000
Capital grants	—	—	4,002	4,002
Donations	63	—	—	63
	63	—	4,002	4,065

Included within unrestricted donations are chaplaincy services provided by Chelmsford Diocese Education Trust valued at £49,487. The corresponding expenditure is shown within other direct costs.

2 Funding for academy's educational operations

	Unrestricted funds £'000	Restricted funds £'000	2020 Total funds £'000	2019 Total funds £'000
DfE / ESFA revenue grants				
. General Annual Grant	—	4,271	4,271	3,024
. Start Up Grants	—	68	68	153
. Other DfE / ESFA	—	455	455	454
	—	4,794	4,794	3,631
Other Government grants				
. Local authority grants	—	215	215	—
	—	215	215	—
	—	5,009	5,009	3,631

	Unrestricted funds £'000	Restricted funds £'000	2019 Total funds £'000
DfE / ESFA revenue grants			
. General Annual Grant	—	3,024	3,024
. Start Up Grants	—	153	153
. Other DfE / ESFA	—	454	454
	—	3,631	3,631

Notes to the Financial Statements Year to 31 August 2020

3 Other trading income

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed assets funds £'000	2020 Total funds £'000	2019 Total funds £'000
Trip income	—	27	—	27	16
Catering income	—	35	—	35	42
Insurance income	—	—	—	—	59
Hire of facilities/lettings income	2	—	—	2	—
Miscellaneous income	6	—	—	6	11
	8	62	—	70	128

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed assets funds £'000	2019 Total funds £'000
Trip income	—	16	—	16
Catering income	—	42	—	42
Insurance income	—	35	24	59
Miscellaneous income	11	—	—	11
	11	93	24	128

Notes to the Financial Statements Year to 31 August 2020

4 Expenditure

	Staff costs £'000	Non pay expenditure		2020 Total funds £'000	2019 Total funds £'000
		Premises £'000	Other costs £'000		
Charitable activities					
. Academy's educational operations					
.. Direct costs	3,122	785	419	4,326	4,110
.. Allocated support costs	929	366	342	1,637	1,843
	4,051	1,151	761	5,963	5,953

	Staff costs £'000	Non pay expenditure		2019 Total funds £'000
		Premises £'000	Other costs £'000	
Charitable activities				
. Academy's educational operations				
.. Direct costs		2,436	1,439	4,110
.. Allocated support costs		616	833	1,843
		3,052	2,272	5,953

Expenditure for the period includes:

	2020 Total funds £'000	2019 Total funds £'000
Operating lease rentals	26	580
Loss on disposal of fixed assets	—	11
Depreciation	785	1,439
Fees payable to auditor		
. Statutory audit	9	10
. Other services	6	5

Notes to the Financial Statements Year to 31 August 2020

5 Charitable activities - academy's educational operations

	2020 Total funds £'000	2019 Total funds £'000
Direct costs	4,326	4,110
Support costs	1,637	1,843
	5,963	5,953
	2020 Total funds £'000	2019 Total funds £'000
Analysis of support costs		
Support staff costs	929	616
Technology costs	77	67
Premises costs	366	833
Legal costs	1	2
Other support costs	199	207
Governance costs	65	118
Total support costs	1,637	1,843

6 Staff

(a) Staff costs

Staff costs during the period were:

	2020 Total funds £'000	2019 Total funds £'000
Wages and salaries	2,815	2,260
Social security costs	298	235
Pension costs (including LGPS notional pension charge £326,000 (2019 - £150,000))	758	408
	3,871	2,903
Supply staff costs	180	149
	4,051	3,052

(b) Non-contractual severance payments

There were no non-contractual severance payments in 2020 (2019 – £nil).

Notes to the Financial Statements Year to 31 August 2020

6 Staff (continued)

(c) Staff numbers

The average number of persons (including the senior management team) employed by the charitable company during the year ended 31 August 2020 expressed as average headcount and as full time equivalents was as follows:

Charitable activities	2020 No.	2019 No.
Teachers	39	33
Administration and support	37	31
Management	4	5
	80	69

Charitable activities	2020 FTE	2019 FTE
Teachers	36	29
Administration and support	30	22
Management	4	5
	70	56

(d) Higher paid staff

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

	2020 No.	2019 No.
£60,001 - £70,000	4	3
£70,001 - £80,000	1	1
£80,001 - £90,000	1	—
£120,001 - £130,000	—	1
£130,001 - £140,000	1	—

(e) Key management personnel

The key management personnel of the academy trust comprise the Directors and the Leadership Team as listed on page 1. The total amount of employee benefits (including employer national insurance and pension contributions) received by key management personnel for their services to the academy trust was £469,303 (2019 – £497,009).

Notes to the Financial Statements Year to 31 August 2020

6 Staff (continued)

(f) Directors' remuneration and expenses

The Principal and Staff Director only receive remuneration in respect of services provided undertaking their roles in the capacity of employment and not in respect of services as Directors. Other Directors did not receive any payments from the academy in respect of their role as Directors. The value of Directors' remuneration for the period they acted as Directors was as follows:

	2020 £'000	2019 £'000
Geoffrey Fowler, Principal and Director		
. Remuneration	130 – 135	125 – 130
. Employer's pension contributions	30 – 35	15 – 20
Fernaz Ahmed, Staff Director		
. Remuneration	—	55 – 60
. Employer's pension contributions	—	—

During the year ended 31 August 2020, travel and subsistence expenses totalling £344 were reimbursed or paid directly to two directors (2019 – £1,129 to two directors).

Notes to the Financial Statements Year to 31 August 2020

7 Comparative information

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

	Restricted funds			2019 Total funds £'000
	Unrestricted general fund £'000	General fund £'000	Fixed assets fund £'000	
Income from:				
Donations and capital grants	63	—	4,002	4,065
Charitable activities				
· Funding for the academy's educational operations	—	3,631	—	3,631
Other trading activities	11	93	24	128
Total income	74	3,724	4,026	7,824
Expenditure on:				
Charitable activities				
· Academy's educational operations	67	3,856	2,030	5,953
Total expenditure	67	3,856	2,030	5,953
Net income (expenditure)	7	(132)	1,996	1,871
Transfers between funds	—	(8)	8	—
Other recognised losses				
Actuarial losses on defined benefit pension schemes	—	(192)	—	(192)
Net movement in funds	7	(332)	2,004	1,679
Reconciliation of funds				
Total fund balances brought forward at 31 August 2018	54	(133)	18,324	18,245
Total fund balances carried forward at 31 August 2019	61	(465)	20,328	19,924

Notes to the Financial Statements Year to 31 August 2020

8 Tangible fixed assets

	Leasehold land and buildings £'000	Furniture and equipment £'000	Computer equipment £'000	Total 2020 £'000
Cost/valuation				
At 1 September 2019	19,861	1,227	799	21,887
Additions	—	68	100	168
At 31 August 2020	19,861	1,295	899	22,055
Depreciation				
At 1 September 2019	265	638	656	1,559
Charge for the year	397	259	129	785
At 31 August 2020	662	897	785	2,344
Net book value				
At 31 August 2020	19,199	398	114	19,711
At 31 August 2019	19,596	589	143	20,328

9 Debtors

	2020 £'000	2019 £'000
Trade debtors	18	1
VAT recoverable	31	46
Accrued ESFA capital grants	323	624
Other debtors	5	15
Prepayments and other debtors	40	42
	417	728

10 Creditors: amounts falling due within one year

	2020 £'000	2019 £'000
Trade creditors	92	95
Tax and social security	81	62
Payable to ESFA	3	44
Other creditors	185	69
Accrued capital expenditure	348	619
Accruals and deferred income	126	313
	835	1,202

	2020 £'000	2019 £'000
Deferred income		
Deferred income at 1 September 2019	130	21
Released during the year	(130)	(21)
Resources deferred in the year	37	130
Deferred income at 31 August 2020	37	130

Notes to the Financial Statements Year to 31 August 2020

11 Funds

	Balance at 1 September 2019 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2020 £'000
Restricted general fund					
. General Annual Grant (GAG)	54	4,271	(3,956)	(213)	156
. Start Up Grant	—	68	(68)	—	—
. Pupil Premium	—	97	(97)	—	—
. Other restricted funds	—	635	(635)	—	—
. Pension reserve	(519)	—	(335)	(146)	(1,000)
	(465)	5,071	(5,091)	(359)	(844)
Fixed assets fund					
. DfE/ESFA capital grants	20,272	(8)	(710)	—	19,554
. GAG capital expenditure	46	—	(67)	213	192
. Private sector sponsorship	10	9	(8)	—	11
. Rental expense	—	26	(26)	—	—
	20,328	27	(811)	213	19,757
Total restricted funds	19,863	5,098	(5,902)	(146)	18,913
Unrestricted funds					
. Unrestricted funds	61	58	(61)	—	58
Total unrestricted funds	61	58	(61)	—	58
Total funds	19,924	5,156	(5,963)	(146)	18,971

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

ESFA revenue grant funds and other restricted funds

ESFA revenue grant funds

The General Annual Grant (GAG) has been provided by the ESFA in order to fund the normal running costs of the UTC. Other funding received from the ESFA included the Pupil Premium, and a Start Up Grant. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2020.

Fixed asset fund

Restricted fixed assets funds were largely funded by government grants, along with other sources of funding, including donations from sponsors. When capital expenditure is incurred a transfer is made from the fund which funded the acquisition to the restricted fixed asset fund. That asset is then depreciated through the restricted fixed asset fund over the lifetime of that asset.

Notes to the Financial Statements Year to 31 August 2020

11 Funds (continued)

ESFA revenue grant funds and other restricted funds (continued)

Other restricted funds

Other restricted funds comprise of income from learners and parents paid for college trips and to make purchases from the College canteen and other small items, and also includes other ESFA funding, for the Colleges Apprenticeship training programme, Local Authority funding and other miscellaneous grants.

Comparative information

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

	Balance at 1 September 2018 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2019 £'000
Restricted general fund					
. General Annual Grant (GAG)	48	3,024	(3,010)	(8)	54
. Start Up Grant	—	153	(153)	—	—
. Pupil Premium	—	77	(77)	—	—
. Other restricted funds	—	470	(470)	—	—
. Pension reserve	(181)	—	(146)	(192)	(519)
	(133)	3,724	(3,856)	(200)	(465)
Fixed assets fund					
. DfE/ESFA capital grants	18,269	3,446	(1,424)	(19)	20,272
. GAG capital expenditure	55	—	(21)	12	46
. Private sector sponsorship	—	—	(5)	15	10
. Rental expense	—	580	(580)	—	—
	18,324	4,026	(2,030)	8	20,328
Total restricted funds	18,191	7,750	(5,886)	(192)	19,863
Unrestricted funds					
. Unrestricted funds	54	74	(67)	—	61
Total unrestricted funds	54	74	(67)	—	61
Total funds	18,245	7,824	(5,953)	(192)	19,924

Notes to the Financial Statements Year to 31 August 2020

12 Analysis of net assets between funds

	Unrestricted funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Fund £'000	Total 2020 £'000	Total 2019 £'000
Fund balances at 31 August 2020 are represented by:					
Tangible fixed assets	—	—	19,711	19,711	20,328
Current assets	58	991	46	1,095	1,317
Current liabilities	—	(835)	—	(835)	(1,202)
Pension scheme liability	—	(1,000)	—	(1,000)	(519)
Total net assets	58	(844)	19,757	18,971	19,924

	Unrestricted funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Fund £'000	Total 2019 £'000
<i>Fund balances at 31 August 2019 are represented by:</i>				
Tangible fixed assets	—	—	20,328	20,328
Current assets	61	1,256	—	1,317
Current liabilities	—	(1,202)	—	(1,202)
Pension scheme liability	—	(519)	—	(519)
Total net assets	61	(465)	20,328	19,924

13 Capital commitments

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

14 Members' Liability

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

15 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 the London Borough of Newham. 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 £64,454 were payable to the schemes at 31 August 2020 (2019 – £32,743) and are included within creditors.

15 Pension and similar obligations (continued)

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the period amounted to £326,000 (2019 – £196,000).

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.

Notes to the Financial Statements Year to 31 August 2020

15 Pension and similar obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £161,000 (2019 – £97,000), of which employer's contributions totalled £106,000 (2019 – £62,000) and employees' contributions totalled £55,000 (2019 – £35,000). The agreed contribution rates for future years are 12% per cent for employers and a sliding scale of 5.5% to 12.5% per cent for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of an academy trust closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Principal Actuarial Assumptions	At 31 August 2020	At 31 August 2019
Rate of increase in salaries	3.2%	3.7%
Rate of increase for pensions in payment / inflation	2.2%	2.2%
Discount rate for scheme liabilities	1.7%	1.9%
Inflation assumption (CPI)	2.2%	2.2%

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

	At 31 August 2020 years	At 31 August 2019 years
<i>Retiring today</i>		
Males	21.3	22.8
Females	23.9	25.3
<i>Retiring in 20 years</i>		
Males	22.8	25.0
Females	25.5	27.6

Sensitivity analysis	At 31 August 2020 £'000	At 31 August 2019 £'000
Discount rate +0.1%	409	268
Discount rate -0.1%	(442)	(294)
Mortality assumption – 1 year increase	441	291
Mortality assumption – 1 year decrease	(409)	(271)
CPI rate +0.1%	425	281
CPI rate – 0.1%	(425)	(281)

Notes to the Financial Statements Year to 31 August 2020

15 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	Fair value at 31 August 2020 £'000	Fair value at 31 August 2019 £'000
Equities	284	141
Gilts	27	9
Other bonds	52	25
Property	51	25
Cash and other liquid assets	37	20
Alternative assets	86	29
Total market value of assets	537	249
Present value of scheme liabilities		
Funded	(1,537)	(768)
Deficit in the scheme	(1,000)	(519)

	2020 £'000	2019 £'000
Amounts recognised in statement of financial activities		
Current service cost (net of employer contributions)	326	133
Past service cost	—	17
Net interest cost (income)	9	(4)
Total amount recognised in the SOFA	335	146

	2020 £'000	2019 £'000
Changes in the present value of defined benefit obligations were as follows:		
At 1 September 2019	768	322
Current service cost	426	195
Past service cost	—	17
Interest cost	15	9
Employee contributions	54	35
Benefits paid	(8)	(2)
Actuarial loss	282	192
At 31 August 2020	1,537	768

	2020 £'000	2019 £'000
Changes in the fair value of the Academy's share of scheme assets:		
At 1 September 2019	249	141
Interest income	6	13
Actuarial gain	136	—
Benefits paid	(8)	(2)
Employer contributions	100	62
Employee contributions	54	35
At 31 August 2020	537	249

16 Related party transactions

Owing to the nature of the trust's operations and the composition of the Board of Directors being drawn from local public and private sector organisations, transactions may take place with organisations in which a member of the Director has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations, the requirement of the Academies Financial Handbook and normal procurement procedures.

The following related party transactions took place in the period of account:

- ◆ The trust has entered into a lease with The University of East London at a peppercorn rent. The University of East London is a member of the UTC.

Purchases of £51,693 (2019 - £63,486) were made from The University of East London during the 2019 financial year at an arms' length basis.

- ◆ The Chelmsford Diocese Educational Trust has provided chaplaincy services to the UTC throughout the year in question, including placing dedicated staff and resources on-site at the UTC each day of College term to provide a highly successful Chaplaincy programme available to all learners and staff. The value of this service has been assessed as a Gift in Kind of £49,487 (2019: £49,487). The Chelmsford Diocese Educational Trust is a member of the UTC.
- ◆ Thames Water Utilities Ltd has paid the UTC £2,987 (2019: £3,900) during the period for services provided by the UTC staff to Thames Water Utilities Ltd. Thames Water Utilities Ltd is a member of the UTC.

In addition the following related party transactions took place in the previous period of account ended 31 August 2019.

- ◆ A donation was recognised from Costain Ltd during the year totalling £12,963). Costain Ltd is a member of the UTC.

The academy trust conducted the above related party transactions in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all new transactions entered in to or after 1 April 2019 and obtaining their approval where required, and with their financial regulations and procurement procedures. Where, for goods or services exceeding £2,500 cumulatively in the year, the element above £2,500 has been provided at no more than cost.