

Company Registration No. 07648803 (England and Wales)

BUCKINGHAMSHIRE UTC.
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2019



BUCKINGHAMSHIRE UTC.

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BUCKINGHAMSHIRE UTC.

REFERENCE AND ADMINISTRATIVE DETAILS

Members

- Buckinghamshire New University Balijit Dhillon (resigned July 2019)
- Buckinghamshire College Group (formally Karen Mitchell Aylesbury College)
- Taylor Wimpey Plc Peter Redfern

Trustees

M C Appleyard (Buckinghamshire County Council)
R Brittain (Taylor Wimpey Plc)
T Coole (Buckinghamshire New University)
A N Sherwell (Buckinghamshire College Group (formally Aylesbury College))
E Sisi (Co-Opted governor)
M J Richards (Cisco International Limited)
B Dhillon (Buckinghamshire New University (expired 31 July 2019))
K E Mitchell (Buckinghamshire College Group (formally Aylesbury College))
F Morey (Buckinghamshire College Group (formally Aylesbury College) (Resigned 31 May 2019))
S Hothi (Staff governor)
S Valentine (Principal and accounting officer)
J McGrath (Buckinghamshire College Group (formally Aylesbury College))
A Graham-Norgan (Parent governor) (Resigned 7 October 2018)
D Oxley (McAfee International Limited)
C Rooney (Buckinghamshire College Group (formally Aylesbury College))
S Way (NLG Co-Opted (paid - non-voting))

Non statutory governors

- Parent governor A Graham-Norgan
- Staff representative S Hothi

Advisors

- Education Advisor D Ghadvi

Senior management team

- Principal and accounting officer Sarah Valentine
- Business Services Director Robert Carvey

Company secretary

R W Carvey

Company registration number

07648803 (England and Wales)

Registered office

Oxford Road
Aylesbury
Buckinghamshire
HP21 8PB

BUCKINGHAMSHIRE UTC.

REFERENCE AND ADMINISTRATIVE DETAILS

Independent auditor

Baldwins Audit Services
Bank House
8 Cherry Street
Birmingham
B2 5AL

BUCKINGHAMSHIRE UTC.

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

The Governors present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2019. The annual report serves the purpose of both a trustees' report, and a directors' report under company law.

The charitable company was incorporated on 26 May 2011 and commenced business as a standalone University Technical College (UTC) specialising in Building Studies and Computing September, 2013.

The Trust operates the UTC for students aged 14 – 19 (School Yrs 10-14) serving a catchment area across Buckinghamshire, South West Hertfordshire and edging on to Oxfordshire. It has an ideal student capacity of around 350, thus allowing the necessary time and state of the art facilities to be given to students for their chosen speciality subject of either building studies or computing.

Students study for industry recognised qualifications which are valued by employers alongside their essential core curriculum subjects. The UTC offers a vocational based learning linking education to future professions and giving a clear progression into employment, higher education or apprenticeships on leaving the UTC at end Year 11 or 13.

There is a rich and relevant curriculum which is designed and delivered in partnership with employer sponsors. This leads to growth in students' knowledge and promotes very positive attitudes to learning. The broad and balanced curriculum provides a mix of core studies, technical studies, work related activity, enrichment opportunities and transferable skills. This enables students to achieve core education outcomes such as GCSE, BTEC as well as professional qualifications.

Building Studies students benefit from working within the whole community. This is important because it enables students to practice the skills they have learnt at the UTC and also to use inter personal skills with members of the public. This means that when the students leave the UTC they are fully prepared for the work environment and have a sound knowledge of what to expect.

In computing there is a synergy between the production of algorithms and code and logical mathematical concepts. These skills have been consolidated with help from Cisco, Rackspace and McAfee, three key employer partners who regularly come into the UTC and run workshops which gives the students a real feel for what is needed in the workplace.

In Summer 2019 leavers from both Year 11 and Year 13 evidenced our positive destinations for students. In Year 13 100% (25 of 25 students) went to their chosen destination be that a higher level apprenticeship (44%) employment with training (28%) university (12%), a job (35%) or starting an advanced apprenticeship (5%) or emigrated/gap year (8%) and in Year 11 96% (66 of 70) progressed into further education, apprenticeships or employment with 24% continuing into Year 12 at the UTC.

The UTC has significant corporate support, in particular Cisco, McAfee, Taylor Wimpey, Rackspace, Inland Homes and Biffa who provide valuable resources in the form of workshops, visits, work placements, financial sponsorship and on-going contribution to the curriculum. In addition there are around 40 local employers who support our students. The Principal, members of staff and students wish to express their thanks for what is very generous sponsorship and time given by these companies.

Structure, governance and management

Constitution

The University Technical College is a company limited by guarantee (registration number 07648803) and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The governors act as the trustees for the charitable activities of Buckinghamshire University Technical College and are also the directors of the charitable company for the purposes of company law. The charitable company is known as Buckinghamshire University Technical College but is more universally known as Bucks UTC.

Details of the governors and senior officers who served during the period are included in the Reference and Administrative Details on page 1.

BUCKINGHAMSHIRE UTC.

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

The Trust has undertaken to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum, which includes provision for technical education.

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. As at 31st August, 2019 there was 1 Member (2018: 3) pending revision on joining a MAT (multi academy trust).

Trustees' indemnities

Subject to the provisions of the Companies Act 2006 every Governor or other officer or auditor of the Academy Trust shall be indemnified out of the assets of the Academy Trust against any liability incurred by him/her in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which he/she is acquitted or in connection with any applications in which relief is granted to him/her by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Academy Trust.

A Governor may benefit from any indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust: provided that any such insurance shall not extend to any claim arising from any act or omission which the Governors knew to be a breach of trust or breach of duty or which was committed by the Governors reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Governors in their capacity as directors of the Academy Trust.

Method of recruitment and appointment or election of trustees

The basic regulations concerning the appointment of governors are specified in the Articles:

- There are a maximum of 19 Governors.
- The Sponsors appointed 12 governors :
 - Buckinghamshire College Group - 4
 - Buckinghamshire New University - 4
 - Employers: McAfee, Taylor Wimpey and Cisco (1 each)
 - Buckinghamshire County Council - 1
 - Parent Governors - 2
 - Staff Governor - 1
 - Co-opted Governors - 2
 - The Principal (or Executive Principal) is an ex-officio Governor.

The term of office is four years.

Policies and procedures adopted for the induction and training of trustees

The procedures for the induction of new governors continues to be developed to meet the skills required of a board in a modern day school. Training for existing Governors continues to be developed using the Governor Handbook and access to e-learning via The Key www.schoolleaders.thekeysupport.com.

BUCKINGHAMSHIRE UTC.

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Organisational structure

The Governing Body of Buckinghamshire UTC delegates the day-to-day running of the UTC to the Principal and Business Services Director (the Executive), in the case of the latter person only for business, financial and administrative matters.

The Principal is the Accounting Officer.

The Governing body acts as the critical friend of the Executive and provides support and challenge.

Governors have a range of duties and powers and a general responsibility for the conduct of the UTC with a view to promoting high standards of educational achievement. Its responsibilities include but are not limited to:

- providing a strategic view of the UTC by establishing a vision and setting the purpose and aims of the college;
- ensuring the quality of educational provision;
- setting targets for pupil achievement;
- challenging and monitoring the performance of the college;
- making sure the curriculum is balanced and broadly based;
- ensuring good financial health and probity;
- appointing staff including the Principal;
- reviewing staff performance and pay.

In fulfilling these responsibilities an effective governing body will:

- help the UTC to set high standards by planning for its future and setting targets for improvement;
- keep the pressure up on college improvement;
- be a critical friend to the UTC offering support and advice;
- help the UTC respond to the needs of parents and the community;
- make the UTC accountable to the public for what it does;
- work with the UTC on planning, developing policies and keeping these under review;
- exercise its responsibilities and powers in partnership with the Principal and staff;
- not intervene in the day-to-day management of the UTC unless there are weaknesses, when it then has a duty to take action.

The January 2018 OFSTED inspection judged the UTC as requires improvement, recognising the changes in leadership and the improvements made since the last inspection. The July 2019 OFSTED monitoring visit confirmed that senior leaders and governors are taking effective action to tackle the areas requiring improvement identified at the recent section 5 inspection in order for the college to become good.

As would be expected the above structure will be re-visited from time to time to ensure that its structure and competencies are complementary to a now fully operational UTC. In any event a new structure will be required once a MAT has been joined as the UTC board will become subservient to the MAT board and MAT Chief Executive. Active negotiations, to include the Department for Education are in hand for the UTC to join a MAT by September 2020.

Arrangements for setting pay and remuneration of key management personnel

The Governors Pay Committee meet to review the appraisal process of all members of staff including the Principal and the details of this process can be found in the college Appraisal and Pay policies. It applies to all members of teaching and non-teaching staff. The appraisal of the Principal includes an external evaluation of the progress made by the college and the successful completion of the targets set by the Governors each year. The college adheres to the spirit of the School Teachers Pay and Conditions Document and has set the remuneration of all staff bearing in mind national guidelines.

BUCKINGHAMSHIRE UTC.

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Related parties and other connected charities and organisations

The Baker Dearing Trust is the overarching organisation that looks after all UTCs and Buckinghamshire UTC plays an active role in this organisation.

The UTC's sponsors are Taylor Wimpey, Cisco and McAfee and provide the main employer partner support and Buckinghamshire New University (BNU) and Buckinghamshire College Group (ex Aylesbury College) form the academic sponsorship.

Objectives and activities

Mission and vision

Buckinghamshire UTC is one of a small number of schools, known as University Technical Colleges providing an exciting opportunity for young people to become "work ready". All UTCs have specific specialisms that sit alongside the main curriculum, Buckinghamshire UTC's special interests are Computing and Building Studies/ Construction. The vision is that our young people will become skilled employees of the future through integration of work skills with education in an innovative, dynamic, employment led environment.

Our mission is to:

- Develop professional and motivated students and staff who will proactively represent the values and ethos of Buckinghamshire UTC;
- Enable our students to achieve their full potential and be successful in life, learning and their future careers; and
- Build productive relationships in the Computing and Building studies industries to create a relevant and integrated learning experience.

Our values are:

- Exceeding expectations;
- Can do attitude;
- Mutual respect in all that we do;
- Integrity, honesty and openness;
- Valuing difference;
- Goal driven one team approach.

Objectives, strategies and activities

- To create work-ready, employable young people who can progress into employment, apprenticeships or university whilst still providing a strong core curriculum.
- Give students an outstanding experience and help them achieve their full potential and goals.
- The seamless integration of business and education, students and businesses working together nationally and globally.
- The creation of the desire to be part of the UTC community and to play an active role in the success of technical education.
- Being part of a sustainable, first class working environment which services the needs of young people and employers.
- To recruit, retain and develop motivated, industry focused and dynamic teachers with professional registration who inspire students to achieve their full potential.

Public benefit

The governors confirm that they have complied with their duties under section 4 of the charities Act 2006. They have considered the public benefit guidance published by the Charities Commission and believe that they followed its guidance in this area in as far as they were able. The UTC continues to support financially with modest bursaries particularly towards travel from their own funds and manages Pupil Premium and 16-19 Bursary funds for the benefit of those students. These activities are listed on our website.

BUCKINGHAMSHIRE UTC.

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report

Achievements and performance

Achievements

- Overall success rates for post-16 specialist subjects at level 3 are good with 92% pass rate.
- In Level 3 extended diploma computing overall success 88.9%, in line with national average
 - Distinction/merit/merit grades at 11.1%, just above the national average at 9.6%
- In Level 2 diploma computing overall success 100% success rate
- In Level 3 Building Studies 100% success, for the second consecutive year
 - 80% achieved grade merit/merit/pass or above, 6% below the published 2018 national average at 86%
- AS level maths 100% success rate grades A-C
- Positive destinations for leavers where:
 - 100% of year 13 students (25 of 25 students) went to their chosen destination be that be that a higher level apprenticeship (44%) employment with training (28%) university (12%), a job (35%) or starting an advanced apprenticeship (5%) or emigrated/gap year (8%)
 - Year 11 96% (66 of 70) progressed into further education, apprenticeships or employment with 24% continuing into Year 12 at the UTC.
- Good success rates for specialist programmes in computing at level 2/Key Stage 4 with 100% success rate in BTEC Digital Media Production Computing with 79% full level 2 performance, overall merit grades at 26%, 21% above the previous year and 7% distinction grades.
- Improving performance for building studies at level 2/Key Stage 4 with Maintaining the built environment 89% overall success rate, with 22% merit/distinction grades.
- Key Stage 4
 - 36% of students achieved GCSEs in English and Maths above grade 4. From starting point at year 10 for these students the number was 19%.
 - 46% of students achieved a grade 9 – 4 in Maths exceeding target from starting point at 43%. Target attainment from starting point 7.03, 2019 outcomes 7.06.
 - 38% of students achieved a grade 9 – 4 in English Language, exceeding target from starting point at 27%. Target attainment from starting point 6.17, 2019 outcomes 6.64 .
- GCSE English retake outcomes grades 9-4 are at 54% (7 of 13 students), in line with 2017 performance, remaining significantly above the published national average for male students aged 17 and over at 27.2%.
- GCSE maths retake outcomes grades 9-4 are at 43% (3 of 7 students), remaining significantly above the published national average for male students aged 17 and over at 22.7%.
- High quality employer partnerships that benefit student outcomes.
- In 2018/19 there were regularly students on work placement across year 12 and year 13. All the work placements are real employer projects that the students work on with that company.
- In 2018/19 the UTC further developed its careers programme for all students, this is strongly evidence by the Gatsby benchmark tracker.
- Deliberate and effective action is taken to create a cohesive learning community through the promotion of pupils' spiritual, moral, social and cultural development, and their physical well-being.
- Educational visits and community projects that enhance the curriculum. For example;
 - Construction open door events
 - Dinorwig Power station project
 - Macbeth Trip: Oxford New Theatre
 - Immersive Labs Digital Cyber Academy
 - The Skills Show, Birmingham
 - Biffa Project
 - Bucks Skills Show

BUCKINGHAMSHIRE UTC.

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Expectations 2019-20

- To join a MAT.
- Increase employer engagement to further enhance the student learning experience.
- Increase work placement opportunities for all students to ensure that all students benefit from long term work experience.
- Continue to build on student recruitment to secure financial sustainability.
- Improve attendance at key stage 4 .
- Improve student GCSE outcomes at key stage 4 with a focus on English, Maths and Sciences.
- Improve student progress in English, maths and science.
- Improve success rates for level 3 specialist provision.
- Improve success rates for level 2 specialist provision.
- Continue to improve the quality of teaching to support improving outcomes for students.
- Engaging with local community to carry out work on a voluntary basis. For example:
 - Chiltern Rangers community volunteering.
 - WheelPower volunteering.
 - e-Savvy project in liaison with Bucks County Council where UTC sixth form students provide IT support services to the ageing population.
- Further develop the year long programme of projects from various employers.
- Further develop professional computing and building studies provision, providing opportunities for all our sixth form students.
- Review and revise the PSHE offer to meet new statutory guidance from September 2020.

Key performance indicators

- A successful OFSTED inspection.
- Improvements in student achievements and outcomes.
- Improvements in student attendance at Key Stage 4.
- An identifiable growth trend in student numbers facilitating financial stability.
- Increased "employer" participation.

Going concern

Student recruitment continues to be the main concern for the UTC as this directly impacts on our funding from the DfE/ESFA. Our UTC is now experiencing student numbers below a level which is required to sustain the UTC's future financially in its current structure. Getting the UTC's purpose known in the community has been a key task in recent years and whilst much has been done to achieve this, student recruitment still remains erratic and a critical concern.

As at the 31 August 2019, the UTC recorded negative net expenditure of £167,000 and it is expected that by the end of the first 2020-21 term, the UTC will experience cash flow difficulties that could lead to an insolvent position by early 2021 if a practicable solution isn't secured for the UTC's future.

Bucks UTC is actively pursuing the joining of a MAT based towards Oxford, after which the governing body has a reasonable expectation that the UTC has adequate resources to continue in operational existence for the foreseeable future. This proposition has been discussed at length with the MAT and the ESFA and it is expected that Bucks UTC will join the Merchant Taylors Oxfordshire Academy Trust as soon as is practicable after 1 September 2020, with the business case having been submitted to the ESFA in April 2020.

Our hope is that a steady recruitment of students can be achieved by incorporating Bucks UTC into Merchant Taylors Oxfordshire Multi Academy Trust, thus allowing a sharing of resources and expertise.

For this reason, the UTC continues to adopt the going concern basis in preparing the financial statements. Details regarding the adoption of the going concern basis can also be found in the Statement of Accounting Policies.

Financial review

During the period the UTC has benefited from funding from the Education and Skills Funding Agency (ESFA) and its Sponsors. The ESFA provided monies for the day to day operation whilst Sponsors have assisted with other specific costs and shortfalls, mostly utilising support 'in kind'.

BUCKINGHAMSHIRE UTC.

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Financial and Risk Management Objectives and Policies

The UTC has produced a risk policy and risks are regularly reviewed at senior leadership and at governors meetings through use of a risk register. A Financial Handbook has been developed. The UTC employs the services of outside companies for training and teaching observation, IT support, payroll and key maintenance.

Reserves policy

The Governors will keep the level of reserves under review. In the medium term the UTC wishes to build up reserves (excluding restricted fixed asset reserves) to a level where resources will cover long term cyclical needs of renewals and any unforeseen contingencies. At 31 August 2019 the UTC had £3,000 (2018: £nil) unrestricted free reserves, £(37,000) (2018: £12,000) restricted general funds and £8,295,000 (2018: £8,499,000) restricted fixed asset funds.

Investment policy

When there are sufficient funds at short or no notice to meet foreseeable requirements then the College would look at investing the excess in suitable funds using a financial expert.

Principal risks and uncertainties

Financial Viability

Full cohort of students are not recruited to provide ESFA funding to cover the in year expenses. The UTC's cash held balance is fast being used.

Attracting students at Year 10 as students don't usually move school at 14yrs old remains difficult but has been facilitated by a direct approach assisted by Buckinghamshire County Council (BCC) admissions from a new piece of legislations saying that local authorities must keep parents aware of UTC's and similar schools. BCC are allowing the UTC to take students at year 9 which is likely to come into effect from 2021, thus providing funding for another year group.

Year 12 students again are difficult to recruit as the UTC courses fall between the parameters being offered by local grammar schools and further education colleges. The UTC continues to look at joining a multi-academy trust, where perhaps for particularly Yr12 an enhanced opportunity may be seen.

Long term sustainability of the UTC depends on reaching a financially balanced cohort of regular intake of students.

The UTC's unique ethos and values aimed at preparing students to be "work ready" are important aspects that need to be wider known to distinguish us from competition and to fully integrate our product with all stakeholders. Whilst the UTC is not allowed to be selective at Year 10, clearly students do need to have a keen interest in our primary specialisms of building studies and computing.

ICT systems

Continued investment to provide high quality IT is essential to the smooth running of the UTC and the curriculum. Failure to maintain standards and innovate will compromise quality and service.

Value for Money

SLAs between the UTC and suppliers working efficiently, whilst financially prudent, savings will be expected on joining a MAT.

Safeguarding

Essential to have robust policies and procedures to safeguard the BUTC students and staff. OFSTED particularly commented that this was a strong ethos at the UTC.

Success Rates

To improve and sustain pupil outcomes, albeit at the end of the last academic year 25 out of 25 Year 13 students left the UTC to join their chosen destination.

BUCKINGHAMSHIRE UTC.

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Plans for future periods

- Successful and improved OFSTED inspections.
- Optimum capacity of students reached.
- Successful sixth form established.
- Apprenticeship progression opportunities expanded.
- Degree Apprenticeships progression opportunities established with partners.
- Commercial offer expanded.
- Continued financial sponsorship.

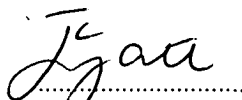
Auditor

In so far as the trustees are aware:

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

A resolution proposing that Baldwins Audit Services be reappointed as auditor of the charitable company will be put to the Board.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 11.5.2020 and signed on its behalf by:



J McGrath

Trustee

BUCKINGHAMSHIRE UTC.

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2019

Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Buckinghamshire UTC and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 4 times during the year, however sub committees meet more frequently to maintain oversight of the operations of the trust. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
M C Appleyard (Buckinghamshire County Council)	3	4
R Brittain (Taylor Wimpey Plc)	3	4
T Coole (Buckinghamshire New University)	4	4
A N Sherwell (Buckinghamshire College Group (formally Aylesbury College))	4	4
E Sisi (Co-Opted governor)	3	4
M J Richards (Cisco International Limited)	4	4
B Dhillon (Buckinghamshire New University (expired 31 July 2019))	3	4
K E Mitchell (Buckinghamshire College Group (formally Aylesbury College))	2	4
F Morey (Buckinghamshire College Group (formally Aylesbury College) (Resigned 31 May 2019))	0	1
S Hothi (Staff governor)	2	4
S Valentine (Principal and accounting officer)	4	4
J McGrath (Buckinghamshire College Group (formally Aylesbury College))	3	4
A Graham-Norgan (Parent governor) (Resigned 7 October 2018)	0	1
D Oxley (McAfee International Limited)	2	3
C Rooney (Buckinghamshire College Group (formally Aylesbury College))	2	4
S Way (NLG Co-Opted (paid - non-voting))	4	4

Review of value for money

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

The accounting officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by ensuring that SLA's between Bucks UTC and suppliers are working efficiently, whilst being financially prudent.

BUCKINGHAMSHIRE UTC.

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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 Buckinghamshire UTC. for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and accounts.

No significant issues were noted during the year.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

Primary responsibility for the UTC's financial reporting, accounting systems and internal controls is vested in management and overseen by the Board of Trustees.

Review of effectiveness

The Accounting Officer 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 Business Services Director;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

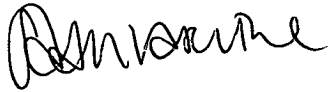
BUCKINGHAMSHIRE UTC.

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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

Approved by order of the board of trustees on 11.5.2020 and signed on its behalf by:



S Valentine
Accounting Officer



J McGrath
Trustee


BUCKINGHAMSHIRE UTC.

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2019

As accounting officer of Buckinghamshire UTC. I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2018.

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



S Valentine
Accounting Officer

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BUCKINGHAMSHIRE UTC.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2019

The trustees (who are also the directors of Buckinghamshire UTC. for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2018 to 2019 published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 11.5.2020 and signed on its behalf by:



J McGrath
Trustee

BUCKINGHAMSHIRE UTC.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BUCKINGHAMSHIRE UTC.

FOR THE YEAR ENDED 31 AUGUST 2019

Opinion

We have audited the accounts of Buckinghamshire UTC. for the year ended 31 August 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019.

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 accounts' section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the accounts 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.

Material uncertainty relating to going concern

We have considered the adequacy of the disclosures made in the 'Accounting policies – Going Concern' in note 1.2 and the Trustees' report concerning the Academy Trust's ability to continue as a going concern. At 31 August 2019 the Academy Trust is reporting a net expenditure position of £167,000 and it is evident that they will experience cash flow difficulties that could lead to an insolvent position by early 2021, if a practicable solution isn't secured for the Academy's future.

Bucks UTC is actively pursuing the joining of a MAT based towards Oxford, after which the governing body has a reasonable expectation that the Trust will have adequate resources to continue in operational existence for the foreseeable future. The Academy Trust has informed the ESFA of their position and it is expected that Bucks UTC will join the Merchant Taylors Oxfordshire Academy Trust as soon as is practicable after 1 September 2020, with the business case having been submitted to the ESFA in April 2020.

As stated in 'Accounting policies – Going Concern' in note 1.2, these events or condition, indicate a material uncertainty exists that may case significant doubt on the Academy Trust's ability to continue as a going concern.

Our opinion is not qualified in respect of this matter.

BUCKINGHAMSHIRE UTC.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BUCKINGHAMSHIRE UTC. (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Other information

The trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Our opinion on the accounts 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 accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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 trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report have 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 academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated 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:

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

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

BUCKINGHAMSHIRE UTC.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BUCKINGHAMSHIRE UTC. (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://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. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Baldwins Audit Services

**Mr John Edwards (Senior Statutory Auditor)
for and on behalf of Baldwins Audit Services**

28 May 2020

Statutory Auditor

Bank House
8 Cherry Street
Birmingham
B2 5AL

BUCKINGHAMSHIRE UTC.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BUCKINGHAMSHIRE UTC. AND THE EDUCATION & SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2019

In accordance with the terms of our engagement letter dated 11 October 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Buckinghamshire UTC. during the period 1 September 2018 to 31 August 2019 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 Buckinghamshire UTC. and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Buckinghamshire UTC. and 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 Buckinghamshire UTC. and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Buckinghamshire UTC.'s accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Buckinghamshire UTC.'s funding agreement with the Secretary of State for Education dated 1 June 2012 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 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 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

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

The work undertaken to draw to our conclusion includes:

- Inspection and review of documentation providing evidence of governance procedures;
- Evaluation of the system of internal controls and approval; and
- Performing substantive tests on relevant transactions.

BUCKINGHAMSHIRE UTC.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BUCKINGHAMSHIRE UTC. AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Conclusion

In the course of our work, except for the matters listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Baldwins Audit Services

Reporting Accountant

Baldwins Audit Services
Bank House
8 Cherry Street
Birmingham
B2 5AL

Dated: 28 May 2020

BUCKINGHAMSHIRE UTC.

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2019 £'000	Total 2018 £'000
Income and endowments from:						
Donations and capital grants	3	-	-	19	19	7
Charitable activities:						
- Funding for educational operations	4	1	1,496	-	1,497	1,533
Other trading activities	5	23	-	-	23	54
Total		<u>24</u>	<u>1,496</u>	<u>19</u>	<u>1,539</u>	<u>1,594</u>
Expenditure on:						
Charitable activities:						
- Educational operations	7	21	1,461	224	1,706	1,589
Total	6	<u>21</u>	<u>1,461</u>	<u>224</u>	<u>1,706</u>	<u>1,589</u>
Net income/(expenditure)		3	35	(205)	(167)	5
Transfers between funds	16	-	(11)	11	-	-
Other recognised gains/(losses)						
Actuarial (losses)/gains on defined benefit pension schemes	17	-	(106)	-	(106)	48
Net movement in funds		3	(82)	(194)	(273)	53
Reconciliation of funds						
Total funds brought forward		-	12	8,499	8,511	8,458
Total funds carried forward		<u>3</u>	<u>(70)</u>	<u>8,305</u>	<u>8,238</u>	<u>8,511</u>

BUCKINGHAMSHIRE UTC.

BALANCE SHEET

AS AT 31 AUGUST 2019

		2019		2018	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Intangible assets	11		2		10
Tangible assets	12		8,304		8,489
			<u>8,306</u>		<u>8,499</u>
Current assets					
Debtors	13	79		67	
Cash at bank and in hand		234		332	
		<u>313</u>		<u>399</u>	
Current liabilities					
Creditors: amounts falling due within one year	14	(66)		(224)	
Net current assets			<u>247</u>		<u>175</u>
Net assets excluding pension liability			<u>8,553</u>		<u>8,674</u>
Defined benefit pension scheme liability	17		(315)		(163)
Total net assets			<u>8,238</u>		<u>8,511</u>
Funds of the academy trust:					
Restricted funds	16				
- Fixed asset funds			8,305		8,499
- Restricted income funds			245		175
- Pension reserve			(315)		(163)
Total restricted funds			<u>8,235</u>		<u>8,511</u>
Unrestricted income funds	16		<u>3</u>		<u>-</u>
Total funds			<u>8,238</u>		<u>8,511</u>

The accounts on pages 21 to 42 were approved by the trustees and authorised for issue on 11.5.2020 and are signed on their behalf by:


J McGrath
Trustee

Company Number 07648803

BUCKINGHAMSHIRE UTC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £'000	£'000	2018 £'000	£'000
Cash flows from operating activities					
Net cash (used in)/provided by operating activities	19		(87)		18
Cash flows from investing activities					
Capital grants from DfE Group		19		7	
Purchase of tangible fixed assets		(30)		(57)	
Net cash used in investing activities			(11)		(51)
Net decrease in cash and cash equivalents in the reporting period			(98)		(33)
Cash and cash equivalents at beginning of the year			332		365
Cash and cash equivalents at end of the year			234		332

BUCKINGHAMSHIRE UTC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

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

1.1 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Buckinghamshire UTC meets the definition of a public benefit entity under FRS 102 and is a private charitable company, limited by guarantee and register in England and Wales. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the trustees' report.

The financial statements are prepared in Sterling, being the functional currency of the charitable company. Monetary amounts presented in these financial statements have been rounded to the nearest £'000.

1.2 Going concern

Student recruitment continues to be the main concern for the Trust as this directly impacts on our funding from the DfE/ESFA. Our Trust is now experiencing student numbers below a level which is required to sustain the Trust's future financially in its current structure. Getting the Trust's purpose known in the community has been a key task in recent years and whilst much has been done to achieve this, student recruitment still remains erratic and a critical concern.

As at the 31 August 2019, the Academy Trust recorded negative net expenditure of £167,000 and it is expected that by the end of the first 2019-20 term, the Trust will experience cash flow difficulties that could lead to an insolvent position by early 2021 if a practicable solution isn't secured for the Academy's future.

Bucks UTC is actively pursuing the joining of a MAT based towards Oxford, after which the governing body has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. This proposition has been discussed at length with the MAT and the ESFA and it is expected that Bucks UTC will join the Merchant Taylors Oxfordshire Academy Trust as soon as is practicable after 1 September 2020, with the business case having been submitted to the ESFA in April 2020.

Our hope is that a steady recruitment of students can be achieved by incorporating Bucks UTC into Merchant Taylors Oxfordshire Multi Academy Trust, thus allowing a sharing of resources and expertise.

For this reason, the Trust continues to adopt the going concern basis in preparing the financial statements. Details regarding the adoption of the going concern basis can also be found in the Statement of Accounting Policies.

1.3 Income

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

BUCKINGHAMSHIRE UTC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

Grants

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

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

Donations

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

Other income

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

Donated goods, facilities and services

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

Donated fixed assets

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

BUCKINGHAMSHIRE UTC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

1.5 Intangible fixed assets and amortisation

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

- Purchased computer software 4 years

1.6 Tangible fixed assets and depreciation

Assets costing £100 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Long leasehold	50 years
Computer equipment	4 years
Fixtures, fittings & equipment	4 years
Motor vehicles	4 years

BUCKINGHAMSHIRE UTC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

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

1.7 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 of services it must provide.

BUCKINGHAMSHIRE UTC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

1.8 Leased assets

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.9 Financial instruments

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

Financial assets

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

Cash at bank 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. 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.

1.10 Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.11 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 and the assets are held separately from those of the academy trust.

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 projected unit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

BUCKINGHAMSHIRE UTC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to 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.

1.12 Fund accounting

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

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

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

1.13 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the academy trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in note 22.

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 17, 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. 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.

BUCKINGHAMSHIRE UTC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

3 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
Capital grants	-	19	19	7

4 Funding for the academy trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
DfE / ESFA grants				
General annual grant (GAG)	-	1,157	1,157	1,199
DfE teaching grants	-	8	8	-
Other DfE group grants	-	297	297	303
	-	1,462	1,462	1,502
Other government grants				
Local authority grants	-	19	19	25
Other funding				
Other incoming resources	1	15	16	6
Total funding	1	1,496	1,497	1,533

5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
Hire of facilities and equipment	-	-	-	29
Catering income	14	-	14	16
Other income	9	-	9	9
	23	-	23	54

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

6 Expenditure

	Staff costs £'000	Non Pay Expenditure Premises £'000	Other £'000	Total 2019 £'000	Total 2018 £'000
Academy's educational operations					
- Direct costs	941	-	165	1,106	1,121
- Allocated support costs	72	356	172	600	468
	<u>1,013</u>	<u>356</u>	<u>337</u>	<u>1,706</u>	<u>1,589</u>
Net income/(expenditure) for the year includes:				2019 £'000	2018 £'000
Fees payable to auditor for audit services				13	12
Depreciation of tangible fixed assets				206	223
Amortisation of intangible fixed assets				9	10
Loss on disposal of fixed assets				10	-
Net interest on defined benefit pension liability				4	(5)
				<u></u>	<u></u>

7 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
Direct costs				
Educational operations	-	1,106	1,106	1,121
Support costs				
Educational operations	21	579	600	468
	<u>21</u>	<u>1,685</u>	<u>1,706</u>	<u>1,589</u>
			2019 £'000	2018 £'000
Analysis of support costs				
Support staff costs			72	55
Depreciation and amortisation			214	233
Loss on disposal of fixed asset			10	-
Premises costs			132	128
Other support costs			124	53
Governance costs			48	41
			<u>600</u>	<u>510</u>

BUCKINGHAMSHIRE UTC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

8 Staff

Staff costs

Staff costs during the year were:

	2019 £'000	2018 £'000
Wages and salaries	723	690
Social security costs	68	63
Pension costs	120	112
Amounts paid to employees	911	865
Agency staff costs	102	112
Staff development and other staff costs	11	33
Total staff expenditure	1,024	1,010

Staff numbers

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

	2019 Number	2018 Number
Teachers	13	19
Administration and support	13	9
Management	2	2
	28	30

Higher paid staff

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

	2019 Number	2018 Number
£70,001 - £80,000	-	1
£80,001 - £90,000	1	-

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £209,000 (2018: £193,000).

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

9 Trustees' remuneration and expenses

One or more of the trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Executive principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Executive principal and staff members under their contracts of employment, and not in respect of their services as trustees.

S Valentine (Principal):

- Remuneration £80,000 - £85,000 (2018: £75,000 - £80,000)
- Employer's pension contributions £10,000 - £15,000 (2018: £10,000 - £15,000)

S Hothi (Staff Trustee):

- Remuneration £35,000 - £40,000 (2018: £35,000 - £40,000)
- Employer's pension contributions £0 - £5,000 (2017: £0 - £5,000)

During the year, travel and subsistence payments totalling £nil (2018: £nil) were reimbursed or paid directly to the trustees.

Other related party transactions involving the trustees are set out within the related parties note.

10 Trustees and officers insurance

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme membership.

11 Intangible fixed assets

	Computer software £'000
Cost	
At 1 September 2018 and at 31 August 2019	38
Amortisation	
At 1 September 2018	27
Charge for year	9
At 31 August 2019	36
Carrying amount	
At 31 August 2019	2
At 31 August 2018	10

BUCKINGHAMSHIRE UTC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

12 Tangible fixed assets

	Long leasehold	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 September 2018	9,365	149	85	25	9,624
Additions	-	12	18	-	30
Disposals	-	(94)	(80)	-	(174)
At 31 August 2019	9,365	67	23	25	9,480
Depreciation					
At 1 September 2018	936	93	82	24	1,135
On disposals	-	(84)	(80)	-	(164)
Charge for the year	186	15	3	1	205
At 31 August 2019	1,122	24	5	25	1,176
Net book value					
At 31 August 2019	8,243	43	18	-	8,304
At 31 August 2018	8,429	56	3	1	8,489

13 Debtors

	2019 £'000	2018 £'000
Trade debtors	4	2
VAT recoverable	56	48
Prepayments and accrued income	19	17
	79	67

14 Creditors: amounts falling due within one year

	2019 £'000	2018 £'000
Trade creditors	27	26
Other taxation and social security	-	4
ESFA creditors - abatement of GAG	8	156
Other creditors	-	1
Accruals and deferred income	31	37
	66	224

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

15	Deferred income	2019 £'000	2018 £'000
	Deferred income is included within:		
	Creditors due within one year	13	9
		<u> </u>	<u> </u>
	Deferred income at 1 September 2018	9	6
	Released from previous years	(9)	(6)
	Resources deferred in the year	13	9
		<u> </u>	<u> </u>
	Deferred income at 31 August 2019	13	9
		<u> </u>	<u> </u>

At the balance sheet date the academy was holding funds received in advance for pupil premium for the 2018/19 academic year.

16	Funds	Balance at 1 September 2018 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2019 £'000
	Restricted general funds					
	General Annual Grant (GAG)	175	1,157	(1,076)	(11)	245
	Other DfE / ESFA grants	-	306	(306)	-	-
	Other government grants	-	19	(19)	-	-
	Other restricted funds	-	14	(14)	-	-
	Pension reserve	(163)	-	(46)	(106)	(315)
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
		12	1,496	(1,461)	(117)	(70)
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	Restricted fixed asset funds					
	DfE group capital grants	8,489	19	(224)	11	8,295
	Private sector capital sponsorship	10	-	-	-	10
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
		8,499	19	(224)	11	8,305
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	Total restricted funds	8,511	1,515	(1,685)	(106)	8,235
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	Unrestricted funds					
	General funds	-	24	(21)	-	3
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	Total funds	8,511	1,539	(1,706)	(106)	8,238
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

16 Funds

(Continued)

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

Unrestricted funds represent lettings during the period. The funds can be utilised towards meeting any of the charitable objects of the academy trust at the discretion of the Governors.

Restricted general funds arise from funding from the Department for Education and the Local Authority.

Restricted fixed asset funds represent the assets acquired on conversion to an academy, plus subsequent additions and disposals. Depreciation and capital grants are also attributed to this fund.

During the year, a transfer of £11,000 (2018: £57,000) was made from restricted reserves to restricted fixed asset funds for fixed assets purchased using restricted funds.

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

	Balance at 1 September 2017 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2018 £'000
Restricted general funds					
General Annual Grant (GAG)	(31)	1,199	(943)	(50)	175
Other DfE / ESFA grants	-	303	(303)	-	-
Other government grants	-	25	(25)	-	-
Other restricted funds	-	6	(6)	-	-
Pension reserve	(185)	-	(26)	48	(163)
	<u>(216)</u>	<u>1,533</u>	<u>(1,303)</u>	<u>(2)</u>	<u>12</u>
Restricted fixed asset funds					
DfE group capital grants	8,656	7	(224)	50	8,489
Private sector capital sponsorship	18	-	(8)	-	10
	<u>8,674</u>	<u>7</u>	<u>(232)</u>	<u>50</u>	<u>8,499</u>
Total restricted funds	<u>8,458</u>	<u>1,540</u>	<u>(1,535)</u>	<u>48</u>	<u>8,511</u>
Unrestricted funds					
General funds	-	54	(54)	-	-
Total funds	<u>8,458</u>	<u>1,594</u>	<u>(1,589)</u>	<u>48</u>	<u>8,511</u>

BUCKINGHAMSHIRE UTC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

17 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 Buckinghamshire County Council. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2016.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

A copy of the latest valuation report can be found on the Teachers' Pension Scheme website.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

17 Pension and similar obligations

(Continued)

Scheme Changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 16.4% for employers and 5.5 to 11.7% for employees.

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

Total contributions made	2019 £'000	2018 £'000
Employer's contributions	28	24
Employees' contributions	11	10
	<hr/>	<hr/>
Total contributions	39	34
	<hr/>	<hr/>
Principal actuarial assumptions	2019 %	2018 %
Rate of increase in salaries	3.7	3.9
Rate of increase for pensions in payment/inflation	2.2	2.4
Discount rate for scheme liabilities	1.9	2.7
	<hr/>	<hr/>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

17 Pension and similar obligations

(Continued)

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

	2019 Years	2018 Years
Retiring today		
- Males	24.1	24.0
- Females	26.2	26.1
Retiring in 20 years		
- Males	26.4	26.3
- Females	28.6	28.4

Scheme liabilities would have been affected by changes in assumptions as follows:

	2019 £'000	2018 £'000
Discount rate + 0.1%	85	49
Discount rate - 0.1%	89	51
Mortality assumption + 1 year	90	50
Mortality assumption - 1 year	84	50
CPI rate + 0.1%	87	51
CPI rate - 0.1%	87	49

The academy trust's share of the assets in the scheme

	2019 Fair value £'000	2018 Fair value £'000
Equities	221	180
Gilts	48	8
Other Bonds	58	79
Cash	13	16
Property	28	26
Other assets	43	34
Total market value of assets	411	343

The actual return on scheme assets was £29,000 (2018: £18,000).

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

17 Pension and similar obligations

(Continued)

Amount recognised in the Statement of Financial Activities	2019 £'000	2018 £'000
Current service cost	70	55
Interest income	(10)	(10)
Interest cost	14	5
	<u>74</u>	<u>50</u>
Total operating charge		
	<u>74</u>	<u>50</u>
Changes in the present value of defined benefit obligations	2019 £'000	2018 £'000
At 1 September 2018	506	476
Current service cost	70	55
Interest cost	14	13
Employee contributions	11	10
Actuarial loss/(gain)	125	(48)
	<u>726</u>	<u>506</u>
At 31 August 2019		
	<u>726</u>	<u>506</u>
Changes in the fair value of the academy trust's share of scheme assets	2019 £'000	2018 £'000
At 1 September 2018	343	291
Interest income	10	8
Actuarial gain	19	10
Employer contributions	28	24
Employee contributions	11	10
	<u>411</u>	<u>343</u>
At 31 August 2019		
	<u>411</u>	<u>343</u>

BUCKINGHAMSHIRE UTC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

18 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2019 are represented by:				
Intangible fixed assets	-	-	2	2
Tangible fixed assets	-	-	8,304	8,304
Current assets	3	310	-	313
Creditors falling due within one year	-	(66)	-	(66)
Defined benefit pension liability	-	(315)	-	(315)
Total net assets	3	(71)	8,306	8,238

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2018 are represented by:				
Intangible fixed assets	-	-	10	10
Tangible fixed assets	-	-	8,489	8,489
Current assets	-	399	-	399
Creditors falling due within one year	-	(224)	-	(224)
Defined benefit pension liability	-	(163)	-	(163)
Total net assets	-	12	8,499	8,511

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

	2019 £'000	2018 £'000
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(167)	5
Adjusted for:		
Capital grants from DfE and other capital income	(19)	(7)
Defined benefit pension costs less contributions payable	42	31
Defined benefit pension scheme finance cost/(income)	4	(5)
Depreciation of tangible fixed assets	204	223
Amortisation of intangible fixed assets	9	10
Loss on disposal of fixed assets	10	-
(Increase) in debtors	(12)	(28)
(Decrease) in creditors	(158)	(211)
Net cash (used in)/provided by operating activities	(87)	18

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 AUGUST 2019**

20 Related party transactions

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the academy trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account.

- During the year costs of £35,000 (2018: £40,000) were recharged from Aylesbury College, the academy trust's sponsor, in respect of estates, staff and other costs. an amount of £nil (2018: £nil) is payable to Aylesbury College as at 31 August 2019 and is included within creditors.

21 Members' liability

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

22 Agency arrangements

The Academy Trust administers the disbursement of the discretionary support for learners, 16-19 Bursary Funds, on behalf of the ESFA. In the year it received £33,000 (2018: £18,000).