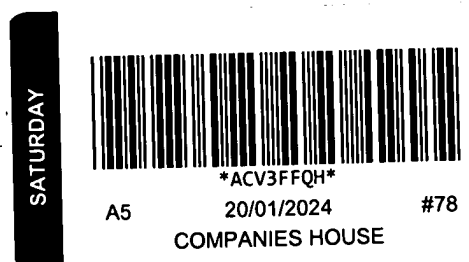


The Sheffield UTC Academy Trust
(A Company Limited by Guarantee)
Financial statements
For the year ended 31 August 2023



Company no 07652696

The Sheffield UTC Academy Trust
Financial statements for the year ended 31 August 2023

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The Sheffield UTC Academy Trust
Financial statements for the year ended 31 August 2023

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Reference and administrative details

Members	<p>The Sheffield College (Andrew Hartley) Sheffield Hallam University (David Owen) Sheffield Chamber of Commerce (Tim Elgar) Angela Foulkes Richard Wright (resigned as a Trustee and Chair of the Trust on 12/10/22, and became a Member)</p>
Trustees (those marked * are also members of the Resources Committees)	<p>Javid Mahdavi (Chair) Nick Crew* (Chief Executive Officer & Accounting Officer) David Cates Andrew Davies* Mike Drabble (resigned 26/06/23) Chris Dymond Dan Fleetcroft* Angela Foulkes Alison Hales* (resigned 31/03/23) Martin Harrison* Peter Hoy* Niel Bizzell (appointed 07/12/22) Tim Elgar (appointed 07/12/22, resigned 03/03/23) Faith Sango (appointed 07/12/22) Ken Cornforth (appointed 23/04/23) Jon Stewart</p>
Company secretary	<p>Vivienne Martin</p>
Senior management team	<p>Nick Crew (Chief Executive Officer and Accounting Officer) Alex Reynolds (Principal, UTC Sheffield City Centre) Jessica Stevenson (Principal, UTC Sheffield Olympic Legacy Park) Lee Kirkwood (Principal, UTC Derby Pride Park) Nicola Thornton (Business and Operations Director, Chief Financial Officer)</p>
Principal and registered office	<p>111 Matilda Street Sheffield S1 4QF</p>
Company registration number	<p>07652696 (England and Wales)</p>
Independent auditor	<p>Wylie & Bisset (Audit) Limited 168 Bath Street Glasgow G2 4TP</p>

The Sheffield UTC Academy Trust
Financial statements for the year ended 31 August 2023

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Reference and administrative details

Bankers

Barclays Bank
71 Grey Street
PO Box 378
Newcastle Upon Tyne
NE99 1JP

Solicitors

Ledbrook & Hardwick
10 Talbot Court
Roundhay
Leeds
LS8 1LT

Trustees' report

The Trustees present their annual report together with the financial statements and auditor's report thereon of the Charitable Company for the period 1 September 2022 to 31 August 2023. The annual report serves the purpose of both a trustees' report and a directors' report under company law.

The Sheffield UTC Academy Trust was originally created as a single academy trust (SAT) in May 2011 and became a multi-academy trust (MAT) in August 2015, following approval from the Secretary of State for Education.

The MAT operates three University Technical Colleges for pupils aged 13 to 19 serving catchment areas in Sheffield City Region and Derby. As permission was given by the School's Minister to change the age range from September 2018 to include year 9. UTC Sheffield City Centre has a pupil capacity of 600 and had a roll of 505 in the school census of January 2023. UTC Sheffield Olympic Legacy Park has a pupil capacity of 600 and had a roll of 442 in the school census of January 2023. UTC Derby Pride Park has a pupil capacity of 600 and had a roll of 265 in the school census on January 2023.

Structure, Governance and Management

Constitution

The MAT is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the multi-academy trust. The trustees are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as The Sheffield UTC Academy Trust, whilst the schools operated by the Charitable Company are known as UTC Sheffield City Centre, UTC Sheffield Olympic Legacy Park and UTC Derby Pride Park.

Details of the Trustees who served throughout the year (except as noted) are included in the Reference and Administrative Details on page 1 to 2.

UTC Sheffield City Centre, UTC Sheffield Olympic Legacy Park & UTC Derby Pride Park each have their own local Governing Bodies.

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.

Trustees' Indemnities

The Sheffield UTC Academy Trust has issued no guarantees, letters of comfort or indemnities during the year ended 31 August 2023.

Method of Recruitment and Appointment or Election of Trustees

The Company has a minimum of three Trustees and is not subject to any maximum. The Members may appoint up to 11 Trustees, subject to articles 45-50. Additional Trustees can be co-opted in line with the Articles of Association.

Policies and Procedures Adopted for the Induction and Training of Trustees

Trustees are subject to the same induction and training programme as governors. During the financial year ended 31 August 2023 the Trust engaged Learn Sheffield and Derby Local Authority to provide a programme of specialist training to the local governors and trustees of the Trust.

Trustees' report

Organisational Structure

The Company had 123 paid employees during the year ended 31 August 2023.

The Executive Team of the Trust is as follows:

Nick Crew - Executive Principal (Accounting Officer)

Nicola Thornton - Business and Operations Director (Chief Financial Officer)

Each UTC has a Senior Leadership Team:

Alex Reynolds - Principal (UTC Sheffield City Centre)

Jessica Stevenson - Principal (UTC Sheffield Olympic Legacy Park).

Lee Kirkwood - Principal (UTC Derby Pride Park)

Day to day operational decisions on the running of UTC Sheffield City Centre, UTC Sheffield Olympic Legacy Park and UTC Derby Pride Park are delegated to the Executive Team and the Senior Leadership Team. Under the direction of the Executive Principal, the planned budget and the underlying staffing model for each UTC is reviewed by the Trust Joint Resources Committee. The overall budget is then approved at Trust Board. Similarly, the School Improvement Plan and curriculum development activities are approved and owned by the local Governing Body, with detailed work being undertaken by the respective Educational Quality Committee for each UTC. Day to day decisions in relation to efforts to recruit new students are delegated to the Executive Team supported by a Marketing Officer and the Senior Leadership Teams at the local UTCs, although Trustees agree the delegated budget and take an active interest in the scheduling and design of specific activities and key materials. Trustees also participate actively in key recruitment events. All key trust policies are drafted by the Executive Team then reviewed and approved by Trustees.

For the financial year ended 31 August 2023 the Executive Principal has acted as the Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

Trustees approve the structure for pay and remuneration for all employees of the Trust. The Executive Principal's appraisal targets are set and reviewed by the Trust Board and monitored by the Chair of the Trust. The setting of each Local Principal's appraisal targets and pay progression is delegated to the Executive Principal. For teaching staff, appraisals are delegated to the Local Principals. All pay progression is discussed and recommended at the Resources Committee and then agreed by the Trust Board.

Trade Union Facility Time

The Trade Union (Facility Time Publication Requirements) Regulations 2017 require the trust to publish information on facility time arrangements for trade union officials at the trust:

Relevant Union Officials:

Numbers of employees who were relevant union officials in the relevant period	FTE employee number
-	-

Percentage of working hours spent on facility time:

Percentage of time spent on facility time	Number of employees
0%	-
1-50%	-
51-99%	-
100%	-

Trustees' report

Percentage of pay bill spent on facility time:

Total cost of facility time	£0
Total pay bill	£5.95 million
Percentage of total bill spent on facility time	0%

Paid trade union activities:

Time spent on paid trade union activities as a percentage of total paid facility time	N/A
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Related Parties and Other Connected Charities and Organisations

Other than its Members, the Company has a wide network of partners. These include The Sheffield College, Sheffield Hallam University, Sheffield Chamber of Commerce and Industry, East Midlands Chamber of Commerce and Industry, The University of Sheffield, The University of Derby, Derby College, The Company of Cutlers in Hallamshire, Barnsley and Rotherham Chamber of Commerce, Sheffield Teaching Hospitals' NHS Foundation Trust, Joined Up Care Derbyshire, the Sheffield City Region Local Enterprise Partnership, Sheffield City Council, local schools and a broad range of employers from the sectors within which the UTC operates. However, the Trust is free to act independently of all of these institutions. The lead sponsor is The Sheffield College, which has provided a range of services to the UTC since its inception, both on a pro bono and at-cost basis. Some of these services until 1 July 2023 were provided by Sparks Managed Services, which is a company wholly owned by The Sheffield College. The staff providing these services from Sparks Managed Services were transferred across to the Trust under a TUPE transfer from this date. Further information on these services is provided in Note 25.

Objects and Aims

The Company's objectives, as presented in its Articles of Association is set out above. In order to achieve its objectives, it has the following aims:

- 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 schools offering a broad and balanced curriculum which includes provision for technical education ("the Academies") or educational institutions which are principally concerned with providing full-time or part-time education for children of compulsory school age.
- To promote for the benefit of the inhabitants of the areas in which the Academies are situated the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

The UTC Sheffield City Centre building was completed and occupied in September 2013.

The UTC Sheffield Olympic Legacy Park building was completed and occupied in September 2016.

The UTC Derby Pride Park building was completed and occupied originally in September 2015, prior to joining the Trust on 1 December 2019.

All buildings have proved to be effective tools for the engagement of new partners. The buildings have also helped to drive the recruitment of students.

Trustees' report

Objectives, Strategies and Activities

The key objectives of the trust for the year were:

- To achieve outstanding results and destinations for students in Y11, Y12 and Y13.
- To ensure all students leaving UTC Sheffield City Centre, UTC Sheffield Olympic Legacy Park and UTC Derby Pride Park have positive outcomes and destinations.
- To ensure that the planned budget was achieved.
- Successfully recruiting viable student numbers in Y9 and Y12.
- To explore opportunities to develop and expand the MAT.

The key strategies for achieving these were:

- The development and delivery of a detailed Self Evaluation Framework document (SEF) and School Improvement Plan (SIP) ensuring excellent performance in key areas relating to the Trust's vision and priorities.
- Deeper involvement with partner employers to develop clear progression routes for those students seeking to move from UTC Sheffield City Centre, UTC Sheffield Olympic Legacy Park and UTC Derby Pride Park into employment.
- Deeper involvement with Sheffield Hallam University, The University of Sheffield and University of Derby to help support UTC students seeking to move into Higher Education.
- Stronger partnerships with apprenticeship providers to support those students seeking to move onto apprenticeships.
- Careful and diligent management of expenditure in line with the planned budget considering value for money.
- The Trustees aim to build the general reserves of the UTC to provide sufficient working capital to cover both the replacement and maintenance of IT equipment and specialist equipment and to provide a cushion to deal with unexpected emergencies such as urgent building issues or any falls in student numbers.
- An agreed comprehensive plan for replacing the IT and specialist equipment across the Trust.
- A detailed and well executed Marketing Plan, building on the successes and lessons learned from earlier years of recruitment and taking into account the planned intentions of existing UTC students in Y11, Y12 and Y13.
- A review of Governance across the Trust to ensure effective structures and practice in line with the Academy Trust Handbook and DfE Governance Handbook.
- Strategic planning with the DfE and ESFA regarding MAT expansion.

Public Benefit

In setting our objectives and planning our activities, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit in exercising their powers and/or duties. In so doing, we have been mindful to consider the impact of the Trust on existing schools, particularly in respect to potentially losing students to the Trust at age 13. This has influenced our admissions policy and the way that we have engaged with young people and their families. We have also considered how the facilities within the Trust might be made to benefit a community wider than those students within the Trust itself.

Strategic Report

Achievements and Performance

During this reporting year, the Company achieved the following:

- Agreed its recurrent funding for 2023/2024 with the Education Skills Funding Agency.
- Further developed a detailed employer led curriculum framework across the Trust.
- Continued to build enduring relationships with employers and other stakeholders.
- Progressed the overwhelming majority of students into a career, further education or higher education outcome.
- Achieved successful outcomes in qualifications leading to very successful destinations.

Trustees' report

- Excellent management of the planned budget ensuring a surplus position at year-end ensuring the financial stability of the Trust.
- Successful recruitment from across the Derby and Sheffield City Regions.

Key Performance Indicators

Trustees approved a budget for the year ended 31 August 2023 designed to deliver a net income of £125,000 (across the total of the Unrestricted and Restricted General Funds) before any actuarial gains or losses on defined benefit pension schemes. The Trust actually generated a net income of £119,000 across those two funds.

Due to the current economic climate in relation to high inflationary pressures and possible impacts on public sector budgets there may be an impact in the future relating to the increased costs of resources and staff.

The coming year could be a challenge relating to the possible effects of disruption to students relating to the on-going effects of increased absence with regard to the national issue with falling attendance post pandemic. Students, staff and their families are recovering from the long-term effects of the pandemic, the Trust will attempt to mitigate these effects where possible.

Going Concern

The Sheffield UTC Academy Trust has prepared financial forecasts for the financial years ending 31 August 2024 to 31 August 2026, as part of its operational and strategic planning. These forecasts have been prepared in conjunction with, and submitted to, the ESFA.

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charitable Company has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial Review

Financial Position

The Trust recorded a net reduction in funds of £51,000 for the year ended 31 August 2023, whilst the total net assets were £24.99 million at this date. The principal source of funding for the Trust was recurrent and capital grant incomes from the Education & Skills Funding Agency.

Reserves Policy

The Trust has taken care to ensure its assets and reserves are managed prudently and effectively during the financial year ended 31 August 2023. The primary responsibility for this is delegated to the Accounting Officer, with oversight provided by the Trustees.

The value of funds which can only be realised by the disposal of tangible fixed assets is £22.74 million.

The total funds at 31 August 2023 are £24.99 million, of which £22.74 million is not available for general purposes of the Trust, as it relates to fixed assets.

The balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2023 is a surplus of £2.25 million.

Trustees' report

Investment Policy

The Trust held limited long-term cash reserves during the financial year ended 31 August 2023. As a consequence, it operated only a business bank account. The Trust made no short or long term investments.

Principal Risks and Uncertainties

The Trust is dependent to a large extent on recurrent funding from the Education & Skills Funding Agency and so the principal risks and uncertainties it faces are largely around any potential changes to either the overall value of this funding or the methodology used to allocate it.

A key driver of recurrent funding from the Education Funding Agency is the volume of 13-16 and 16-19 learners enrolled at UTC Sheffield City Centre, UTC Sheffield Olympic Legacy Park and UTC Derby Pride Park, and so any factors likely to lead to a material deviation from planned learner numbers would constitute a significant risk. These include increased competition for learners from other educational providers in the Derby and Sheffield City Region with the demographic profile currently having lower numbers of 16 year olds; however, this will increase over the next decade.

The Trust will mitigate these risks by ensuring that it offers the highest quality teaching and learning to young people as well as continuing to offer a unique and specialist curriculum that focuses on the skills identified by employers so ensuring successful destinations for students and economic growth in the region.

Due to the current economic climate in relation to high inflationary pressures and possible impacts on public sector budgets there may be an impact in the future relating to the increased costs of resources and staff.

Fundraising

The Trust undertook no direct fund-raising activities during the year ended 31 August 2023.

Plans for Future Periods

The Trust has prepared the curriculum and staffing compliment for the cohorts in all UTCs to start in September 2023-

The Trust will continue to develop a second specialism in Health & Life Sciences at UTC Derby Pride Park.

The Trust will plan for the delivery of T Levels for Post 16 students from September 2024.

The Trust will ensure that it continues to provide teaching and learning of the highest quality to learners.

The Trust will continue to recruit sufficient learners to meet or exceed the targets set out by Trustees, and generate sufficient recurrent grant funding from the Education Skills Funding Agency to enable it to maintain robust financial health.

The Trust has a planned programme of investment in IT and Specialist Equipment utilising the Trust reserves.

Funds Held as Custodian Trustee on Behalf of Others

Neither the Trust itself, nor its Trustees, held any funds or assets on behalf of any other entity as a custodian trustee during the financial year ended 31 August 2023-

Trustees' report

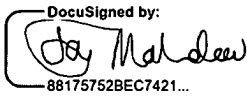
Auditor

Insofar 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.

Wylie & Bissett (Audit) Limited have been appointed for the next year in accordance with section 487(2) of the Companies Act 2006 unless the Charitable Company receives notice under section 488(1) of the Companies Act 2006.

Trustees' report, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 6 December 2023 and signed on the board's behalf by:

DocuSigned by:

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Javid Mahdavi
Chair of Trustees

Governance statement

Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that The Sheffield UTC Academy Trust 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 only provide reasonable and not absolute assurance against material misstatement or loss.

The Trust has delegated the day-to-day responsibility to the Executive 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 The Sheffield UTC Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Trust any material weaknesses or breakdowns in internal control.

Governance

The Trust held 5 full meetings during the academic year, one of which was the AGM. 4 meetings are usually held during the academic year, however additional meetings were called to discuss urgent issues.

Trustee	Meetings attended	Out of a possible
Neil Bizzell (Chair of UTC OLP Governors from February 2023)	2	2
Nick Crew (Executive Principal and Accounting Officer)	5	5
David Cates	3	5
Ken Cornforth (from April 2023)	0	1
Andrew Davies (Chair of UTC Derby Pride Park Governors)	1	5
Mike Drabble (until May 2023)	0	4
Chris Dymond	2	5
Dan Fleetcroft (Chair of UTC Sheffield City Centre Governors)	5	5
Angela Foulkes	3	5
Alison Hales (until 31 March 2023)	3	3
Martin Harrison	5	5
Mark Holmshaw (Chair of UTC OLP Governors until February 2023)	2	3
Peter Hoy	1	5
Javid Mahdavi	5	5
Faith Sango (from December 2022)	2	2
Jon Stewart	2	5

In addition to the Trust Board meetings, there are 3 Local Governing Bodies (4 meetings per year), 1 Trust Joint Resources committee (3 meetings per year) and 3 Educational Quality Committees (3 meetings per year).

The Trust have approved Terms of Reference and a Trust Scheme of Delegation which includes key responsibilities as outlined in the Academy Trust Handbook.

The Trust Joint Resources committee was Chaired by The Sheffield College Executive Director for Finance, who is a qualified accountant. The majority of the committee is made up of Trustees.

The Trust Joint Resources Committee is a sub-committee of the Trust Board. The purpose is to:

Ensure proper financial administration arrangements are in place which enable the Trust Board to fulfil its statutory responsibilities for financial management, and also to demonstrate the achievement of key financial administration standards required by ESFA, OFSTED and the Audit Commission. To oversee the management of the Trust's finances within the framework established by the annual Academy Trust Handbook. Issues dealt with by the committees during the year have included monitoring performance against financial and educational targets and the implications of changes to the ESFA grant allocation.

Governance statement

Attendance at meetings in the year 2022-2023 were as follows:

Trustee	Meetings attended	Out of a possible
Neil Bizzell (Chair UTC OLP LGB from February 2023)	1	1
Michelle Craven Faulkner (UTC Derby Pride Park Governor)	0	1
Nick Crew (Executive Principal and Accounting Officer)	3	3
Andrew Denniff (UTC Sheffield OLP Governor) (Until June 2023)	2	3
Alison Hales (until March 2023)	2	2
Russell Hand (UTC City Centre Governor) (from January 2023)	1	2
Martin Harrison, Chair	3	3
Peter Hoy, (Trustee and UTC Sheffield Centre Governor)	3	3
Javid Mahdavi (Chair of the Trust)	2	3
Nicola Thornton (Chief Finance Officer, non –trustee)	3	3

Review of Value For Money

As Accounting Officer, the Executive Principal has responsibility for ensuring that The Sheffield UTC Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

- The operation of and adherence to, stringent budgetary controls to ensure that expenditure is limited to essential items.
- Regular reviews of the Trust's risk register, so that new risks and opportunities are recognised on a timely basis.
- Ensuring that Trustees have a strong oversight of the Trust's governance arrangements and systems of internal control via the Resources Committee and reports to the Board.
- The use of frameworks available to the Trust to buy in goods and services which are compliant and value for money.

Governance statement

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 The Sheffield UTC Academy Trust for the period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements. A colleague from Baker Dearing Trust completed internal audit relation to 2021-2022 accounting period

Baker Dearing Trust were appointed to undertake internal audit for the 2022-2023 accounting period.

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 on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- Regular reviews by the joint resources sub-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;
- Appointment of BDT as internal auditor;
- An internal scrutiny programme.

The Board of Trustees has considered the need for a specific internal audit function decided to appoint Baker Dearing Trust as internal auditors.

Internal audit includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems.

BDT produced an Internal Audit Report that has been considered by the Trust to give assurance on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The internal auditor's role includes giving advice on financial and other matters and performing a range of checks on the academy Trust's financial and other systems.

BDT's findings were reported to meetings of both the Resources Committee & the full Trust Board in the form of an Internal Audit Report.

Governance statement

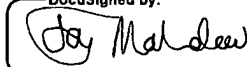
In addition, other internal scrutiny covering areas such as Health & Safety, Safeguarding, learner records & returns are in place to ensure compliance with the Academy Trust Handbook.

Review of Effectiveness

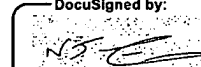
As Accounting Officer, the Executive Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- The work of Joint Resources Committee;
- The work of the internal auditors;
- The work of the external auditor;
- The work of the Chief Financial Officer;
- The financial management and governance self-assessment process;

Approved by order of the members of the Board of Trustees on 6 December 2023 and signed on its behalf by:

DocuSigned by:

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Javid Mahdavi
Chair of Trustees

DocuSigned by:

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Nick Crew
Accounting Officer

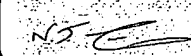
Statement on regularity, propriety and compliance

As Accounting Officer of The Sheffield UTC Academy Trust, I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, 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 Academy Trust Handbook 2023.

I confirm that I, and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academy Trust Handbook 2023.

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.

Signed

DocuSigned by:

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Nick Crew
Accounting Officer

Statement of Trustees' responsibilities

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

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

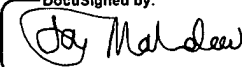
- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2022 and the Academies Accounts Direction 2022 to 2023
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

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

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

Approved by order of the members of the board of trustees on 6 December 2023 and signed on its behalf by:

DocuSigned by:

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Javid Mahdavi
Chair of Trustees

Independent auditor's report to the members of The Sheffield UTC Academy Trust

Opinion

We have audited the financial statements of The Sheffield UTC Academy Trust (the 'charitable company') for the year ended 31 August 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, 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 Statement of Recommended Practice (SORP 2019) and the Academies Accounts Direction 2022 to 2023 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2023, and of its incoming resources and application of resources 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 Charities Statement of Recommended Practice (SORP 2019) and the Academies Accounts Direction 2022 to 2023.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the report and financial statements, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the

Independent auditor's report to the members of The Sheffield UTC Academy Trust

financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to

determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; 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 the Trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 15, the trustees, who are also the directors of The Sheffield UTC Academy Trust for the purposes of company law, are responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Independent auditor's report to the members of The Sheffield UTC Academy Trust

they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures response to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing the risks or material misstatements in respect of irregularities, including fraud and non-compliance with laws and regulations we considered the following;

- The nature of the academy, the environment in which it operates, and the control procedures implemented by management and the trustees; and
- Our enquiries of management and trustees about their identification and assessment of the risks of irregularities.

Based on our understanding of the academy and the sector we identified that the principal risks of non-compliance with laws and regulations related to, but were not limited to;

- Regulations and legislation pertinent to the academy's operations

We considered the extent to which non-compliance might have a material impact on the financial statements. We also considered those laws and regulations which have a direct impact on the preparation of the financial statements, such as the Financial Reporting Standard Applicable in 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 (FRS102) (Charities SORP (FRS102)), the Academies Accounts Direction 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

We evaluated management and trustees' incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of management override of controls), and determined that the principal risks were related to;

- Posting inappropriate journal entries.

Audit response to the risks identified;

Our procedures to respond to the risks identified included the following;

- Gaining an understanding of the legal and regulatory framework applicable to the academy and the sector in which it operates;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiring of management, trustees and legal advisors concerning actual and potential litigation and claims;

Independent auditor's report to the members of The Sheffield UTC Academy Trust

- Reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with the Department for Education and Education & Skills Funding Agency,
- In addressing the risk of fraud as a result of management override of controls, testing the appropriateness of journal entries and other adjustments; evaluating rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

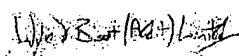
A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the academy trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and in respect of the separate opinion in relation to compliance with the Academies Accounts Direction 2022 to 2023 issued by the Education & Skills Funding Agency on terms that have been agreed.

Our audit work has been undertaken so that we might state to the academy trust's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy trust and its members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:



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Scott Gillon BA (Hons) FCCA, CA
Senior Statutory Auditor

For and on behalf of Wylie & Bisset (Audit) Limited
168 Bath Street
Glasgow
G2 4TP

6 December 2023

Independent reporting accountant's assurance report on Regularity to The Sheffield UTC Academy Trust and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 30th September 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Sheffield UTC Academy Trust during the period 1 September 2022 to 31 August 2023 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 Sheffield UTC Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Sheffield UTC Academy Trust 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 Sheffield UTC Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Sheffield UTC Academy Trust's Accounting Officer and the reporting accountant

The accounting officer is responsible, under the requirements of Sheffield UTC Academy Trust's funding agreement with the Secretary of State for Education and the Academy Trust Handbook, extant from 1 September 2022, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts. 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 2022 to 31 August 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Direct consideration and corroboration of evidence used to inform the accounting officer's statements;

Independent reporting accountant's assurance report on Regularity to The Sheffield UTC Academy Trust and the Education & Skills Funding Agency

- Procedures to assess compliance with the funding agreement and Academies Financial Handbook from those already performed as part of the audit;
- Consideration of whether expenditure outside of the academies delegated authorities has received departmental approval;
- Evaluation and assessment of the operating effectiveness of the general control environment and operational level which are intended to reduce the risk of irregularity;
- Assessment of adequacy of policies and procedures to ensure compliance with the framework of authorities;
- Testing transactions with connected parties to determine whether the Academy Trust has complied with the 'at cost' requirement of the Academies Accounts Direction 2022 to 2023;
- Consideration of whether the absence of a control represents a breach of authorities; and
- Review of accounts or transactions susceptible to a greater risk of impropriety such as credit cards and cash accounts.

This list is not exhaustive and we performed additional procedures designed to provide us with additional appropriate evidence to express a conclusion on regularity consistent with the requirements of Part 9 of the Academies Accounts Direction 2022 to 2023.

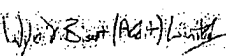
Conclusion

In the course of our work nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2022 to 31 August 2023 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Use of our report

This report is made solely to The Sheffield UTC Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Sheffield UTC Academy Trust and the ESFA those matters we are required to state to them in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Sheffield UTC Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

DocuSigned by:



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Wylie & Bisset (Audit) Limited
168 Bath Street
Glasgow
G2 4TP

6 December 2023

The Sheffield UTC Academy Trust
Financial statements for the year ended 31 August 2023

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Statement of financial activities (including income and expenditure account)

	Note	Unrestricted funds £000	Restricted general funds £000	Restricted fixed asset funds £000	Total 2023 £000	Total 2022 £000
Income and endowments from:						
Donations and capital grants	2	-	-	93	93	75
Charitable activities:						
Funding for the academy trust's educational operations	3	-	8,292	-	8,292	7,268
Other trading activities	4	18	-	-	18	13
Total		<u>18</u>	<u>8,292</u>	<u>93</u>	<u>8,403</u>	<u>7,356</u>
Expenditure on:						
Raising funds	5	-	28	-	28	45
Charitable activities:						
Academy trust educational operations	6	-	7,987	740	8,727	8,208
Total		<u>-</u>	<u>8,015</u>	<u>740</u>	<u>8,755</u>	<u>8,253</u>
Net income/(expenditure)		18	277	(647)	(352)	(897)
Transfers between funds	15	-	(209)	209	-	-
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit pension schemes	15,23	-	301	-	301	2,946
Net movement in funds		18	369	(438)	(51)	2,049
Reconciliation of funds						
Total funds brought forward	15	<u>125</u>	<u>1,737</u>	<u>23,180</u>	<u>25,042</u>	<u>22,993</u>
Total funds carried forward	15	<u>143</u>	<u>2,106</u>	<u>22,742</u>	<u>24,991</u>	<u>25,042</u>


The Sheffield UTC Academy Trust
Financial statements for the year ended 31 August 2023

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Balance sheet

	Note	2023 £000	2023 £000	2022 £000	2022 £000
Fixed assets					
Intangible assets	11		-		-
Tangible assets	12		22,742		23,180
Current assets					
Debtors	13	320		254	
Cash at bank and in hand	21	2,383		2,916	
		<u>2,703</u>		<u>3,170</u>	
Liabilities					
Creditors: Amounts falling due within one year	14	(454)		(1,040)	
Net current assets			<u>2,249</u>		<u>2,130</u>
Total assets less current liabilities			<u>24,991</u>		<u>25,310</u>
Net assets excluding pension liability			<u>24,991</u>		<u>25,310</u>
Defined benefit pension scheme liability	24		-		(268)
Total assets			<u><u>24,991</u></u>		<u><u>25,042</u></u>
Funds of the academy trust:					
Restricted funds					
Fixed asset fund	15	22,742		23,180	
Restricted income fund	15	2,106		2,005	
Pension reserve	15	-		(268)	
Total restricted funds			<u>24,848</u>		<u>24,917</u>
Unrestricted income funds	15		<u>143</u>		<u>125</u>
Total funds			<u><u>24,991</u></u>		<u><u>25,042</u></u>

The financial statements on pages 22 to 47 were approved by the Trustees, and authorised for issue on 6 December 2023, and are signed on their behalf by:

DocuSigned by:

 88175752BEC7421...
 Javid Mahdavi
 Trustee

Company number: 07652696

The Sheffield UTC Academy Trust
Financial statements for the year ended 31 August 2023

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Statement of cash flows

	Note	2023 £000	2022 £000
Cash flows from operating activities			
Net cash generated by (used in) operating activities	19	(324)	854
Cash flows from investing activities	20	<u>(209)</u>	<u>116</u>
Change in cash and cash equivalents in the reporting period		<u>(533)</u>	<u>970</u>
Cash and cash equivalents at 1 September 2022	21	<u>2,916</u>	<u>1,946</u>
Cash and cash equivalents at 31 August 2023	21	<u><u>2,383</u></u>	<u><u>2,916</u></u>

Notes to the financial statements

1 Statement of accounting policies

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 (FRS102), 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 (FRS102)), the Academies Accounts Direction 2022 to 2023 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

The Sheffield UTC Academy Trust meets the definition of a public benefit entity under FRS 102.

Going Concern

The Academy Trust has prepared financial forecasts for the financial years ending 31 August 2023 to 31 August 2025, as part of its operational and strategic planning. These forecasts have been prepared in conjunction with, and submitted to the EFA.

The trustees have concluded that the forecasts show the trust maintaining adequate resources to continue in operational existence for the foreseeable future, and for this reason will continue to adopt the going concern basis in the preparation of its Financial Statements. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

Income

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

Grants

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

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

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

Notes to the financial statements

1 Statement of accounting policies (continued)

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 associated goods and/or services.

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 allocated on the portion of the asset's use.

Expenditure on Raising Funds

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

Charitable Activities

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

All resources expended are shown inclusive of any irrecoverable VAT.

Intangible Fixed Assets

Intangible assets costing £2,000 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 - 5 Years

Tangible Fixed Assets

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial

Notes to the financial statements

1 Statement of accounting policies (continued)

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:

Leasehold land	- 50 years
Freehold buildings	- 50 Years
Fixtures, fittings and general equipment	- 10 Years
ICT hardware	- 5 Years

Land and buildings

Land and buildings acquired since incorporation of the trust company are included in the balance sheet at cost. Leasehold land where capitalised is depreciated over the period of the lease. Freehold buildings are depreciated over 50 years.

Assets in the course of construction are included at cost, based on the value of surveyors' certificates and other direct costs incurred up to the balance sheet date. Depreciation on these assets is not charged until they are brought into use.

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.

Subsequent expenditure on existing fixed assets

Where significant expenditure is incurred on tangible fixed assets it is charged to the income and expenditure account in the period it is incurred, unless it meets one of the following criteria, in which case it is capitalised and depreciated on the relevant basis:

- Market value of the fixed asset has subsequently improved
- Asset capacity increases
- Substantial improvement in the quality of output, or reduction in operating costs
- Significant extension of the asset's life beyond that conferred by repairs and maintenance.

Leased assets

Costs in respect of operating leases are charged on a straight line basis over the lease term. Leasing agreements which transfer to the academy trust substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The relevant assets are capitalised at their fair value at the inception of the lease and depreciated over the shorter of the lease term or the useful economic lives of equivalent owned assets. The capital element outstanding is shown as obligations under finance leases.

The finance charges are allocated over the period of the lease in proportion to the capital element outstanding. Where finance lease payments are funded in full from funding council capital equipment grants, the associated assets are designated as grant-funded assets.

Assets which are held under hire purchase contracts which have the characteristics of finance leases are depreciated over their useful lives.

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Notes to the financial statements

1 Statement of accounting policies (continued)

Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Leased Assets

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

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. HM Revenue & Customs has confirmed that it recognises the academy trust as both a charity and a charitable company.

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

Cash

Cash for the purposes of the cash flow statement comprises cash in hand and deposits repayable on demand, less overdrafts repayable on demand.

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'), which is run on the trust's behalf by The South Yorkshire Pensions Authority (SYPA). 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 prospective unit credit method. As stated in note 23, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes, and the contributions recognised in the period to which they relate.

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

Notes to the financial statements

1 Statement of accounting policies (continued)

Fund accounting

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

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

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pensions liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 August 2023. 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.

Critical areas of judgement

In preparing financial statements the trust has to make judgements in the following areas:

- Determining whether leases entered into by the trust either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determining whether there are indicators of impairment of the group's fixed assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

2 Donations and capital grants

	Unrestricted funds £000	Restricted funds £000	Total 2023 £000	Total 2022 £000
Capital grants	-	93	93	75
	-	93	93	75

The Sheffield UTC Academy Trust
Financial statements for the year ended 31 August 2023

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Notes to the financial statements

3 Funding for the Academy Trust's educational operations

	Unrestricted funds £000	Restricted funds £000	Total 2023 £000	Total 2022 £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	7,445	7,445	6,739
Start Up Grants	-	-	-	-
Other DfE/ESFA grants	-	756	756	333
	-	8,201	8,201	7,072
Other Government grants				
Local authority grants	-	64	64	93
Special educational projects	-	12	12	30
	-	76	76	123
Other income from the academy trust's education operations				
	-	15	15	73
	-	8,292	8,292	7,268

4 Other trading activities

	Unrestricted funds £000	Restricted funds £000	Total 2023 £000	Total 2022 £000
Hire of facilities	-	-	-	-
Release of staff	18	-	18	13
	18	-	18	13

5 Expenditure

	Non pay expenditure			Total 2023 £000	Total 2022 £000
	Staff costs £000	Premises £000	Other £000		
Expenditure on raising funds:					
Direct costs	-	-	28	28	45
Academy's educational operations:					
Direct costs	5,492	733	840	7,065	6,517
Allocated support costs	681	770	211	1,662	1,702
	6,173	1,503	1,079	8,755	8,264

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Notes to the financial statements

5 Expenditure (continued)

Net income/(expenditure) for the period includes:	2023	2022
	£000	£000
Operating lease rentals	6	6
Depreciation	740	733
Amortisation of intangible fixed assets (included within Charitable activities – Academy trust educational operations)	-	-
Fees payable to auditor for:		
- audit	18	17
- other services	-	-

6 Charitable activities

	2023	2022
	£000	£000
Direct costs – educational operations	7,065	6,517
Support costs – educational operations	1,662	1,691
	8,727	8,208

Analysis of support costs

	Educational operations £000	Total 2023 £000	Total 2022 £000
Support staff costs	681	681	867
Depreciation	8	8	7
Technology costs	2	2	3
Premises costs	762	762	733
Other support costs	174	174	60
Legal costs	-	-	-
Governance costs	36	36	21
Total support costs	1,663	1,663	1,691

7 Staff

Staff costs		
Staff costs during the period were:	2023	2022
	£000	£000
Wages and salaries	4,540	4,181
Social security costs	480	451
Operating costs of defined benefit pension schemes	965	1,198
Apprenticeship levy	8	5
	5,993	5,835
Supply staff costs	180	91
Staff restructuring costs	-	-
	6,173	5,926

Notes to the financial statements

7 Staff (continued)

Staff numbers

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

	2023 No.	2022 No.
Teachers	52	46
Administration and support	47	51
Management	24	24
	<u>123</u>	<u>121</u>

Higher paid staff

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

	2023 No.	2022 No.
£60,001 - £70,000	4	2
£70,001 - £80,000	1	1
£80,001 - £90,000	1	2
£90,001 - £100,00	1	-
£120,001 - £130,000	-	1
£130,001 - £140,000	1	-

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £614k (2022: £579k).

8 Central services

The academy trust has provided the following central services to its academies during the year:

Central management & administration functions

The academy trust charges for these services on the following basis:

Flat rate 6% of the year's General Annual Grant (GAG) income or £120,000 (whichever is the larger)

The actual amounts charged during the year were as follows:

	2023 £000	2022 £000
UTC Sheffield City Centre	194	183
UTC Sheffield Olympic Legacy Park	159	150
UTC Derby Pride Park	120	71
	<u>473</u>	<u>404</u>

Notes to the financial statements

9 Related party transactions – trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal only received remuneration in respect of the services they provided undertaking the roles of principal and teacher respectively, under their contracts of employment with the trust.

The value of trustees' remuneration and other benefits was as follows:

N Crew (Chief Executive Officer and trustee):

- Remuneration £130,000 - £135,000 (2022: £125,000 - £130,000)

- Employer's pension contributions paid £25,000 - £30,000 (2022: £25,000 - £30,000)

During the period ended 31 August 2023, £242 travel and subsistence expenses were reimbursed to two trustees (2022: £478 to one trustee).

10 Trustees' and officers' insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 on any one claim. The cost cannot be separately identified as it is an integral part of the cost of the Academies Risk Protection Arrangement, of which the trust is a member.

11 Intangible fixed assets

	Computer software £000
Cost	
At 1 September 2022	266
Additions	-
At 31 August 2023	<u>266</u>
Amortisation	
At 1 September 2022	266
Charged in year	-
At 31 August 2023	<u>266</u>
Carrying amount	
At 31 August 2023	<u>-</u>
At 31 August 2022	<u>-</u>

Notes to the financial statements

12 Tangible fixed assets

	Land and buildings	Furniture and fixtures	Plant and equipment	Computer hardware	Total
	£000	£000	£000	£000	£000
Cost					
At 1 September 2022	26,333	710	1,985	1,705	30,773
Additions	-	19	4	279	302
At 31 August 2023	<u>26,333</u>	<u>729</u>	<u>1,989</u>	<u>1,984</u>	<u>31,035</u>
Depreciation					
At 1 September 2022	3,810	668	1,490	1,586	7,553
Charged in year	517	16	118	89	740
At 31 August 2023	<u>4,327</u>	<u>802</u>	<u>1,490</u>	<u>1,675</u>	<u>8,293</u>
Net book values					
At 31 August 2023	<u>22,006</u>	<u>46</u>	<u>381</u>	<u>309</u>	<u>22,742</u>
At 31 August 2022	<u>22,523</u>	<u>43</u>	<u>495</u>	<u>119</u>	<u>23,180</u>

The trust had no transactions relating to land and buildings during the period.

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Financial statements for the year ended 31 August 2023

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Notes to the financial statements

13 Debtors

	2023 £000	2022 £000
VAT recoverable	105	49
Prepayments and accrued income	215	205
	<u>320</u>	<u>254</u>

14 Creditors: Amounts falling due within one year

	2023 £000	2022 £000
Trade creditors	174	279
Other taxation and social security	93	96
ESFA creditor: abatement of GAG	-	-
Other creditors	74	72
Accruals and deferred income	113	593
	<u>454</u>	<u>1,040</u>

Deferred income

	2023 £000	2022 £000
Deferred income at 1 September 2022	128	131
Released from previous years	(126)	(89)
Resources deferred in the year	54	86
Deferred income at 31 August 2023	<u>56</u>	<u>128</u>

At the balance sheet date the academy trust was holding the following deferred income balances:

£21,000 relating to Student bursary funding received from the ESFA and not yet distributed.

£35,000 relating to Capital funding received from the ESFA in advance of the next academic year.

Notes to the financial statements

15 Funds

	Balance at 1 September 2022 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2023 £000
Restricted general funds					
General Annual Grant (GAG)	1,865	7,445	(7,135)	(209)	1,966
Pension reserve	(268)	-	(33)	301	-
Other grants	140	847	(847)	-	140
	<u>1,737</u>	<u>8,292</u>	<u>(8,015)</u>	<u>92</u>	<u>2,106</u>
Restricted fixed asset funds					
DfE/ESFA capital grants	15,441	93	(676)	209	15,067
Transfer of academy in to trust	7,374	-	-	-	7,374
Other capital grants	320	-	(43)	-	277
Capital expenditure from GAG	45	-	(21)	-	24
	<u>23,180</u>	<u>93</u>	<u>(740)</u>	<u>209</u>	<u>22,742</u>
Total restricted funds	<u>24,917</u>	<u>8,385</u>	<u>(8,755)</u>	<u>301</u>	<u>24,848</u>
Total unrestricted funds	<u>125</u>	<u>18</u>	<u>-</u>	<u>-</u>	<u>143</u>
Total funds	<u>25,042</u>	<u>8,403</u>	<u>(8,755)</u>	<u>301</u>	<u>24,991</u>

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

General Annual Grant (GAG): GAG is the primary source of funding from the Education Funding Agency. It must be used to fund the regular operational costs of the trust and provide benefit to students. This arose due to the funding agreement with the Secretary of State.

Other grants: The Pupil Premium allocation is given to schools to raise the attainment of disadvantaged pupils and close the gap between them and their peers. This arose due to the funding agreement with the Secretary of State. The trust was also a partner in the Higher Education Progression Partnership for South Yorkshire and received funding from the Partnership to cover the cost of the trust's input to it. Funding is also provided by the Department of Education for all academies to cover the cost of Non Domestic Rates.

DfE/ESFA Capital Grant: The Capital Grant is to cover the cost of procuring construction works, furniture & fittings, ICT equipment and specialist equipment in order to provide the physical facilities for the academy trust. This grant stemmed from the decision by the Secretary of State for Education to allow the application to establish the UTC to proceed to the pre-opening stage, and approval from the EFA to commence construction and procurement. It must only be expended on the purchase of construction works, furniture & fittings, ICT equipment and specialist equipment.

Under the funding agreements with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2023.

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Notes to the financial statements

15 Funds (continued)

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

	Balance at 1 September 2021 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2022 £000
Restricted general funds					
General Annual Grant (GAG)	1,863	6,750	(6,642)	(106)	1,865
Pension reserve	(2,854)	-	(360)	2,946	(268)
Other grants	140	529	(529)	-	140
	<u>(851)</u>	<u>7,279</u>	<u>(7,531)</u>	<u>2,840</u>	<u>1,737</u>
Restricted fixed asset funds					
DfE/ESFA capital grants	15,929	75	(669)	106	15,441
Transfer of academy into trust	7,374	-	-	-	7,374
Other capital grants	363	-	(43)	-	320
Capital expenditure from GAG	66	-	(21)	-	45
	<u>23,732</u>	<u>75</u>	<u>(733)</u>	<u>106</u>	<u>23,180</u>
Total restricted funds	<u>22,881</u>	<u>7,354</u>	<u>(8,264)</u>	<u>2,946</u>	<u>24,917</u>
Total unrestricted funds	<u>112</u>	<u>13</u>	<u>-</u>	<u>-</u>	<u>125</u>
Total funds	<u>22,993</u>	<u>7,367</u>	<u>(8,264)</u>	<u>2,946</u>	<u>25,042</u>

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2021 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2023 £000
Restricted general funds					
General Annual Grant (GAG)	1,863	14,184	(13,776)	(315)	1,966
Pension reserve	(2,854)	-	(393)	3,247	-
Other grants	140	1,376	(1,376)	-	140
	<u>(851)</u>	<u>15,560</u>	<u>(15,535)</u>	<u>2,932</u>	<u>2,106</u>
Restricted fixed asset funds					
DfE/ESFA capital grants	15,929	168	(1,345)	315	15,067
Transfer of academy in to trust	7,374	-	-	-	7,374
Other capital grants	363	-	(86)	-	277
Capital expenditure from GAG	66	-	(42)	-	24
	<u>23,732</u>	<u>168</u>	<u>(1,473)</u>	<u>315</u>	<u>22,742</u>
Total restricted funds	<u>22,881</u>	<u>15,728</u>	<u>(17,008)</u>	<u>3,247</u>	<u>24,848</u>
Total unrestricted funds	<u>112</u>	<u>31</u>	<u>-</u>	<u>-</u>	<u>143</u>
Total funds	<u>22,993</u>	<u>15,759</u>	<u>(17,008)</u>	<u>3,247</u>	<u>24,991</u>

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Notes to the financial statements

15 Funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2023 were allocated as follows:

	2023 £000	2022 £000
UTC Sheffield City Centre	1,705	1,527
UTC Sheffield Olympic Legacy Park	1,035	951
UTC Derby Pride Park	(441)	(326)
Central Services	(50)	(22)
Total before fixed assets and pension reserve	2,249	2,130
Restricted fixed asset fund	22,742	23,180
Pension reserve	-	(268)
Total	24,991	25,042

Analysis of academies by cost

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs (excluding depreciation) £000	Total 2023 £000	Total 2022 £000
UTC Sheffield City Centre	2,099	204	371	334	3,008	2,947
UTC Sheffield Olympic Legacy Park	1,752	159	311	395	2,617	2,585
UTC Derby Pride Park	1,352	107	158	271	1,888	1,559
Central Services	289	212	-	1	502	429
Academy Trust	5,492	682	840	1,001	8,015	7,520

16 Analysis of net assets between funds

Fund balances at 31 August 2023 are represented by:

	Unrestricted funds £000	Restricted general funds £000	Restricted fixed asset funds £000	Total funds £000
Tangible fixed assets	-	-	22,742	22,742
Current assets	143	2,526	34	2,703
Current liabilities	-	(420)	(34)	(454)
Pension scheme liability	-	-	-	-
Total net assets	143	2,106	22,742	24,991

Notes to the financial statements

16 Analysis of net assets between funds (continued)

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

	Unrestricted funds £000	Restricted general funds £000	Restricted fixed asset funds £000	Total funds £000
Tangible fixed assets	-	-	23,180	23,180
Current assets	125	2,965	80	3,170
Current liabilities	-	(960)	(80)	(1,040)
Pension scheme liability	-	(268)	-	(268)
Total net assets	125	1,737	23,180	25,042

17 Capital commitments

	2023 £000	2022 £000
Contracted for, but not provided in the financial statements	-	-

18 Commitments under operating leases

Operating leases

At 31 August 2023 the total of the Academy's future minimum lease payments under non-cancellable operating leases was:

	2023 £000	2022 £000
Amounts due within one year	4	6
Amounts due between one and five years	7	11
	11	17

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

	2023 £000	2022 £000
Net expenditure for the reporting period (as per the statement of financial activities)	(352)	(897)
Adjusted for:		
Amortisation (note 11)	-	-
Depreciation (note 12)	740	733
Capital grants from DfE and other capital income	(93)	(75)
Defined benefit pension scheme cost less contributions payable (note 24)	25	309
Defined benefit pension scheme finance cost (note 24)	-	51
Defined benefit pension scheme administrative expenses (note 24)	8	-
(Increase)/Decrease in debtors	(66)	567
(Decrease)/Increase in creditors	(586)	166
Net cash (used in)/provided by operating activities	(324)	854

Notes to the financial statements

20 Cash flows from investing activities

	2023 £000	2022 £000
Purchase of tangible fixed assets	(302)	(181)
Capital grants from DfE/ESFA	93	287
Capital grants (other)	-	10
Net cash (used in)/provided by investing activities	(209)	116

21 Analysis cash and cash equivalents

	At 31 August 2023 £000	At 31 August 2022 £000
Cash in hand and at bank	2,383	2,916
Total cash and cash equivalents	2,383	2,916

22 Analysis of changes in net debt

	At 31 August 2022 £000	Cash flows £000	At 31 August 2023 £000
Cash	2,916	(533)	2,383
Total	2,916	(533)	2,383

23 Members' liability

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

24 Pension and similar obligations

The academy trust's employees belong to three principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and two Local Government Pension Schemes (LGPS) for non-teaching staff, which are managed by the South Yorkshire Pensions Authority (SYPA) & Derbyshire Pension Fund (DPF). All are multi-employer defined benefit pension schemes.

The latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education in October 2023.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website.

Notes to the financial statements

24 Pension and similar obligations (continued)

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 26 October 2023. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.6% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 1.7% above the rate of CPI. assumed real rate of return is 1.7% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 0.4% in excess of CPI. The assumed nominal rate of return including earnings growth is 4.5%.

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the period amounted to £734,000 (2022: £674,000).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds.

The total contribution made for the year ended 31 August 2023 was £226,000 (2022: £212,000), of which employer's contributions totalled £165,000 (2022: £158,000) and employees' contributions totalled £61,000 (2022: £54,000) The agreed contribution rates for future years are 15.7 per cent for employers and 5.8 per cent for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of 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.

Notes to the financial statements

24 Pension and similar obligations (continued)

Principal actuarial assumptions

	At 31 August 2023	At 31 August 2022
Rate of increase in salaries	3.55%	4.05%
Rate of increase for pensions in payment/inflation	2.95%	3.05%
Discount rate for scheme liabilities	5.20%	4.35%
Inflation assumption (CPI)	2.95%	3.05%

Sensitivity analysis

	Central	Sensitivity 1	Sensitivity 2	Sensitivity 3	Sensitivity 4
		+ 0.1% p.a. discount rate	+ 0.1% p.a. pay growth	+ 0.1% p.a. inflation	+ 1 year life expectancy
	£000	£000	£000	£000	£000
Defined benefit obligation	-	39	38	2	61

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

	At 31 August 2023	At 31 August 2022
Retiring today		
Males	20.6	22.6
Females	23.6	25.4
Retiring in 20 years		
Males	21.4	24.1
Females	25.0	27.3

The academy's share of the assets in the scheme were:

	Fair value at 31 August 2023 £000	Fair value at 31 August 2022 £000
Equities	1,047	1,730
Government bonds	319	495
Property	137	223
Cash/liquidity	15	25
Total market value of assets	1,518	2,473

The actual return on scheme assets was -2.8% (2022: -1.7%).

Notes to the financial statements

24 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2023	2022
	£000	£000
Current service cost (net of employee contributions)	(12)	(238)
Net interest cost	(11)	(42)
Total operating charge	(23)	(280)

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

	2023	2022
	£000	£000
At 1 September	2,473	4,345
Current service cost	187	400
Interest cost	110	78
Employee contributions	60	54
Benefits/transfers paid	(2)	(6)
Actuarial (gain)/loss	(1,310)	(2,398)
At 31 August	1,518	2,473

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

	2023	2022
	£000	£000
At 1 September	2,205	2,031
Interest income	99	36
Actuarial gain	(734)	(72)
Benefits/transfers paid	(2)	(6)
Employer contributions	175	162
Employee contributions	60	54
Restriction of actuarial gain	(285)	-
At 31 August	1,518	2,205

Local Government Pension Scheme (Derbyshire Pension Fund)

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds.

The total contribution made for the year ended 31 August 2023 was £45,000 (2022: £40,000), of which employer's contributions totalled £34,000 (2022: £31,000) and employees' contributions totalled £11,000 (2022: £9,000). The agreed contribution rates for future years are 17.1 per cent for employers and 2.8 to 6.5 per cent for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of 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.

Notes to the financial statements

24 Pension and similar obligations (continued)

Principal actuarial assumptions

	At 31 August 2023	At 31 August 2022
Rate of increase in salaries	3.95%	3.75%
Rate of increase for pensions in payment/inflation	2.95%	3.05%
Discount rate for scheme liabilities	5.20%	4.35%
Inflation assumption (CPI)	2.95%	3.05%

Sensitivity analysis

	Central	Sensitivity 1	Sensitivity 2	Sensitivity 3	Sensitivity 4
		+ 0.1% p.a. discount rate	+ 0.1% p.a. pay growth	+ 0.1% p.a. inflation	+ 1 year life expectancy
	£000	£000	£000	£000	£000
Defined benefit obligation	-	16	1	15	27

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

	At 31 August 2023	At 31 August 2022
Retiring today		
Males	20.8	21.1
Females	23.8	23.8
Retiring in 20 years		
Males	21.6	22.2
Females	25.3	25.6

The academy's share of the assets in the scheme were:

	Fair value at 31 August 2023 £000	Fair value at 31 August 2022 £000
Equities	460	533
Government bonds	151	153
Property	55	69
Cash/liquidity	21	8
Other	-	-
Total market value of assets	686	763

The actual return on scheme assets was 4.6% (2022: -5.2%).

Amounts recognised in the statement of financial activities

	2023 £000	2022 £000
Current service cost (net of employee contributions)	(13)	(71)
Net interest cost	3	(9)
Total operating charge	(10)	(80)

Notes to the financial statements

24 Pension and similar obligations (continued)

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

	2023 £000	2022 £000
At 1 September	763	5,748
Current service cost	47	502
Interest cost	34	102
Employee contributions	11	63
Benefits/transfers paid	(2)	(8)
Past service cost	-	-
Actuarial (gain)/loss	(167)	(3,084)
At 31 August	686	3,323

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

	2023 £000	2022 £000
At 1 September	763	2,894
Interest income	37	51
Actuarial (loss) / gain	(10)	(138)
Administration expenses	-	-
Benefits/transfers paid	(2)	(8)
Employer contributions	34	193
Employee contributions	11	63
Restriction of actuarial gain	(147)	-
At 31 August	686	3,055

Movement in net defined benefit/(liability) during the year

Summary – Both schemes	2023 £'000	2022 £'000
Deficit in scheme at 1 August	(268)	(2,854)
Movement in year:		
Net return on assets	136	51
Actuarial gain	733	3,033
Current service costs	(234)	(502)
Interest costs	(144)	(102)
Employer contributions	209	193
Restriction of actuarial gain	(432)	(87)
Net defined liability at 31 July	-	(268)

25 Related party transactions

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

Notes to the financial statements

25. Related party transactions (continued)

Expenditure related party transactions

The Sheffield College - A Further Education Corporation in which Ms A Foulkes (member and trustee of the trust), Mr A Hartley (member of the trust) and Mr M Harrison (trustee of the trust) have significant influence.

- Purchase transactions were undertaken with the College with a total value of £65,000 (2022: £51,000). These related to a variety of services such as Finance & Human Resources, estates & premises management, post handling/franking and telephony. The amount outstanding at 31 August 2023 was £200 (2022: £3,000).
- The academy trust made the purchase at arms' length in accordance with its financial regulations and Service Level Agreement with the College. The trustees neither participated in, nor influenced the setting up of the relationship between the trust and the College.
- In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2023.
- The element above £2,500 has been provided 'at no more than cost' and The Sheffield College has provided a statement of assurance confirming this.

Sparks Managed Services Ltd - A premises cleaning company in which Ms A Foulkes (member and trustee of the trust), Mr M Harrison (trustees of the trust) & Mr A Hartley (member of the trust) are Directors.

- Purchase transactions were undertaken with the company with a total value of £122,000 (2022: £146,000). These related to the provision of cleaning, security and caretaking services. The amount outstanding at 31 August 2023 was £nil (2022: £135,000).
- The academy trust made the purchase at arms' length in accordance with its financial regulations and Service Level Agreement with The Sheffield College (parent entity of the company). The trustees neither participated in, nor influenced the setting up of the relationship between the trust and the company.
- In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2023.
- The element above £2,500 has been provided 'at no more than cost' and Sparks Managed Services Ltd has provided a statement of assurance confirming this.

Sheffield City Council – A City Council in which Mr M Drabble (a trustee of the trust until 26 June 2023) has significant influence.

- Purchase transactions were undertaken with the Council with a total value of £100,000 (2022: £129,000). These related to a variety of services including business rates, catering contract management, broadband connection and governor training. The amount outstanding at 31 August 2023 was £2,000 (2022: £18,000). The Council is also leasing land to the trust for both of its facilities in Sheffield (under 125-year peppercorn leases), as it was in 2022.
- The academy trust made the purchase at arms' length in accordance with its financial regulations. No competitive tendering exercise was required as all services are such that the Council is the only supplier available, or the arrangement is a legal requirement. Mr Drabble neither participated in, nor influenced the setting up of the relationship between the trust and the Council.
- In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2023.
- The element above £2,500 has been provided 'at no more than cost' and Sheffield City Council has provided a statement of assurance confirming this.

Notes to the financial statements

25. Related party transactions (continued)

Sheffield Futures - A young persons support charity in which Mr M Harrison (trustee of the trust) is a Director.

- Purchase transactions were undertaken with the charity with a total value of £19,000 (2022: £17,000). These related to the provision of student counselling services. The amount outstanding at 31 August 2023 was £nil (2022: £14,000).
- The academy trust made the purchase at arms' length in accordance with its financial regulations and Service Level Agreement with The Sheffield College (parent entity of the company). The trustees neither participated in, nor influenced the setting up of the relationship between the trust and the company.
- In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2023.
- The element above £2,500 has been provided 'at no more than cost' and Sparks Managed Services Ltd has provided a statement of assurance confirming this.
- The commercial relationship between the academy trust & Sheffield Futures has been in place prior to Mr M Harrison becoming a Director of that organisation.

G Crew, daughter of N Crew, Chief Executive Officer and trustee, is employed by the academy trust as a Curriculum Director. G Crew's appointment was made in open competition and N Crew was not involved in the decision making process regarding appointment. G Crew is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a trustee.

Income related party transaction

Sheffield City Council – A City Council in which Mr M Drabble (a trustee of the trust until 26 June 2023) has significant influence.

- During the year the Council provided £25,000 (2022: £1,000) of funding to the trust in relation to its charitable activities (educational operations).
- The trust received the income at arms' length in accordance with its financial regulations, as the grants are solely related to the trust's pupils and not its relationship with the Council. In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2023.

Sheffield Hallam University - A Higher Education institution in which Ms A Foulkes (member and trustee of the trust) & Prof D Owen (member of the trust) have significant influence.

- During the year the University provided £6,000 (2022: £34,000) of funding to the trust in relation to its charitable activities (educational operations).
- The trust received the income at arms' length in accordance with its financial regulations, as the grants are solely related to the trust's educational operations and not its relationship with the University.
- In entering into the transaction the academy trust has complied with the requirement of the Academies Financial Handbook 2023.

26 Contingent Liabilities

In the case of *Harpur v Brazel* 2022, the Supreme Court judged in favour of the appellant which means that calculating holiday pay at a rate of 12.07% is no longer sufficient. However, given the significant implications the Government launched further consultation, which ended on 9th March 2023. The Government is now analysing feedback and we will be informed in due course whether the ruling is overturned or not. As there is still uncertainty as to the value of any liability, it has not been practical to estimate the potential liability at this stage (2021-22: £nil).