

**LEEDS ADVANCED MANUFACTURING UTC
LIMITED**

FINANCIAL STATEMENTS

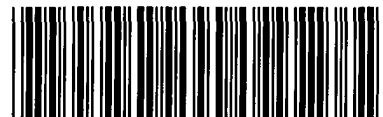
31 AUGUST 2017

(A company limited by guarantee)

ArmstrongWatson[®]

Accountants & Financial Advisers

THURSDAY



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COMPANIES HOUSE

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LEEDS ADVANCED MANUFACTURING UTC LIMITED

(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 AUGUST 2017

Members

Mr G P Cooper
Mr P D Ball
Mr S P J Nadin
Mr M Goldstone

Trustees

Mr M Goldstone, Chair of Governing Body
Mr G P Cooper Member of Governing Body
Mr A Scanlan, Member of Governing Body (resigned 31 August 2017)
Ms F Best, Member of Governing Body
Mr R Amos, Member of Governing Body
Mr K Hall, Member of Governing Body
Ms E Martin, Member of Governing Body
Mr G Rudloff, Member of Governing Body (resigned 15 December 2017)
Mrs G Glendinning, Member of Governing Body (appointed 21 November 2016)
Mr T Craven, Member of Governing Body (appointed 24 January 2017)
Mr I Barclay, Member of Governing Body (appointed 25 April 2017)
Ms V Hopkins, Member of Governing Body (appointed 16 May 2017)
Ms V Slater, Member of Governing Body (appointed 16 May 2017)

Company registered number

09257096

Company name

Leeds Advanced Manufacturing UTC Limited

Principal and registered office

2 Sayner Road
Leeds
West Yorkshire
LS10 1LA

Accounting Officer

Mark Kennedy

Senior management team

Mr M Kennedy, Principal
Ms E Devane, Vice Principal
Mr C O'Reilly, Vice Principal
Mr K Smith, Vice Principal (appointed 3 April 2017)
Mr A Berry, Assistant Principal
Ms S Wilson, Assistant Principal

LEEDS ADVANCED MANUFACTURING UTC LIMITED

(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017**

Independent auditor

Armstrong Watson Audit Limited
Chartered Accountants
Statutory Auditors
Third Floor
10 South Parade
Leeds
West Yorkshire
LS1 5QS

Bankers

Lloyds Bank
65-68 Briggate
Leeds
West Yorkshire
LS1 6LH

LEEDS ADVANCED MANUFACTURING UTC LIMITED

(A company limited by guarantee)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2017

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2016 to 31 August 2017. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The University Technical College Leeds (UTC Leeds) is a government funded school for young people between the ages of 14-19 years old, who have a particular interest in mathematics, science, computing and engineering. At UTC Leeds, academic, technical and practical education are valued equally. As well as being taught in more familiar classes and groups, students will learn through challenging and relevant science and engineering research projects which model more closely the professional or industrial experience.

UTC Leeds is designed to be accessible to students throughout the Leeds City Region who share an interest in pursuing at some stage in their lives, a career in the field of advanced applied science, engineering or manufacturing. In terms of gaining a place in the UTC, the distance that such young people live from the UTC Leeds campus is therefore irrelevant. Our Admissions Policy reflects these aspirations.

The Published Admissions Number (PAN) for entry into Year 10 in September 2017 is **120 pupils**. The PAN for 2017 onwards is planned for **150 pupils**.

For entry into Year 10 in each admission year, all applicants will be admitted if fewer applications than the PAN are received.

The Published Admissions Number (PAN) for entry into Year 12 in September 2017 is **150 pupils** and from September 2017 onwards will continue to be 150 pupils. From September 2018 onwards, when fewer than 150 of the school's own Year 11 pupils transfer into Year 12, additional external pupils will be admitted until Year 12 meets its capacity of 150.

Structure, governance and management

a. CONSTITUTION

The Academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the Academy Trust.

The Trustees of Leeds Advanced Manufacturing UTC Limited are also the directors of the charitable company for the purpose of company law.

The charitable company is known as Leeds Advanced Manufacturing UTC Limited.

Details of the Trustees who served during the period are included in the reference and administrative details on page 1.

b. 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.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2017

c. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The management of the Academy is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

d. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

Trustees have completed a skills audit and have been trained to ensure coverage of their legal responsibilities, equality and diversity, safeguarding, health and safety and teaching and learning.

e. PAY POLICY FOR KEY MANAGEMENT PERSONNEL

Teaching staff remuneration policy is in line with the School Teachers' Pay and Conditions Guidelines 2016. Any performance uplifts would be directed through line management and presented to the Board for approval. Similarly, non teaching staffs' remuneration falls within the National Joint Council Guidelines

f. ORGANISATIONAL STRUCTURE

The Governing Body has established two sub committees that became operational in 2016. These are for Finance, Resources and Premises, and Curriculum and Standards respectively. The Trustees are always actively seeking individuals with the correct skills and attributes to fully service this Governing Body. Specialist experience in Finance and Education were priorities and Trustees have now been appointed in both areas.

Objectives and Activities

a. OBJECTS AND AIMS

The Academy will develop in all its students those abilities, values and beliefs which equip them to make a valuable lifelong contribution as creative scientists and engineers of the 21st Century. Students at Leeds Advanced Manufacturing UTC Limited (UTC Leeds) will receive an outstanding academic education whilst working alongside the University of Leeds and Regional employers to gain the skills and attributes necessary to succeed in a professional career.

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

The main objectives of the UTC over the period ending 31st August 2017 were as follows:

- Develop a world class learning environment within the site at Braime Metal Pressings in Hunslet.
- Continue to recruit students for the 2017 cohort to ensure that the UTC reaches its minimum viability number and if possible the PAN whilst also having a focus on recruiting students for 2018.
- Ensure that staff and students at the UTC receive a full and effective induction to the College and that they settle into UTC life.
- Recruit well trained professional staff at all levels at the UTC in order to deliver a quality experience to our young engineers.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2017

- Develop and deliver the UTC curriculum to all year groups.
- Establish and develop further links with local and regional employers in order to enrich the curriculum delivered at the UTC and ensure that our 7 key skills and attributes are delivered in a vocational setting. The 7 key skills are:
 1. Leadership and management
 2. Enquiry and analysis
 3. Problem-solving and resilience
 4. Self-management and organisation
 5. Teamwork and collaboration
 6. Technological confidence and technical skills
 7. Creativity and ingenuity
- Build on the links with the University of Leeds to enrich the curriculum and offer students access to the facilities, teaching staff, and undergraduates at an outstanding University.

Our student engineers will be nurtured through a stimulating and relevant curriculum, engaging and empowering learning styles, and exposure to leading edge technologies and contemporary engineering challenges.

Through a learning environment and experience which model the best professional practice in the fields of advanced engineering, manufacturing and design, the student engineers and applied scientists graduating from UTC Leeds will have the academic qualifications, professional characteristics and personal qualities that render them highly valued employees, researchers and future leaders in engineering.

The learner experience at the Academy is designed to nurture independence, initiative and aspiration.

As a consequence, students leaving the Academy will be characterised as young people with strong ambition and sense of purpose, who will drive themselves to learn and achieve, and operate within a secure framework of personal and social values.

c. PUBLIC BENEFIT

The purpose of the Academy is to help address the significant skills gap in the Leeds City Region. Leeds has a proud heritage in a diverse range of Engineering disciplines. Our aim is to reflect the need for skilled engineers, scientists and technicians to help the local and regional economy grow.

The Academy also offers support to all schools in the region around delivery of industry specific technical skills and the development of work ready young people. We will work with community groups in the area to offer the expertise and facilities needed to develop those young people who have a passion for engineering and manufacturing.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2017

Strategic report

a. REVIEW OF ACTIVITIES

(i) STUDENT NUMBERS

The census return was completed in October 2016. The census return is the basis on which funding is assigned to the UTC in subsequent years. Funding for 2016-17 was agreed with the ESFA at 185 students (98 x years 10 and 87 x year 12). The funding allocation remained unchanged for 2016-17.

At the time of the census, the student numbers were as follows:

Year	Girls	Boys	Total
10	16	87	103
12	5	63	68
Total	21	150	171

The UTC invested heavily in marketing during the year to try and realise the projected student numbers.

The marketing initiatives included the following:

- A focus specifically on year 12 and female recruitment
- Continued social media management
- Continued PPC search advertising (Google AdWords)
- Updated prospectus and website
- Refresh of website architecture
- Improved data collection

(ii). REWARDS STRUCTURE

A rewards system was introduced to encourage professional conduct from students and set the tone for the UTC moving forward. The rewards system was based on the following concepts:

- Every 10 merit points will equal a ticket in the end of term prize draw;
- All merit points go towards the end of year house cup and the end of term house rewards trip; and
- Every term there is a subject prizes that will win 5 extra prize draw tickets.

(iii). ATTENDANCE AND PUNCTUALITY OF STUDENTS

Student attendance is a focus for the UTC. The attendance figures are skewed significantly by small numbers of absences. We have also been affected by a core group of poor attenders who have a history of poor attendance in their previous schools.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2017

Attendance data for the school is as follows:

Year 10	-	92.0%
Year 12	-	90.0%
Overall	-	91.3%

National attendance rate is 95.6%. We are working on the analysis of data for years 10 and 11 on a national level.

The national attendance rates for years 10 and 11 are:

Year 11	-	93.2% (2014)
Year 10	-	95.5% (2014)

The PDR (Plan, Do, Review) document shows the process that we follow with regard to students whose attendance is considered a concern. The UTC has also carried out the following measure to improve attendance:-

- First day calls.
- Attendance letters sent to parents.
- We are preparing to send fixed penalty letters to a number of students.
- Exclusions have had an impact on the levels of attendance.

(iv). ACTIVITIES TO DEVELOP ATTENDANCE RATES

- Continuation of the PDR process and monitoring students who are in need of support.
- Attendance clinics for students who have less than 95% attendance.
- Appointment of Attendance Officer to lead the daily attendance processes at the UTC.

(v). TRAINING AND PROFESSIONAL DEVELOPMENT FOR STAFF

As a new school, it has been imperative to bring the staff together to carry out school wide training to ensure that all students receive the same educational experience. Training in the first year has included the following:

- Effective start (exercise books)
- Effective routines and outstanding lessons at UTC Leeds
- Effective marking and feedback
- Growth mind-set and student reflection on feedback
- Use of data to inform planning
- Feedback on work scrutiny
- Feedback on lesson observations
- Introduction to effective use of teaching assistants

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2017

- Learning walk and book scrutiny feedback
- Update on expectations of students and processes
- Teaching files
- Reflection on assessments and observations
- Lesson observations
- Post 16 marking and feedback
- Pace and challenge
- Using data systems in schools
- Pace and challenge and staff evaluations
- Year 12 work scrutiny feedback
- Peer discussions on strategies to add challenge
- Working effectively with Teaching Assistants
- Review of peer lesson walks on "strategies to add challenge"

(vi). NEXT STEPS

The UTC are working with Green Light Teaching Alliance to identify the needs of individuals and priorities for the staff. These needs will be built into the training schedule for the UTC. It is our intention to work with GLTA over the next two years and therefore build a comprehensive strategy of induction and training for the new staff.

b. KEY PERFORMANCE INDICATORS

Satisfaction of employers is key to the success of the UTC. Our vision is to provide well qualified, work ready young engineers for the region. We will ensure that our stakeholders including the University of Leeds and regional employers are satisfied with the work that we are doing in this area.

Students at the UTC study for a range of GCSE and 'A' Level qualifications. Academic progress and attainment are key performance indicators for the UTC. Students will leave the UTC with a combination of academic qualifications, alongside the skills and attributes that they require in order to succeed in the next steps of their career. Monitoring of academic performance over the academic year is therefore essential in order to maximise the life choices of our young engineers. We have a strong team of academic staff who are using their skill and experience to ensure positive outcomes in the academic areas.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2017

We have worked with colleagues extensively in the following areas:

(1) Projects

The AGFA Project ran over 3 weeks with all of Year 10 and 12 visiting AGFA. The students then worked in teams in their engineering sessions to produce and present a solution. Activities were run in science to support this project. All the students presented to an AGFA judge.

The Orthotics Project was initially planned for all Year 11 and 13 to complete this project with the University of Leeds. The hardware from the University was not ready in time to do this. Some students did however complete prototypes and realize their ideas. The hardware and resources for this project is now in place and the intention is for Year 10 and 12 to work on it in February culminating in the final presentations of designs during the "Ingenuity and Beyond" "Robots" week.

In the NASA and Idoodle "Cubes in Space" project, a mixed team of students from Years 10-12 have been selected to develop 2 experiments that will be launched by NASA into space and then returned for analysis. The students have also been invited to the USA to take part in "Rocket Fest" and attend the launch of their experiments.

The challenge for students in the CanSat Project (in partnership with the European Space Agency and York STEM centre) is to fit all the major subsystems found in a satellite, such as power, sensors and a communication system, into this minimal volume.

The Enable the Future Project allowed a team of UTC students are working with the charity to design and build prosthetic limbs for children.

(2) Curriculum Delivery

- Product Design teachers are working with Pland Stainless with his Product Design (Post 16) and working with Schneider electrical for delivery of Year 12 engineering module.
- Engineering teachers are working with Sound Leisure to bring them on board for the entire Level 2 OCR Cambridge Nationals in Engineering Design.
- Engineering teachers are working with The Leeds Welding Company on up-skilling fabrication project.
- An Engineering teacher is working with Unilever to assist delivery with the pneumatics up-skilling.
- Meeting in the New Year with Brandon Medical to develop delivery of the Level 2 OCR Cambridge Nationals in Engineering Manufacture.
- Autodesk are an academic partner of the UTC and this partnership will be used across the curriculum.
- Ginetta Motorsports will be working in partnership with the UTC to develop the GreenPower team.
- A teacher is in partnership with Siemens to assist and add context to delivery of Year 13 project management units.
- Use of NPG material for delivery of aspects of maths/citizenship.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2017

- Ahead partnership collaboration with careers delivery.
- Employer partners assisting with assessment of English speaking and listening.
- Visit to RAF Leeming.
- Approval from MOD for addition of a CCF unit to the UTC, this will enable students to develop many skills as well as aspects of the citizenship curriculum and will also allow opportunities for gaining further qualifications.

(3) Work Experience

15 Year 13 students and 59 Year 11 students who went on work placements during.

All Year 10 and Year 12 students were involved in all of the following activities:

- University taster day – this included sessions on the benefits of higher education, Technology in Bioscience, LEGO Particle Physic and HESCO Manufacturing.
- Employer visits at Braime, Veolia, Medasil and Arris.
- An employer panel that allowed students to ask employers a range of questions about their industry and careers.
- Drop down day activity - this was run by ahead and numerous employers. Each team is given their brief: designing the South Bank area of Leeds. Each student will take responsibility for one of the core principles within their team. Their designs will need to include the following core principles: Sustainability, Community, Economics, Design, Transport, and Engineering. Students presented back to the employers.

(4) University Engagement

- Placements - a week-long placement at the university.
- Orthotics project – co-development of outreach teaching resources for mechatronics and robotics.
- Taster session - wide range of activities as part of the induction program.
- Use of facilities - materials testing and chemical engineering.
- Extensive presentations, workshops and demonstrations from a large number of academic staff representing British and international universities during "Rocket Week".

c. GOING CONCERN

After making appropriate enquiries, whilst the UTC restricted and unrestricted funds (excluding fixed asset and pension reserve) deficit balances at the year-end total £186,109, the Board of Trustees has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future, having taken steps to reduce the deficit in 2017/18 and planning to have surplus balances by 31 August 2019.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2017

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 Accounting Policies.

d. FUNDRAISING ACTIVITIES/INCOME GENERATION

Over the course of the 2016-17 academic year we have received a small number of sponsorship contributions. We are very grateful for this support which has enabled the UTC to achieve the fitting of cutting edge, industry standard technology in the classroom.

Financial review

a. RESERVES POLICY

The Trustees review the reserve levels of the UTC annually and has established a reserves policy to protect its activities and to make sufficient provision for future cash flow requirements and capital procurements. This policy is reviewed annually and encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. Please see the Strategic Report for further details.

The policy also provides the framework for future strategic planning and decision making. The development of an effective reserves policy will help to mitigate the impact of any risk upon the continuing operations of the UTC.

At the year end the UTC held £11,599,448 of total reserves, made up of fixed asset reserves of £11,799,777, unrestricted reserves of £Nil and restricted deficit of £200,329 (including pension deficit of £18,000). Reserves are held to ensure that the UTC has sufficient resources to continue to advance the education of pupils, including incurring the necessary capital expenditure. The Trustees would like to maintain reserves of restricted and unrestricted funds (not including fixed assets and pension reserve) of the equivalent of 3 months staffing costs for the UTC.

Trustees note that the levels of free reserves are not at the levels anticipated when the UTC opened at the start of the year due to lower than expected student numbers.

b. INVESTMENT POLICY

The Resource Committee are responsible for ensuring the effective overview of the treasury management strategies and policies. At this stage of its development, the UTC has not needed to implement any investment decisions. The bank interest received in the year is not considered significant.

c. PRINCIPAL RISKS AND UNCERTAINTIES

The UTC is a new, small school in the centre of Leeds. It is crucial to the success of the UTC that we develop a reputation both locally and regionally for the quality of education that we deliver. We are confident that we have recruited the correct staff to deliver this aim and embrace the challenge.

It has proved difficult to recruit students in the year 2017/18 at UTCs nationally. Although recruitment in 2016/17 and 2017/18 was positive, we must ensure that we commit sufficient resource and expertise to the recruitment of both students and staff in year 2018/19. We must also learn the lessons of recruitment and retention patterns from previous years.

d. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Most of the UTC's income is to be obtained from the Department of Education in capital and recurrent grants; the use of which is restricted to particular purpose. The grants for the year are shown in the Statement of Financial Activities.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

Plans for future periods

a. FUTURE DEVELOPMENTS

The UTC became a fully functioning school from 2016. With staff and students in place, the UTC started their journey to becoming a centre of excellence in the delivery of STEM education and preparing young people for the next steps in their career.

We are fortunate to have support from all aspects of industry in the region. Key to the success of the UTC is the quality of the interaction between us and our employer partners. Working with all partners we will develop an engagement plan which meets the needs of all.

We will continue to focus on the marketing of the UTC across the region and share the successes of the UTC over the coming year. In sharing the message about the UTC we aim to recruit young, committed and talented young people to join the UTC and begin their professional careers with us.

b. DISCLOSURE OF INFORMATION TO AUDITOR

Insofar as the Trustees are aware:

- there is no relevant audit information of which the UTC's auditors are unaware, and
- that Trustees have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the UTC's auditor is aware of that information.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on *21 November 2017* and signed on its behalf by:



.....
Mr M Goldstone
Chair of Trustees

LEEDS ADVANCED MANUFACTURING UTC LIMITED

(A company limited by guarantee)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The Board of Trustees has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform to 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 Leeds Advanced Manufacturing UTC Limited and the Secretary of State for Education. They are also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met 6 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr G P Cooper	4	6
Mr M Goldstone	6	6
Mr A Scanlan	2	6
Ms F Best	3	6
Mr R Amos	6	6
Mr K Hall	4	6
Ms E Martin	2	6
Mr G Rudloff	5	6
Mrs G Glendinning	3	4
Mr T Craven	2	3
Mr I Barclay	2	2
Ms V Slater	1	1

A skills audit and review of governance was undertaken in May 2016, prior to opening. Whilst the Governing Body has a strong mix of professional backgrounds that adds value to the leadership and direction of the UTC, the review also highlighted some training issues which have been addressed in the 2016/17 financial year. The Trust has also recruited additional Trustees during the year to add further skills and experience to the Board of Trustees.

The Resource Committee has formally met 6 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr M Goldstone	6	6
Mr G Rudloff	6	6
Mrs G Glendinning	3	3
Mr T Craven	2	2
Mr I Barclay	1	1

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GOVERNANCE STATEMENT (continued)

REVIEW OF VALUE FOR MONEY

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

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

- Focusing on the allocation of revenue funding to support student's recruitment of the first cohort for September 2016, resulting in the school achieving healthy student numbers;
- Ensuring that the capital expenditure for the build and development of the new school site has been in line with the ESFA guidance and approval process. Tendering and contract management procedures have ensured that the building scheme achieved completion, on time and on budget; and
- Regularly reviewing the staffing structure and curriculum to ensure the highest quality of teaching and learning across the school. This is particularly pertinent when considering staffing levels against fluctuating pupil numbers.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy 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 Leeds Advanced Manufacturing UTC Limited for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year 1 September 2016 to 31 August 2017 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'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 Board of Trustees of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;

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GOVERNANCE STATEMENT (continued)

- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Armstrong Watson Audit Limited, the external auditor, to perform additional checks.

Those checks included reviews and support in connection with the Academy's financial systems. In particular the reviews carried out in the current period included:

- Cash flow forecasting
- Creditors
- Payroll

On an annual basis, the auditor reports to the Board of Trustees through the audit committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

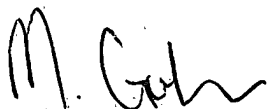
REVIEW OF EFFECTIVENESS

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


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

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

Approved by order of the members of the Board of Trustees on *21 December '17* and signed on their behalf, by:



Mr M Goldstone
Chair of Trustees


Mr M Kennedy
Accounting Officer

LEEDS ADVANCED MANUFACTURING UTC LIMITED

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Leeds Advanced Manufacturing UTC Limited 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 Academies Financial Handbook 2016.

I confirm that I and the academy Trust Board of Trustees are able to identify any material irregular or improper use of funds by the academy Trust, or material non-compliance with the terms and conditions of funding under the academy Trust's funding agreement and the Academies Financial Handbook 2016.

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.

It is noted that during the year there were instances of non-compliance with the approved Scheme of Delegation. There were also issues with regards to the replacement of finance staff. However, since the year end these issues have now been resolved.


.....
Mark Kennedy
Accounting Officer

Date: 21st December 2017.

LEEDS ADVANCED MANUFACTURING UTC LIMITED

(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2017

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

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

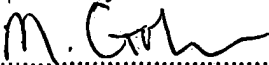
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by order of the members of the Board of Trustees on *21 December 2017* and signed on its behalf by:



.....
Mr M Goldstone
Chair of Trustees

LEEDS ADVANCED MANUFACTURING UTC LIMITED

(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF LEEDS ADVANCED MANUFACTURING UTC LIMITED

OPINION

We have audited the financial statements of Leeds Advanced Manufacturing UTC Limited for the year ended 31 August 2017 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

BASIS OF OPINION

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

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to notes 1.2 and 23 in the financial statements, which indicate that there is an overall deficit on restricted funds due to the inclusion of a clawback liability in respect of pupil numbers. As stated in notes 1.2 and 23, these events or conditions, along with the other matters as set forth in the notes 1.2 and 23 indicate that a material uncertainty exists that may cast significant doubt on the UTC's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

LEEDS ADVANCED MANUFACTURING UTC LIMITED

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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF LEEDS ADVANCED MANUFACTURING UTC LIMITED

OTHER INFORMATION

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

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' report including the Strategic report for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' 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 and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

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

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

RESPONSIBILITIES OF TRUSTEES

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

LEEDS ADVANCED MANUFACTURING UTC LIMITED

(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS
TO THE MEMBERS OF LEEDS ADVANCED MANUFACTURING UTC LIMITED**

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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



Matthew Osbourne (Senior statutory auditor)

for and on behalf of

Armstrong Watson Audit Limited

Chartered Accountants
Statutory Auditors

Leeds

Date: 21 December 2017

LEEDS ADVANCED MANUFACTURING UTC LIMITED

(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LEEDS ADVANCED MANUFACTURING UTC LIMITED AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 1 December 2015 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Leeds Advanced Manufacturing UTC Limited during the year 1 September 2016 to 31 August 2017 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 Leeds Advanced Manufacturing UTC Limited and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Leeds Advanced Manufacturing UTC Limited and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Leeds Advanced Manufacturing UTC Limited and the ESFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF LEEDS ADVANCED MANUFACTURING UTC LIMITED'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of Leeds Advanced Manufacturing UTC Limited's funding agreement with the Secretary of State for Education dated July 2015, and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusion includes:

- risk-based sample testing on income and expenditure;
- review of the systems and internal controls in place;
- making appropriate enquiries of the Accounting Officer;
- having a general awareness of regularity and propriety whilst conducting the statutory audit function.

LEEDS ADVANCED MANUFACTURING UTC LIMITED

(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LEEDS
ADVANCED MANUFACTURING UTC LIMITED AND THE EDUCATION AND SKILLS FUNDING AGENCY**

CONCLUSION

In the course of our work, except for the matters listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

MATTERS ARISING

- Throughout the year, there were a number of instances where the academy did not comply with the Scheme of Delegation when tendering for contracts. E.g. necessary approvals and/or the required number of quotations were not present in all instances for a number of items tested.
- At certain periods during the year, inadequate cash flow forecasting procedures were in place, leading to a lack of visibility of incoming and outgoing funds. This has subsequently been rectified and adequate processes are now in place.
- For a short period towards the end of the year, following the departure of the Interim Business Manager, the UTC were required to source external support to undertake these roles and responsibilities.
- Throughout the year, there were a number of instances where purchases were made without the adequate approval of purchase orders in accordance with scheme of delegation.



Matthew Osbourne

Armstrong Watson Audit Limited

Chartered Accountants
Statutory Auditors

Leeds

Date: 21 December 2017

LEEDS ADVANCED MANUFACTURING UTC LIMITED

(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
INCOME FROM:						
Donations and capital grants	2	500	-	1,076,799	1,077,299	10,835,708
Charitable activities: Funding for the academy Trust's educational operations	3	30,563	1,592,763		1,623,326	173,033
Investments	4	220	-	-	220	172
TOTAL INCOME		31,283	1,592,763	1,076,799	2,700,845	11,008,913
EXPENDITURE ON:						
Charitable activities		54,523	1,746,162	447,979	2,248,664	235,351
TOTAL EXPENDITURE	5	54,523	1,746,162	447,979	2,248,664	235,351
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		(23,240)	(153,399)	628,820	452,181	10,773,562
Actuarial gain/ (loss) on defined benefit pension schemes	19	-	(18,000)	-	(18,000)	-
NET MOVEMENT IN FUNDS		(23,240)	(171,399)	628,820	434,181	10,773,562
RECONCILIATION OF FUNDS:						
Total funds brought forward		23,240	(28,930)	11,170,957	11,165,267	391,705
TOTAL FUNDS CARRIED FORWARD		-	(200,329)	11,799,777	11,599,448	11,165,267

LEEDS ADVANCED MANUFACTURING UTC LIMITED

(A company limited by guarantee)

**BALANCE SHEET
AS AT 31 AUGUST 2017**

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	11	11,803,557		855,666	
Assets under construction	12	-		10,315,957	
Total tangible assets			<u>11,803,557</u>		<u>11,171,623</u>
CURRENT ASSETS					
Debtors	13	192,719		3,012,783	
Cash at bank and in hand		<u>770,525</u>		<u>240,301</u>	
		963,244		3,253,084	
CREDITORS: amounts falling due within one year	14	<u>(1,149,353)</u>		<u>(3,259,440)</u>	
NET CURRENT LIABILITIES			<u>(186,109)</u>		<u>(6,356)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			11,617,448		11,165,267
Defined benefit pension scheme liability			<u>(18,000)</u>		
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>11,599,448</u>		<u>11,165,267</u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	15	(182,329)		(28,929)	
Restricted fixed asset funds	15	<u>11,799,777</u>		<u>11,170,957</u>	
Restricted income funds less pension liability			11,617,448		11,142,028
Pension reserve fund			<u>(18,000)</u>		
Total restricted income funds			11,599,448		11,142,028
Unrestricted income funds	15	-			<u>23,239</u>
TOTAL FUNDS			<u>11,599,448</u>		<u>11,165,267</u>

LEEDS ADVANCED MANUFACTURING UTC LIMITED

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The financial statements on pages 23 to 44 were approved by the Trustees, and authorised for issue, on
21 December 2017 and are signed on their behalf, by:

M. Goldstone

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Mr M Goldstone
Chair of Trustees

LEEDS ADVANCED MANUFACTURING UTC LIMITED**(A company limited by guarantee)**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by operating activities	17	<u>533,118</u>	<u>1,704,895</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		220	172
Purchase of tangible fixed assets		(1,079,913)	(11,170,957)
Capital grants from DfE/ESFA		<u>1,076,799</u>	<u>9,658,440</u>
Net cash used in investing activities		<u>(2,894)</u>	<u>(1,512,345)</u>
Change in cash and cash equivalents in the year		530,224	192,550
Cash and cash equivalents brought forward		<u>240,301</u>	<u>47,751</u>
Cash and cash equivalents carried forward	18	<u><u>770,525</u></u>	<u><u>240,301</u></u>

LEEDS ADVANCED MANUFACTURING UTC LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Leeds Advanced Manufacturing UTC Limited constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and notwithstanding a net current liability position of £186,109, the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

In reaching this conclusion, the Trustees have prepared budgets for 5 years from the end of the accounting period, in addition to short term weekly cashflow forecasting, which demonstrate that the entity is able to meet its liabilities as they fall due. These budgets have been prepared taking into account the measures described on page 38, note 15.

1.3 Income

All income is recognised once the Academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities incorporating income and expenditure account 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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account in the period in which it is receivable, where receipt is probable and it is measurable.

Donations are recognised on a receivable basis where receipt is probable and the amount can be

LEEDS ADVANCED MANUFACTURING UTC LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

reliably measured. Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

1.4 Expenditure

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

Expenditure on charitable activities are costs incurred on the Academy's educational operations, including support costs and those costs relating to the governance of the Academy appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised 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 incorporating income and expenditure account and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account. 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 these assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	50 years straight line
Specialist technology equipment	-	4 years straight line
Computer equipment	-	4 years straight line

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 incorporating income and expenditure account.

LEEDS ADVANCED MANUFACTURING UTC LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

1.6 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

1.7 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.8 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.9 Liabilities and provisions

Liabilities and provisions 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 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. 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.

1.10 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

1.11 Taxation

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

LEEDS ADVANCED MANUFACTURING UTC LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

1.12 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy 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 19, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1.13 Fund accounting

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

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

1.14 Critical accounting estimates and areas of judgment

Estimates and judgments 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.

LEEDS ADVANCED MANUFACTURING UTC LIMITED

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

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 29, will impact the carrying the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	500	-	-	500	1,177,268
Capital Grants	-	-	1,076,799	1,076,799	9,658,440
	<u>500</u>	<u>-</u>	<u>1,076,799</u>	<u>1,077,299</u>	<u>10,835,708</u>
<i>Total 2016</i>	<u>-</u>	<u>27,268</u>	<u>10,808,440</u>	<u>10,835,708</u>	

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General Annual Grant	-	1,341,288	1,341,288	-
Start Up Grants	-	250,000	250,000	150,000
Other funding				
Other Grants		1,475	1,475	23,033
Other Charitable Activities	30,563	-	30,563	-
	<u>30,563</u>	<u>1,592,763</u>	<u>1,623,326</u>	<u>173,033</u>
<i>Total 2016</i>	<u>23,033</u>	<u>150,000</u>	<u>173,033</u>	

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4. INVESTMENT INCOME

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Interest received	220	-	220	172
<i>Total 2016</i>	<u>172</u>	<u>-</u>	<u>172</u>	

5. EXPENDITURE

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Educational operations:					
Direct costs	958,929	239,178	148,511	1,346,618	188,250
Support costs	125,217	354,120	422,709	902,046	47,101
	<u>1,084,146</u>	<u>593,298</u>	<u>571,220</u>	<u>2,248,664</u>	<u>235,351</u>
<i>Total 2016</i>	<u>139,633</u>	<u>-</u>	<u>95,718</u>	<u>235,351</u>	

Net income/(expenditure) for the period includes:

	2017 £	2016 £
Operating leases	18,459	
Depreciation of tangible fixed assets		
- owned by the charity	447,979	222
Auditor's remuneration – audit	<u>6,000</u>	<u>4,000</u>

6. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2017 £	Support costs 2017 £	Total 2017 £	Total 2016 £
Educational operations	1,346,618	902,046	2,248,664	235,351
<i>Total 2016</i>	<u>188,250</u>	<u>47,101</u>	<u>235,351</u>	

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Analysis of support costs

	Support Costs £	Total 2017 £	Total 2016 £
Staff costs	125,217	125,217	-
Technology	86,171	86,171	-
Other support costs	279,419	279,419	381
Depreciation	208,801	208,801	-
Premises support costs	145,319	145,319	-
Marketing	41,919	41,919	40,725
Governance costs	15,200	15,200	5,995
TOTAL	902,046	902,046	47,101
<i>At 31 August 2016</i>	<u>47,101</u>	<u>47,101</u>	

7. NET INCOME/(EXPENDITURE) – Support Costs

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned by the charity	208,801	222
Auditor's remuneration – audit	<u>6,000</u>	<u>4,000</u>

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8. STAFF COSTS

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	794,794	112,052
Social security costs	86,150	12,971
Operating costs of defined benefit pension schemes	147,580	14,610
	<u>1,028,524</u>	<u>139,633</u>
Staff supply costs	73,622	-
	<u>1,102,146</u>	<u>139,633</u>

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

	2017 No.	2016 No.
Teachers	10	1
Administration and Support Staff	8	1
Management	<u>5</u>	<u>1</u>
	<u>23</u>	<u>3</u>

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

	2017 No.	2016 No.
In the band £70,001 - £80,000	1	1

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) received by key management personnel (listed at the front of this report) for their services to the academy Trust was £355,441 (2016 - £76,000).

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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 and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees.

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

M Kennedy (principal and Trustee):

Remuneration £75,000 - £80,000 (2016: 75,000 - £80,000)

Employer's pension contributions paid £10,000 to £15,000 (2016: £10,000 to £15,000)

10. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice, the academy has taken up DfE Risk Protection Arrangements (RPA) from 1st September 2016. This includes insurance cover to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business from the 19 March 2015 (the date that the funding agreement was signed).

11. TANGIBLE FIXED ASSETS

	Freehold property £	Specialist technology equipment £	Computer equipment £	Total £
Cost				
At 1 September 2016	855,000	-	888	855,888
Additions	337,039	528,651	214,222	1,079,912
Transfer between classes	10,103,006	-	212,952	10,315,958
At 31 August 2017	11,295,045	528,651	428,062	12,251,758
Depreciation				
At 1 September 2016	-	-	222	222
Charge for the year	208,801	132,163	107,015	447,979
At 31 August 2017	208,801	132,163	107,237	448,201
Net book value				
At 31 August 2017	11,086,244	396,488	320,825	11,803,557
At 31 August 2016	855,000	-	666	855,666

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The acquisition of the freehold on 2 Sayner Road, Hunslet, Leeds, LS10 1LA was donated to the Trust at a value of £855,000.

Included within Freehold Property above is £855,000 that relates to land not subject to depreciation.

The value of the fixed assets are recognised in the financial statements whilst the academy is a going concern. Should the academy cease to be a going concern, the value of the assets would transfer to the funding authorities.

12. ASSETS UNDER CONSTRUCTION

	Property under construction £
Valuation	
At 1 September 2016	10,315,958
Transfers between classes	<u>(10,315,958)</u>
At 31 August 2017	<u><u>-</u></u>

The valuations were made by Mott MacDonald Limited on an open market value on the existing use basis during the previous financial year. During the year as the construction of these assets was completed, they have been transferred to the relevant categories under tangible fixed assets.

13. DEBTORS

	2017 £	2016 £
Other debtors	49,678	1,858,155
Prepayments and accrued income	48,441	13,609
Grants receivable	94,599	1,141,019
	<u>192,718</u>	<u>3,012,783</u>

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14. CREDITORS: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	393,200	268,601
Other creditors	6,219	24,793
Accruals and deferred income	749,934	2,966,046
	<u>1,149,353</u>	<u>3,259,440</u>

Deferred Income	2017 £	2016 £
Deferred income at 1 September 2016	-	-
Released from previous years	-	-
Resources deferred in the year	13,585	-
Deferred income at 31 August 2017	<u>13,585</u>	<u>-</u>

15. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds					
Unrestricted Reserve	<u>23,240</u>	<u>31,283</u>	<u>(54,523)</u>	-	-
Restricted funds					
General Annual Grant (GAG)	(28,930)	1,304,311	(1,457,710)	-	(182,329)
Start Up Grant	-	250,000	(250,000)	-	-
Pupil Premium	-	36,977	(36,977)	-	-
Other grants	-	1,475	(1,475)	-	-
Pension reserve	-	-	-	(18,000)	(18,000)
	<u>(28,930)</u>	<u>1,592,763</u>	<u>(1,746,162)</u>	<u>(18,000)</u>	<u>(200,329)</u>
Restricted fixed asset funds					
DfE/ESFA Capital Grants	<u>11,170,957</u>	<u>1,076,799</u>	<u>(447,979)</u>	-	<u>11,799,777</u>
Total restricted funds	<u>11,142,027</u>	<u>2,669,562</u>	<u>(2,194,141)</u>	<u>(18,000)</u>	<u>11,599,448</u>
Total of funds	<u>11,165,267</u>	<u>2,700,845</u>	<u>2,248,664</u>	<u>(18,000)</u>	<u>11,599,448</u>

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The Trust is carrying a net deficit of £182,329 on restricted general funds (excluding pension reserve) plus unrestricted funds. This is largely due to an in-year reduction in funding due to the pupil number adjustment, increased marketing costs to encourage additional student recruitment and extra staffing resources to ensure the best student outcomes. The Trust is taking the following action to return these funds to surplus:

- Review of the staffing structure including non-recruitment to some vacant posts
- A reduction of planned expenditure on appropriate items to minimise costs in the year
- A focus on additional income generation strategies

Under the funding agreement with the Secretary of State the academy Trust is not subject to any limits on the amount of GAG that it can carry forward to the next year.

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

- Restricted funds are comprised of income from the DfE/ESFA and from the Local Authority. These funds are used for the normal running costs of the UTC.
- Unrestricted funds are comprised of donations from private companies and other school generated income are also used for the normal running costs of the UTC.
- Restricted fixed asset funds are comprised of income from the DfE/ESFA and are used to purchase fixed assets for the continued operations and use of the UTC.

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	11,803,557	11,803,557
Current assets		868,645	94,599	963,244
Creditors due within one year		(1,050,974)	(98,379)	(1,149,353)
Pension scheme liability	-	(18,000)		(18,000)
	-	(200,329)	11,799,777	11,599,448

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17. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2017 £	2016 £
Net income for the year (as per Statement of Financial Activities)	434,181	10,773,562
Adjustment for:		
Depreciation charges	447,979	222
Dividends, interest and rents from investments	(220)	(172)
Decrease/(increase) in debtors	2,820,064	(2,287,571)
(Decrease)/increase in creditors	(2,110,087)	2,877,294
Defined benefit pension scheme cost less contributions payable	18,000	-
Capital grants from DfE and other capital income	<u>(1,076,799)</u>	<u>(9,658,440)</u>
Net cash provided by operating activities	<u>533,118</u>	<u>1,704,895</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

18. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash in hand	<u>770,525</u>	<u>240,301</u>
Total	<u><u>770,525</u></u>	<u><u>240,301</u></u>

19. PENSION COMMITMENTS

The UTC's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by East Riding Pension Fund. Both are Multi-employer defined benefit pension schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis, – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (currently 14.1%)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £106,752 (2016 - £14,610). A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate Trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £32,000 (2016 - £Nil), of which employer's contributions totalled £23,000 (2016 - 0) and employees' contributions totalled £9,000 (2016 - £Nil). The agreed contribution rates for future years are 20% for employers and between 5.5% and 6.8% for employees, depending on salary.

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.

West Yorkshire Pension Fund

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.50%	2.00%
Rate of increase in salaries	3.15%	2.85%
Rate of increase for pensions in payment / inflation	1.90%	1.60%
Inflation assumption (CPI)	1.90%	1.60%

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

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	2017	2016
Retiring today		
Males	22.1	-
Females	25.2	-
Retiring in 20 years		
Males	23.0	-
Females	27.0	-
Sensitivity analysis:		
	2017 £'000	2016 £'000
Discount rate +0.1%	50	-
Discount rate -0.1%	54	-
CPI rate +0.1%	52	-
CPI rate - 0.1%	52	-

The UTC's share of the assets in the scheme was:

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £'
Equities	26,214	-
Bonds	4,590	-
Property	1,530	-
Cash	510	-
Other	1,156	-
Total market value of assets	34,000	-

The actual return on scheme assets was £3,000 (2016 - £0).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2017 £	2016 £
Current service cost (net of employee contributions)	(47,000)	-
Actual return on scheme assets	3,000	-

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Movements in the present value of the defined benefit obligation were as follows:

	2017 £	2016 £
Current service cost	47,000	-
Interest cost	-	-
Contributions by employees	9,000	-
Net benefits paid out	(1,000)	-
Actuarial losses	(3,000)	-
Closing defined benefit obligation	<u>52,000</u>	<u>-</u>

Movements in the fair value of the UTC's share of scheme assets:

	2017 £	2016 £
Net benefits paid out	(1,000)	1,000
Actuarial gains and (losses)	3,000	2,000
Contributions by employer	23,000	26,000
Contributions by employees	9,000	7,000
Closing fair value of scheme assets	<u>34,000</u>	<u>36,000</u>

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

20. OPERATING LEASE COMMITMENTS

At 31 August 2017 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
Amounts payable:		
Within 1 year	18,459	11,938
Between 1 and 5 years	<u>28,148</u>	<u>23,876</u>
Total	<u>46,607</u>	<u>35,814</u>

21. MEMBERS' LIABILITY

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

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22. RELATED PARTY TRANSACTIONS

No related party transactions took place in the period of account, other than certain Trustees' remuneration and expenses already disclosed in note 9.

23. GOING CONCERN

The Trustees have considered the impact of the Education and Skills Funding Agency clawback in respect of pupil numbers on restricted funds.

The Trustees are satisfied that the plan to address the deficit in the financial statements makes the going concern basis appropriate for the year.