

Global Academy UTC Trust Limited

Annual Report and Financial Statements

31 August 2017

Company Limited by Guarantee
Registration Number
08713518 (England and Wales)

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Reference and administrative information

Members Ashley Tabor
Stephen Miron
Nigel Carrington

Governors E Bradley
N Brett
I Buckley (appointed 1 September 2016)
L Gadd (appointed 1 September 2016)
W Harding (Chair)
D Henley
Z Suka-Bill (appointed 3 January 2017)
A Sweet (resigned 31 March 2017)

Senior Management Team

Headteacher Simon Collins
Deputy Head Sam Summerson
Deputy Head Diane Stahlman

Registered address 30 Leicester Square
London
WC2H 7LA

Principal address The Old Vinyl Factory
1 Record Walk
Hayes
UB3 1DH

Company registration number 08713518 (England and Wales)

Auditor haysmacintyre
26 Red Lion Square
London
WC1R 4AG

Bankers Barclays Bank PLC
1 Churchill Place
London
E14 5HP

Governors' Report Year to 31 August 2017

The governors (who are also trustees of the entity) present their annual report together with the financial statements and auditor's report of the charitable company for the period 01 September 2016 to 31 August 2017. The annual report serves the purposes of both a governors' report, and a directors' report under company law.

The financial statements have been prepared in accordance with 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 United Kingdom and Republic of Ireland (FRS 102), (effective from accounting periods commencing 1 January 2015).

The trust operates an academy for pupils serving a catchment area in Hayes, Middlesex. It has a pupil capacity of 800 and had a roll of 144 in the school census on 31 August 2017.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Global Academy UTC Trust Limited is a charitable company limited by guarantee. The Charitable Company's articles of association (the "Articles") is the primary governing document of the UTC. The governors, who govern the Academy, are also the Governors of the Global Academy UTC Trust and the Directors of the Charitable Company for the purposes of company and charity law.

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

Members' liability

Each member of the Charitable Company undertakes to contribute to the assets of the 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.

Governors' indemnities

Subject to the provisions of the Companies Act 2006 (section 236) every Governor or other officer of the Global Academy UTC Trust shall be indemnified out of the assets of the Academy Trust against any liability incurred by him in that capacity in defending any proceedings, whether civil or criminal, to which Judgment is given in favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to affairs of the Global Academy UTC Trust.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Method of recruitment and appointment or election of governors/trustees

As set out in the Articles, the following describes the name of any body or person entitled to nominate or appoint one or more governors. The Members may appoint governors through such process as they may determine. The members are Ashley Tabor, Stephen Miron and Nigel Carrington. The Articles provide for the appointment or election of governors as follows:

- Up to ten governors appointed by the Members, provided that in making such appointments the Members shall ensure that nominees of the employer and university sponsors together form a majority of the total number of governors
- A minimum of two elected parent governors
- The Principal
- Members may appoint staff governors through such process as they may determine, provided that the total number of governors (including the Principal) who are employees of the Company shall not exceed one third of the total number of governors.

The UTC opened in September 2016 so the Governing Body had no parent representatives prior to this date. Elections were held in January 2017 in accordance with the terms of reference determined by the Governors from time to time and two parent governors were appointed on 24 February 2017. The UTC had no staff governors except for the Principal. The management of the Company is the responsibility of the Governors who are elected and co-opted under the terms of the Trust deed. The Governors may appoint Co-opted Governors.

Will Harding has continued as Chair of Governors.

Policies and procedures adopted for the induction and training of governors

Training for the Governors commenced with The Code of Practice for Governors of the Global Academy being circulated at the first Governing Body meeting in September 2016. Further formalisation of policies for induction and training continued through the 2016/17 academic year. The Academies Financial Handbook was circulated to all governors during the year.

Organisational structure

The Global Academy UTC is governed by a Board of Governors, established since the UTC opened in September 2016 and constituted under the Articles. The Board of Governors is responsible for ensuring that high standards of corporate governance are maintained.

The Board of Governors is responsible for setting general policy, adopting an annual plan and budget, monitoring the UTC by the use of budgets and a strategic development plan. The Board of Governors meets at least tri-annually. The main responsibilities of the Board of Governors are prescribed in the Funding Agreement between the Global Academy UTC Trust, the Secretary of State for Education and in the Academies Financial Handbook.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational structure

The Board of Governors exercises its powers and function with a view to fulfilling a largely strategic leadership role in the running of the UTC, addressing such matters as:

- Policy development and strategic development
- Ensuring sound management and administration of the UTC
- Ensuring compliance with legal requirements
- Establishing and maintaining effective internal controls
- The management of all resources
- The monitoring of performance
- Assessing and managing risk

The Governors have delegated components of their responsibility to two committees (Teaching & Learning and Finance & Audit). These committees also meet at least tri-annually.

The Teaching & Learning Committee is responsible for matters relating to the curriculum, academic matters and provision of education at the UTC through objective setting, approval of the education plan, operational implementation and monitoring/reporting on progress.

The Finance & Audit Committee is responsible for all financial management, ensuring an effective internal control environment and oversight of risk management and audit matters.

The Principal is the Accounting Officer and is responsible for the day-to-day running of the UTC. The Principal is assisted by a Senior Leadership Team ("SLT"). The SLT controls the UTC at an executive level, implementing the policies laid down by the Governing Body and reporting back to them and providing evidence and analysis to the Governing Body meetings, enabling effective monitoring by the Governors.

Arrangements for setting pay and remuneration of key management personnel

The Members set the Principal's salary on appointment, start date 1 June 2106. Subsequent Senior Leadership remuneration was decided by the Principal in close negotiation with the Chair of Governors' approval. Criteria was based on current salaries, experience and area of responsibilities allocated. During the academic year, the Board of Governors approve salaries of the Senior Leadership Team.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Connected organisations, including related party relationships

Global Media & Entertainment Ltd

The Global Academy UTC works with Global Media & Entertainment Ltd, who is a sponsor of the UTC, providing advice and guidance. Global runs some of the UK's best-loved radio stations such as Heart, Capital and Classic FM. Global also runs two TV channels and is one of the biggest festival companies in the UK.

University of the Arts, London

The Global Academy UTC works with the University of the Arts London, who is a sponsor of the UTC, providing advice and guidance. UAL work alongside the Global Academy to deliver an educational experience that will set students up for long-term success in the creative industries

OBJECTIVES AND ACTIVITIES

Objects and aims

In September 2016, the Global Academy welcomed its very first students. Young people who we hope will go on and wow the world with their talent in the fast paced and exciting broadcast and digital media industry.

Global Media & Entertainment, the company behind some of the UK's best-loved radio brands, are the driving force behind the Global Academy. Global believes it's crucial to arm students with the proper technical, business and creative skills they need to work in the broadcast and digital media industry, and to help them connect their core studies with vocational skills in a truly practical and entrepreneurial way in an inspirational environment. Global are determined to help young people fulfil their potential and want to extend this opportunity to students from all backgrounds.

The Global Academy's partnership with the University of the Arts, London enables the UTC to offer a rigorous and challenging curriculum. Our students study for GCSEs and A-Levels plus a qualification in Broadcast & Digital Media.

Objects and Aims

The Global Academy aims to provide students with the proper technical, business and creative skills they need to work in the broadcast and digital media industry, and to help them connect their core studies with vocational skills in a truly practical and entrepreneurial way in an inspirational environment.

OBJECTIVES AND ACTIVITIES (continued)

Objectives, Strategies and Activities

The Academy is committed to creating a shared vision for its development through regular evaluation of lead targets by all stakeholders. In the first year of opening, the Academy's development plan continues to be focused on:

- Improving the quality of teaching and learning to that expected of a performing school;
- Achieving at least expected progress for students based on their level of entry; and,
- Improving behaviour, in and out of lessons.

There has been a strengthening of the senior leadership team towards the end of the academic year, in the form of the creating of new Vice Principal roles to aid the development of these objectives.

Public Benefit

In setting the Academy's objectives and planning its activities, the Governing Body have given careful consideration to the Charity Commission's general guidance on public benefit in particular its supplementary guidance on advancing education. The governors have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to public benefit guidance by the Charities Commission in defining the strategic direction of the school.

Already in the first year the Academy has established and begun to develop key relationships with local schools and the council to understand more about and engage in community projects, with a media focus.

The Academy and its students have been working on projects such as one with a local Primary School where students have helped primary pupils create a radio script out of their favourite books and another with the Hillingdon Council Safer Communities Partnership where students have been working on a young persons response to the theme of violence against women and girls. The Academy has met with a number of other groups in the local area with a similar public benefit focus.

STRATEGIC REPORT

Achievements and Performance

Review of activities

The 2016/17 academic year is the first in which the Global Academy has operated. At the start of the year the UTC opened with its first cohort of 162 students joining.

Key Performance Indicators

Financially the Academy has performed well, managing expenditure very closely and generating a surplus in the first year of operating.

The first cohort of 162 students was considered a success ahead of the Academy opening compared to other similar educational establishments, despite below the original optimistic target of 220 students for the academic year 2016/17.

No public examination results in 2016/17.

With some students travelling considerable distances to attend the Academy, pupil attendance has not been as strong as expected. This is a key area of focus going into the 2017/18 academic year.

Going concern

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

Financial Review

Financial report for the year

Most of the Academy's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of the General Annual Grant (GAG), the use of which is restricted for education purposes. The grants received from the ESFA and other government bodies during the period and the associated expenditure are shown as restricted funds in the statement of financial activities. The Academy's GAG for the 2016/17 academic year was based on estimated student numbers of 220. Given the number of pupils in the Autumn census was 162, a Pupil Number Adjustment of £262,962 has been required in the academic year 2016/17. It has been agreed with the ESFA that while this cost is accrued in the 2016/17 academic year, the cash will be paid over the 2017/18 and 2018/19 academic years.

STRATEGIC REPORT (continued)

Financial Review

The Academy also received grants for fixed assets from the ESFA. In accordance with the Charities SORP 2015, such a grant is shown in the statement of financial activities during the period as restricted income within the fixed assets funds. The balance sheet restricted fixed assets fund is reduced by expenditure. The UTC building project continued into the 2016/17 academic year and the total amount of fixed assets capitalised during the year was £2,690,000.

The total income for the period was £3,971,000 (2016 - £16,562,000) including the General Annual Grant of £1,543,000 (2016 - £nil). The excess of income over expenditure for the period excluding fixed asset and pension transactions was £354,000.

At 31 August 2017, the Academy had fund balances of £18,441,000 (2016 - £16,958,000). These comprised £300,000 (2016 - £35,000) of unrestricted funds, £55,000 (2016 - £nil) on restricted general funds which includes the pension deficit of £34,000 (2016 - £nil) referred to earlier in this report and a balance of £18,059,000 (2016 - £16,923,000) on the restricted fixed asset fund.

The results for the period are shown on page 23.

Reserves policy

The Global Academy UTC (UTC) holds total funds at 31 August 2017 of £18,414,000. The amount of these funds which are restricted and not available for general purposes of the academy trust at 31 August 2017 is £18,114,000.

The policy of the UTC is to carry forward a prudent level of funds in order to meet any uncertainty with the ESFA remittance and for the furtherance of the UTC's objectives.

Restricted general fund – The ESFA provides regular guaranteed remittances to the Academy Trust and therefore a large proportion of the income and expenditure for any academic year is predictable. This reduces the need to hold reserves for the current academic year in terms of working capital, cash flow and uncertainties.

Unrestricted funds – The governors aim to build up free reserves to meet the UTC's objectives and to meet any future liabilities as they fall due. The free reserves will also serve to meet the UTC's longer term objectives and ensure that it is a going concern for the benefit of the students of the UTC.

Restricted pension reserve – The UTC's employees belong to one of two defined benefit pension schemes, The Teachers' Pension Scheme and the Local Government Pension Scheme. The pension scheme costs and liabilities are assessed by independent actuaries and the value of the deficit in the Local Government Pension Scheme is reported in the pension reserve in the UTC's financial statements annually.

STRATEGIC REPORT (continued)

Financial Review

The Governors take guidance from the external auditors if there is a need to take further action.

PRINCIPAL RISKS AND UNCERTAINTIES

Risk management

During the period the key risks were as follows:

- The building not being completed on time.
- Student recruitment being low and the impact on funding; and,
- Recruitment and retention of appropriately skilled teaching staff.

At the beginning of the 2016/17 academic year the building was opened to the first cohort of students despite areas of the school requiring completion. These areas were safely and securely closed off to students and were made available once completed within the first term. There was a plan to completion in place on opening and the risk of non-completion was mitigated by ensuring the areas were off limits to students and that the completion plan was adhered to.

The Academy was funded based on student numbers of 220, so with the first cohort of 162 there was an early understanding that a Pupil Number Adjustment on the funding received would be required. The finances were managed accordingly to a restricted budget. The impact of this limited funding was mitigated by all spending was approved and monitored closely by the Accounting Officer.

Recruitment and retention of appropriately skilled staff in a growing school has been challenging through the year. The addition of senior leadership team Vice Principal roles in the summer term is one mitigating factor as the Academy prepares for the second academic year.

PLANS FOR FUTURE PERIODS

The UTC plans to expand the number of students in future academic years. The Governing Body will work to ensure the Academy continues to focus on its objectives and is set up in such a way to succeed in providing an education suitable for all the students who attend.

Governors' Report Year to 31 August 2017

AUDITOR

Insofar as the governors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- the governors 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.

Governors' report, incorporating a strategic report, was approved by order of the board of governors', as the company directors, on 13 December 2017 and signed on the board's behalf by:

A handwritten signature in black ink, consisting of a large, stylized 'W' followed by a horizontal line that tapers off to the right.

Will Harding
Chair of Governors

13 December 2017

Scope of responsibility

As governors we acknowledge we have overall responsibility for ensuring that Global Academy UTC Trust 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 governors has delegated the day-to-day responsibility to the principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Global Academy UTC Trust Limited and the Secretary of State for Education. They are also responsible for reporting to the board of governors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Board of Governors has formally met 4 times during the year. Attendance during the year at meetings of the Board of Governors was as follows:

Governor	Meetings attended	Out of a possible
Will Harding	4	4
Darren Henley	2	4
Ian Buckley	4	4
Emma Bradley	4	4
Annabel Sweet	3	3
Lynn Gadd	4	4
Natalie Brett	3	4
Zey Suka-Bill	2	3
Richard Nuttall	1	1
Kate Assadourian	1	1

During the year, two parent governors were appointed, Richard Nuttall and Kate Assadourian. In addition, Zey Suka-Bill was appointed to the Board of Governors, but Annabel Sweet resigned as a governor.

The governing body has completed a self-governance review, focusing on the operation of the Board of Governors and each of the committees. The board's composition ensures a wide range of stakeholder views, including representatives from the sponsors, parent governors, and a former principal. The structure of the governing body has adapted during the academic year to ensure it maintains and develops this wide representation.

Governance statement 31 August 2017

The vision of the Global Academy is clearly articulated by the Board of Governors which well represents the sponsors, Global and UAL. The board's understanding of the Global Academy's vision ensures decision and policy-making in line with this vision.

Governance (continued)

The Board of Governors is also familiar with the Academies Financial Handbook and is confident that the UTC's financial systems are robust.

An external consultant has also been engaged to complete an External Review of Governance. This review is ongoing.

The Finance and Audit Committee is a committee of the main Board of Governors. During the year the committee formally met three times. Its purpose is to consider and advise the Board of Governors in matters relating to finance and audit, including but not limited to:

- ensuring compliance with the Academies Financial Handbook;
- considering the academy's funding and the implications for the UTC; and,
- to monitor and challenge expenditure

The Finance & Audit Committee also acts as the audit committee for the UTC. With this responsibility the purpose of the committee is to achieve internal scrutiny and provide assurance to the governors that risks are being appropriately assessed and managed.

During the year Richard Nuttall, a parent governor, joined the committee. Richard joined the committee after the last meeting of the academic year. Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Ian Buckley (Chair)	3	3
Darren Henley	2	3
Will Harding	3	3
Simon Collins (Principal)	4	4
Richard Nuttall	0	0

The Teaching & Learning committee is also a committee of the main Board of Governors. During the year the committee formally met three times. Its purpose is to consider and advice the Board of Governors on matters relating to the curriculum.

During the year Kate Assadourian, a parent governor, joined the committee. Kate joined the committee after the last meeting of the academic year. Also during the year, Annabel Sweet left the committee after resigning as a governor. Attendance at meetings in the year was as follows:

	Meetings attended	Out of a possible
Governor		
Lynn Gadd	3	3
Natalie Brett	3	3
Zey Suka-Bill	2	2
Kate Assadourian	0	0

Review of value for money

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

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

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Global Academy UTC Trust for the period 01 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 governors have 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 governors 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 01 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process will be regularly reviewed by the board of governors.

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 governors
- regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

The board of governors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the governors have appointed haysmcintyre, the external auditor, to perform additional checks. As part of the external audit a high level review of the systems and controls in place at Global Academy were reviewed.

From the 2017/18 academic year onwards, the external auditor may be asked to perform specific additional internal audit checks on the operation of the systems of control and on the discharge of the board of governors' financial responsibilities, focusing on any key risk areas identified and reporting thereon to the Board of Governors through the Finance & Audit committee.

Review of effectiveness

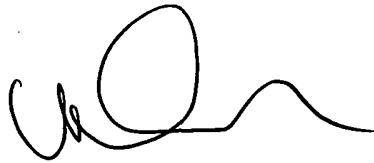
As accounting officer the principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

Governance statement 31 August 2017

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Audit Committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the board of governors on 13 December 2017 and signed on its behalf by:

A handwritten signature in black ink, consisting of a large loop followed by a series of smaller loops and a long horizontal stroke.

Will Harding
Chair of Governors

Approved on: 13 December 2017

A handwritten signature in black ink, featuring a large loop at the top and a series of smaller loops below it.

Simon Collins
Accounting Officer

Statement on regularity, propriety and compliance 31 August 2017

As accounting officer of Global Academy UTC Trust Limited I have considered my responsibility to notify the academy trust board of governors 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 governors 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 governors and ESFA.

A handwritten signature in black ink, consisting of a stylized 'S' followed by a long horizontal stroke that curves upwards at the end.

Simon Collins
Accounting Officer

Date: 13 December 2017

Statement of governors' responsibilities 31 August 2017

The governors (who act as trustees of Global Academy UTC Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' 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 governors to prepare financial statements for each financial year. Under company law the governors 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 governors are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 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 governors 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 governors 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 governors 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 governors on 13 December 2017 and signed on its behalf by:



Will Harding
Chair of Governors

Independent auditor's report Year to 31 August 2017

Independent auditor's report on the financial statements to the members of Global Academy UTC Trust Limited

We have audited the financial statements of Global Academy UTC Trust 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.

Conclusions relating to going concern

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

- ◆ the Governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

Conclusions relating to going concern (continued)

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

Other information

The Governors 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.

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 Governors' Report including the Strategic Report for which the financial statements are prepared is consistent with the financial statements.
- ◆ the Governors' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of 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 Governor 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 Governors' remunerations specified by law not made; or
- ◆ we have not received all the information and explanations we require for our audit.

Responsibilities of governors

As explained more fully in the Statement of Governors' Responsibilities, the Governors' 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 Governors 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 Governor 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 Governors either intend to liquidate the academy's or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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



Sam Coutinho (Senior Statutory Auditor)

for and behalf of

haysmacintyre

Statutory Auditors

26 Red Lion Square

London

WC1R 4AG

Date: 13 December 2017

Independent reporting accountant's report Year to 31 August 2017

Independent reporting accountant's assurance report on regularity to Global Academy UTC Trust Limited and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 24 July 2017 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 Global Academy UTC Trust Limited during the period 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 Global Academy UTC Trust Limited and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Global Academy UTC Trust Limited 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 Global Academy UTC Trust Limited and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Global Academy UTC Trust Limited's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Global Academy UTC Trust Limited's funding agreement with the Secretary of State for Education dated 1 July 2012 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 period 01 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 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.

Approach (continued)

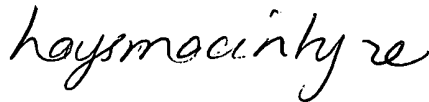
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- ◆ Walkthrough testing of controls to ensure operational effectiveness;
- ◆ Substantive testing on a sample of expenditure items, ensuring expenditure is in accordance with the funding agreement and appropriately authorised;
- ◆ Detailed testing on a selection of credit card statements and expense claims;
- ◆ Review of minutes, bank certificates and related party declarations provided by Governors and senior management.

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 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



haysmacintyre
26 Red Lion Square
London
WC1R 4AG

Date: 13 December 2017

Statement of Financial Activities (including income and expenditure account)
Year Ended 31 August 2017

			Restricted funds			
		Unrestricted general funds £'000	General funds £'000	Fixed assets funds £'000	2017 total funds £'000	2016 total funds £'000
	Notes					
Income and endowments from:						
Donations and capital grants	2	276	-	2,152	2,428	16,562
Charitable activities:						
Funding for the academy trust's educational operations	3	-	1,543	-	1,543	-
Total		276	1,543	2,152	3,971	16,562
Expenditure on:						
Charitable activities:						
Academy trust educational operations	5	11	1,495	1,016	2,522	524
Total		11	1,495	1,016	2,522	524
Net income / (expenditure)		265	48	1,136	1,449	16,038
Other recognised gains / (losses)						
Actuarial gains (losses) on defined benefit pension schemes	17	-	7	-	7	-
Net movement in funds		265	55	1,136	1,456	16,038
Reconciliation of funds						
Total funds brought forward		35	-	16,923	16,958	920
Total funds carried forward		300	55	18,059	18,414	16,958

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

Balance Sheet
Year ended 31 August 2017

	Notes	2017 £'000	2017 £'000	2016 £'000	2016 £'000
Fixed assets					
Intangible assets	11		8		-
Tangible assets	12		18,419		16,745
Current assets					
Debtors	13	206		4,215	
Cash at bank and in hand		3,916		316	
		4,122		4,531	
Liabilities					
Creditors: Amounts falling due within one year	14	(4,101)		(4,318)	
Net current assets			21		213
Total assets less current liabilities			18,448		16,958
Creditors: Amounts falling due after more than one year	15		-		-
Net assets excluding pension scheme liability			18,448		16,958
Defined benefit pension scheme liability	17		(34)		-
Total net assets			18,414		16,958
Restricted funds					
Fixed asset fund	15		18,059		16,923
Restricted income fund	15		89		-
Pension reserve	15		(34)		-
Total restricted funds			18,114		16,923
Unrestricted income funds					
General fund	15		300		35
Total funds			18,414		16,958

The financial statements were approved by the trustees and authorised for issue on 13 December 2017 and are signed on their behalf by



Ian Buckley
Trustee

Global Academy UTC Trust Limited
Registration number 08713518

Statement of Cash Flows
Year Ended 31 August 2017

	Notes	2017 £'000	2016 £'000
Net cash inflow from operating activities			
Net cash provided by (used in) operating activities	A	4,219	15,966
Cash flows from investing activities	B	(619)	(15,715)
		<u>3,600</u>	<u>251</u>
Change in cash and cash equivalents in the year			
Reconciliation of net cash flow to movement in net funds:			
Cash and cash equivalents at 1 September 2016		316	64
Cash and cash equivalents at the end of the year	C	<u>3,916</u>	<u>316</u>
A Reconciliation of net income/(expenditure) to net cash flow from operating activities			
		2017 £'000	2016 £'000
Net income / (expenditure) for the reporting year (as per the statement of financial activities)		1,449	16,038
Adjusted for:			
Depreciation charges		1,016	-
Capital grants from DfE and other capital income		(2,079)	(15,962)
Defined benefit pension scheme cost less contributions payable		41	-
(Increase)/decrease in debtors		4,009	(4,214)
Increase/(decrease) in creditors		(217)	4,143
Net cash provided by / (used in) Operating Activities		<u>4,219</u>	<u>5</u>
B Cash flows from investing activities			
		2017 £'000	2016 £'000
Purchase of intangible fixed assets		(8)	-
Purchase of tangible fixed assets		(2,690)	(15,715)
Capital grants from DfE/ESFA		2,079	15,962
Net cash provided by / (used in) Operating Activities		<u>(619)</u>	<u>247</u>
C Analysis of cash and cash equivalents			
		2017 £'000	2016 £'000
Cash in hand and at bank		3,916	316
Total cash and cash equivalents		<u>3,916</u>	<u>316</u>

1 Statement of accounting policies

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

Basis of Preparation

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

Global Academy UTC Trust Limited meets the definition of a public benefit entity under FRS 102.

Basis of Consolidation

Global Academy UTC Trust Limited has a wholly owned subsidiary, Global Academy Trading Limited. Global Academy Trading Limited commenced business on 1 September 2016 and was created for the sale of PE kits and uniform. It is currently loss making but in the future it will remit all profits to Global Academy UTC Trust Limited by Gift Aid. The transactions within Global Academy Trading Limited are immaterial and therefore consolidated accounts have not been prepared.

Going Concern

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

Income

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

Grants

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the year 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 year is deducted from income and recognised as a liability.

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

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.

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.

Notes to the Financial Statements
Year Ended 31 August 2017

Expenditure on Raising Funds

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

Charitable Activities

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

All resources expended are inclusive of irrecoverable VAT.

Intangible Fixed Assets

Intangible assets costing £500 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 - 20% p.a.

Tangible Fixed Assets

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible assets have been acquired with the aid of specific grants, either from government or private sector, they are included in the balance sheet and treated as above. Depreciation is charged to the restricted fixed asset fund in the SOFP.

Payments on account in respect of tangible fixed assets which are not yet operational in the Academy are recorded in a separate fixed asset category called 'assets under construction' and represent the cost of purchasing, constructing and installing tangible fixed assets ahead of the productive use.

Depreciation is provided on all tangible fixed assets at the following rates:

Long leasehold buildings - 5% p.a.

Fixtures, fittings and equipment - 20% p.a.

Computer hardware - 20% p.a.

Assets in the course of construction are included at cost. 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.

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.

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.

Financial Instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 11. Prepayments are not financial instruments. Amounts due to the charity'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 cost as detailed in note 12. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

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

Pensions Benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS'), which is a defined benefit scheme, and the Local Government Pension Scheme ('LGPS').

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 17, 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 year to which they relate.

Fund Accounting

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

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

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

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.

Notes to the Financial Statements
Year Ended 31 August 2017

2 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Restricted Fixed assets funds £'000	2017 Total funds £'000	2016 Total funds £'000
Capital grants	-	-	2,152	2,152	15,962
Other donations	276	-	-	276	600
	<u>276</u>	<u>-</u>	<u>2,152</u>	<u>2,428</u>	<u>16,562</u>

In 2016, of the total income from donations and capital grants, £600,354 was to unrestricted funds and £15,961,843 was to restricted funds.

3 Funding for the Academy Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	2017 Total funds £'000	2016 Total funds £'000
DfE / ESFA grants				
General Annual Grant (GAG)	-	1,259	1,259	-
Other DfE / ESFA grants	-	263	263	-
	<u>-</u>	<u>1,522</u>	<u>1,522</u>	<u>-</u>
Other Government grants				
Local authority grants	-	21	21	-
Special educational projects	-	-	-	-
	<u>-</u>	<u>21</u>	<u>21</u>	<u>-</u>
	<u>-</u>	<u>1,543</u>	<u>1,543</u>	<u>-</u>

In 2016, of the total income from charitable activities, £nil was to unrestricted funds and £nil was to restricted funds.

4 Expenditure	Non Pay Expenditure			2017	2016
	Staff costs £'000	Premises £'000	Other £'000	Total funds £'000	Total funds £'000
Academy's educational operations:					
Direct costs	993	-	83	1,076	518
Allocated support costs	86	1,194	166	1,446	6
	<u>1,079</u>	<u>1,194</u>	<u>249</u>	<u>2,522</u>	<u>524</u>
Net income / (expenditure) for the year					
Includes:				2017 £'000	2016 £'000
Operating lease rentals				-	-
Depreciation				1,016	-
Fees payable to auditor for					
Audit				8	6
Other services				<u>1</u>	-
5 Charitable activities				2017	2016
				Total funds £'000	Total funds £'000
Direct costs - educational operations				1,076	518
Support costs - educational operations				<u>1,446</u>	<u>6</u>
				<u>2,522</u>	<u>524</u>
Analysis of support costs				2017	2016
	Educational Operations £'000			Total funds £'000	Total funds £'000
Support staff costs	86			86	-
Depreciation	1,016			1,016	-
Technology costs	11			11	-
Premises costs	178			178	-
Other support costs	141			141	-
Governance costs	14			14	6
Total support costs	<u>1,446</u>			<u>1,446</u>	<u>6</u>

In 2016, of the total charitable activity expenditure, £524,194 was to unrestricted funds and £nil was to restricted funds.

Notes to the Financial Statements
Year Ended 31 August 2017

6 Staff

(a) Staff costs

Staff costs during the year were:

	2017 Total funds £'000	2016 Total funds £'000
Wages and salaries	844	81
Social security costs	84	10
Operating costs of defined benefit pension schemes	151	7
Apprenticeship levy	-	-
	<u>1,079</u>	<u>98</u>
Supply staff costs	-	-
Staff restructuring costs	-	-
	<u>-</u>	<u>-</u>

(b) Staff numbers

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

	2017 No.	2016 No.
Teachers	13	-
Administration and support	11	-
Management	4	2
	<u>28</u>	<u>2</u>

The average numbers of persons employed by the Academy expressed as a full time equivalent during the year was as follows:

	2017 No.	2016 No.
Teachers	10	-
Administration and support	9	-
Management	4	1
	<u>22</u>	<u>1</u>

(c) Higher paid staff

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

	2017 No.	2016 No.
£90,001 - £100,000	1	-

(d) 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) received by key management personnel for their services to the academy trust was £272,660. (2016: £56,747).

7 Related Party Transactions - Trustees' remuneration and expenses

No trustees were paid remuneration from an employment with the Academy. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

	2017 £'000	2016 £'000
Simon Collins, Headteacher and Trustee		
Remuneration	90-95	30-35
Employer's pension contributions paid	15-20	0-5

During the year ended 31 August 2017, training expenses totalling £nil were reimbursed or paid directly to no trustees (2016: £nil).

8 Trustees' and Officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect governors 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 and the cost for the year ended 31 August 2017 was £5,280 (2016 - £nil). The cost of this insurance is included in the total insurance cost.

9 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.

10 Related party transactions

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

At the year end Global Academy Trading Limited (company number: 10355359) owed Global Academy UTC Trust Limited £17,707 at the year end.

Notes to the Financial Statements
Year Ended 31 August 2017

11 Intangible fixed assets

	Computer Software £'000	2017 £'000
Cost/valuation	-	-
At 1 September 2016	-	-
Additions	8	8
At 31 August 2017	8	8
Amortisation	-	-
At 31 August 2017	-	-
Carrying amount	-	-
At 31 August 2017	8	8
At 31 August 2016	-	-

12 Tangible fixed assets

	Fixtures and Fittings £'000	Long-term leasehold property £'000	Computer equipment £'000	Total funds £'000
Cost/valuation				
At 1 September 2016	734	16,011	-	16,745
Additions	97	1,112	1,481	2,690
At 31 August 2017	831	17,123	1,481	19,435
Depreciation				
At 1 September 2016	-	-	-	-
Charge in year	132	668	216	1,016
At 31 August 2017	132	668	216	1,016
Net book value				
At 31 August 2017	699	16,455	1,265	18,419
At 31 August 2016	734	16,011	-	16,745

13 Debtors

	2017 £'000	2016 £'000
VAT recoverable	159	-
Other debtors	22	2,695
Prepayments and accrued income	25	1,520
	206	4,215

14 Creditors: amounts falling due within one year

	2017 £'000	2016 £'000
Trade creditors	-	315
Taxation and social security	27	13
ESFA creditor: abatement of GAG	267	-
Other creditors	3,498	2,413
Accruals and deferred income	309	1,577
	4,101	4,318
Deferred income		
Deferred income at 1 September 2016	-	-
Released during the year	-	-
Resources deferred in the year	36	-
Deferred income at 31 August 2017	36	-

Notes to the Financial Statements

Year Ended 31 August 2017

15 Funds

	Balance at 31 August 2016 £'000	Income £'000	Expenditure £'000	Balance at 31 August 2017 £'000
Restricted general funds				
General Annual Grant (GAG)	-	1,259	(1,191)	68
Pupil Premium	-	17	(17)	-
Other ESFA grants	-	246	(246)	-
Pension reserve	-	-	(34)	(34)
	-	1,522	(1,488)	34
Restricted fixed asset funds				
DfE/ESFA capital grants	16,923	2,152	(1,016)	18,059
	16,923	2,152	(1,016)	18,059
Other restricted funds				
Local authority grants	-	21	-	21
	-	21	-	21
Total restricted funds	16,923	3,695	(2,504)	18,114
Unrestricted funds				
General funds	35	276	(11)	300
Total unrestricted funds	35	276	(11)	300
Total funds	16,958	3,971	(2,515)	18,414

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

The General Annual Grant is funding from the ESFA for the Academy's operating costs.

The Tabor Foundation Donation was a donation specifically for the purchase of fixed assets.

Pupil Premium is additional government funding to raise the attainment of disadvantaged pupils of all abilities and to close the gaps between them and their peers.

Other ESFA grants relates to the funding towards UTC transition

DfE/ESFA capital grants were to fund the purchase of fixed assets.

Local authority grants were received to support pupils with special educational needs and those with low attainment on entry.

16 Analysis of net assets between funds

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total funds £'000
Fund balances at 31 August 2017 are represented by:				
Intangible fixed assets	-	-	8	8
Tangible fixed assets	441	-	17,978	18,419
Current assets	1	4,121	-	4,122
Current liabilities	(407)	(3,694)	-	(4,101)
Pension scheme liability	-	(34)	-	(34)
Total net assets	35	393	17,986	18,414

Notes to the Financial Statements
Year Ended 31 August 2017

17 Pensions and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Surrey County Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the year 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

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

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:

- 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 year amounted to £113,679 (2016: £12,131).

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 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.

Notes to the Financial Statements
Year Ended 31 August 2017

17 Pensions and similar obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £66,000 (2016: £nil), of which employer's contributions totalled £51,000 (2016: £nil) and employees' contributions totalled £14,000 (2016: £nil). The agreed contribution rates for future years are 17.3 per cent for employers. Employee contributions are from 5.8% to 6.8% per cent depending upon gross pay.

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.

Principal actuarial assumptions

	At 31 August 2017
Rate of increase of salaries	2.8%
Rate of increase for pensions in payment/inflation	2.4%
Discount rate for scheme liabilities	2.5%
Inflation assumption (CPI)	2.4%

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

Current mortality rates

	At 31 August 2017
<i>Retiring today</i>	
Males	22.6
Females	24.6
<i>Retiring in 20 years</i>	
Males	24.0
Females	26.5

Sensitivity analysis

	At 31 August 2017 £'000
Discount rate +0.1%	(5)
Discount rate -0.1%	5
Mortality assumption – 1 year increase	4
Mortality assumption – 1 year decrease	(4)
CPI rate +0.1%	5
CPI rate -0.1%	(5)

Notes to the Financial Statements
Year Ended 31 August 2017

17 Pensions and similar obligations (continued)

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

	Fair value at 31 August 2017 £'000	Fair value at 31 August 2016 £'000
Equities	43	-
Corporate bonds	17	-
Property	8	-
Cash and other liquid assets	1	-
Total market value of assets	69	-

The actual return on scheme assets was £4,000.

Amount recognised in the statement of financial activities

	2017 £'000s	2016 £'000s
Current service cost (net of employee contributions)	92	-
Interest cost	1	-
Total amount recognised in the SOFA	93	-

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

	2017 £'000s	2016 £'000s
Scheme obligations as at 1 September 2016	-	-
Current service cost	92	-
Interest cost	1	-
Employee contributions	14	-
Actuarial (gain)/loss	(4)	-
At 31 August 2017	103	-

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

	2017 £'000s	2016 £'000s
Fair value of scheme assets at 1 September 2016	-	-
Interest income	1	-
Actuarial gain/(loss)	3	-
Employer contributions	51	-
Financial assets – trade and other debtors are basic financial instrumen	14	-
At 31 August 2017	69	-