

Registered number: 08351953 (United Kingdom)

HUMBER UTC LIMITED
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

HUMBER UTC LIMITED
(A company limited by guarantee)

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HUMBER UTC LIMITED
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE UTC, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016**

Members

University of Hull, Represented by: Prof.
Alan Speight
Brendan Conlan
Baroness Elizabeth Redfearn

Trustees

University of Hull, Represented by: Prof. Alan Speight, Chair of Trustees (resigned 6 December 2016)
North Lindsey College, Represented by: Ann Tyrrell, Trustee (resigned 6 December 2016)
Able UK, Represented by: David Shepherd, Trustee (resigned 6 December 2016)
Centrica Storage, Represented by: Darren Oliver, Trustee (resigned 6 December 2016)
British (formerly Tata) Steel, Represented by: Paul Martin, Trustee (resigned 6 December 2016)
Outwood Grange Academies Trust, Represented by: David Earnshaw, Trustee (resigned 11 August 2016)
BAE Systems, Represented by: David Talbot, Trustee (resigned 6 December 2016)
Brendan Patrick Conlan, Trustee
Elizabeth Marie Redfern, Trustee
David Talbot, Accounting Officer (appointed 6 December 2016)
Anne Tyrrell, Trustee (appointed 6 December 2016)
Andrew Downing, Trustee (appointed 6 December 2016)
Michelle Atkin, Staff Trustee (appointed 6 December 2016)
Ashley Gibbons, Staff Trustee (appointed 18 October 2016)
Lisa Mallett, Parent Trustee (appointed 6 December 2016)
Julie Slater, Trustee (appointed 18 October 2016)
Cassie Flanagan, Trustee (appointed 12 July 2016)
Mark O'Reilly, Trustee (appointed 12 July 2016)
Alan Speight, Chair of Trustees (appointed 6 December 2016)

Company registered number

08351953

Company name

Humber UTC Ltd

Principal and registered office

Carlton Street, Scunthorpe, North Lincolnshire, DN15 6TA

Accounting Officer

David Talbot

Senior management team

Mr Andrew Downing, Principal

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE UTC, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016**

Advisers (continued)

Independent auditors

Saffery Champness, Mitre House, North Park Road, Harrogate, North Yorkshire, HG1 5RX

Bankers

HSBC, West Yorkshire Commercial Centre, HSBC House, 1 Bond Court, Leeds, West Yorkshire, LS1 2JZ

Solicitors

Wrigleys Solicitors, 19 Cookridge Street, Leeds, West Yorkshire, LS2 3AG

HUMBER UTC LIMITED
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2015 to 31 August 2016. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

Structure, governance and management

a. CONSTITUTION

The UTC 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 Humber UTC Limited are also the directors of the charitable company for the purpose of company law.

The charitable company is known as North Lincolnshire UTC Ltd.

Details of the Trustees who served during the 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.

c. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The management of the UTC is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association. It is the Members of the Company who appoint and release Trustees from the Board and there must be an agreement of not less than 75% of the Members for a resolution to be binding. Brendan Conlan has been appointed as a Member, Baroness Redfern has resigned and Anne Tyrell has stood down to become a Trustee. The Members have approved Mark O'Reilly and Cassie Flanagan onto the Board during the year. David Shepherd (ABLE) and Paul Martin (British Steel) have resigned from the Board.

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

All Trustees are provided with copies of procedures, minutes, accounts, budgets plans and other documents that they will need to undertake their role as trustees and governors.

All Trustees are supported with training programmes provided by North Lincolnshire Council.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

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 UTC only opened its doors to students in September 2015. However, a governance structure has been determined, which includes 5 members, a minimum of 12 members of the board of Trustees, although 2 members and 2 Trustee positions for employers are still vacant. There is one position for a parent Trustee and one for a staff Trustee and both of these positions have been filled.

The senior leadership team comprises the Principal, Assistant Principal and Business Manager.

An educational advisor group is also consulted, which consists of members from educational establishments, the local authority and local business's.

The Governors are responsible for setting policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the UTC, capital expenditure and senior staff appointments.

Due to the potential conflict of the Principal being employed by the Outwood Grange Academies Trust, the Board has appointed David Talbot as the Accounting Officer. David is the Vice Chair of the Board of Trustees and Chair of the Finance and Audit Committee.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

g. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

Humber UTC is proud to have developed a significant number of partners who are closely involved in the development and future delivery of the curriculum. Building connections with industry will ensure local young people have the skills, knowledge and attitude that companies in Humberside are looking for.

The partners of the UTC are: RES, Clugston, Cristal, BAe Systems, Singleton Birch, Jacobs, Smart Wind, University Technical College, University of Hull, Able UK, North Lincs Council, North Lindsey College, Outwood Grange Academies Trust, Centrica Storage, Tata Steel, Team Humber Marine Alliance.

The University of Hull as the lead academy sponsor, which has membership on the board of trustees. No charges have been made for their support. The University of Hull also gave a donation of £10,000 in the year.

North Lindsey College as a member of the board and advisor regarding post 16 technical Education matters. Charges of £12,071 have been made in the year.

Outwood Grange Academies Trust have provided support under an agreed NLE contract. Charges of £254,144 have been made for this support during the year.

TATA Steel UK has now become British Steel Ltd and charged £696 during the year which was payment of further educational fees, and was a direct recharge. £5,200 was donated by British Steel in the year.

Clugston made a donation in the year of £5,000.

Donations of £5,000 and £3,000 were also received from DONG Energy Wind Power A/S and Jotun Paints Ltd respectively.

Able UK, Centrica Storage and Team Humber Marine Alliance are lead employer sponsors who direct the technical curriculum and give access to facilities and resources within their organisations to support learning for the young people of the academy. They do not give any financial support or donations.

Strategic report

Objectives and Activities

a. OBJECTS AND AIMS

The Humber UTC has a clear vision to be the global centre for Renewables & Engineering. There is a need for skilled young people in the Humber region to support the growing industry. Major employers and leading education providers will equip Humber UTC students with the skills, knowledge and experience they need to progress into employment or further study.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

The main objectives of the Academy during the period ended 31 August 2016 are summarised below:

- To recruit sufficient student numbers to ensure the viability of the UTC.
- To engage with employers within the region to secure support for the Board and project work and outcomes for the students.
- To maintain the academic results at the highest possible level.
- To ensure the learning takes place in a safe, positive, supportive and encouraging environment
- To conduct the UTC's business in accordance with the highest standards of integrity, probity and openness.
- To plan and prepare for the withdrawal of Outwood Grange Academy Trust from the contract to deliver support to the UTC. To ensure that staffing, education methodologies and business processes and procedures are in place well in time for the withdrawal of services. This includes the recruitment of a new Principal.
- To provide value for money of funds expended.

c. ACTIVITIES FOR ACHIEVING OBJECTIVES

- A part-time marketing officer has been recruited who will work with the Business Manager to devise a Marketing Strategy. Employers and Board members will be invited to support the marketing activity. The Board will also consider engaging a Marketing/PR company to support this activity.
- Employer engagement is seen as a critical activity for a UTC. The engagement strategy will be led by the Employer Engagement and Curriculum Committee along with support from the wider Board Members.
- Education standards, processes and procedures have been supported by Outwood Grange Academies Trust. The Principal, staff and Board will continue to implement and deliver the standards including the Praising Starts system. This includes maintaining the learning environment in a positive and supporting manner.
- The sub-boards, overseen by the Board of Trustees, will ensure that business is conducted to the highest standards through implementation and monitoring of governance.
- In order to ensure that the UTC is well placed for the withdrawal of Outwood Grange Academies Trust, a sub-group has been set up under the Chair of the Board. The sub-group will comprise the Chair, Vice-Chair and AO, Member (Brendan Conlan), and Chair of Employer Engagement and Curriculum sub-group.
- All purchases are authorised through the Principal in order to ensure cost control and value for money. There is preferred supplier list in place.

d. PUBLIC BENEFIT

In exercising its powers and duties the Academy has complied with its duty to have due regard to the Charity Commission's guidance on public benefit. The main public benefit delivered by the Academy is the free provision of education to its students.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Achievements and performance

a. REVIEW OF ACTIVITIES

The UTC successfully opened in September 2015, with the building works being completed on time. Policies and procedures of the organisation have been set up and further events organised for the UTC.

The EFA undertook a visit to the UTC on 12 July 2016. The report was very positive and identified that 'the UTC continues to provide a highly effective quality of education for all learners'.

A number of employer projects have been run for the students. The engagement of the employers is critical to the UTC and, through the Employer Engagement and Curriculum group these will be increased for the next academic year.

At the end of the academic year there were 150 students at the UTC. Punctuality, absence and behaviour are all at excellent levels, which indicate good engagement from the students.

b. INVESTMENT POLICY AND PERFORMANCE

The UTC aims to manage its cash balances to provide for the day to day working capital requirements of its operations, whilst protecting the real long term value of any surplus cash balances.

The general policy is to invest any surplus funds prudently. The investment priorities are:

- Security of the invested capital.
- Liquidity of the invested capital.
- And commensurate with security and liquidity, an optimal return on those investments.

c. Financial Review

This has been the first year of operating for the UTC and the year-end accounts for FY2015/16 show a £57k deficit. Pupil numbers have been below plan, which will result in a clawback of the GAG funding during the 2016/17 FY. The budget position moving forward shows a £6k deficit for FY16/17 and a £121k deficit for 17/18 based on planned recruitment forecasts. The UTC has relied heavily on the Outwood Grange Academies Trust service provision contract for much of the business support activities. The Trust has indicated that they wish to withdraw from the contract one year early in August 2017 and the UTC Board has set up a Task and Finish Group of Board Members to plan for and mitigate the effect of the withdrawal of services. Through this difficult period of the planned GAG clawback and the withdrawal of Outwood Grange support, there will be a policy of tight cost control to support the financial position.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

a. GOING CONCERN

Low student recruitment during the academic year has impacted the budget and created a deficit in-year. The Finance and Audit Committee and the full Board have discussed the budget situation and will put in place a strategy to turn round the deficit that will include maintaining the cost control in place, producing a marketing strategy to increase student recruitment and implementation of a contract with North Lindsey College to rent space currently not being utilised.

As identified in the financial review above there is a planned budget deficit for the next 2 financial years. This deficit will be mitigated through a strong Marketing Strategy coupled with a robust Business Plan endorsed by the Board. The financial position that the UTC is anticipating for the next 2 years is not unusual for UTCs after their first year of operation. There is not a strong track record to attract pupils, but the costs increase in terms of staff capitation. Recruitment is notoriously difficult in year 2 but the UTC has recognised this and is working to mitigate it. The Board has identified that industry engagement is critical to the success of the UTC and has set up an Engagement and Curriculum committee to lead this work. It is envisaged that improved industry engagement will improve recruitment. Coupled with the recruitment and industry engagement campaigns, the management will also maintain the tight cost control measures that are already in place.

After making appropriate enquiries, the board of trustees has a reasonable expectation that the UTC 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 Accounting Policies.

b. PRINCIPAL RISKS AND UNCERTAINTIES

The major risks to which the UTC trust is exposed, as identified by the trustees, have been reviewed and procedures have been established to manage those risks. The risks are reviewed on a regular basis.

c. RESERVES POLICY

The trustees review the reserve levels of the UTC annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. At the year end the UTC held £668,937 of total reserves, made up of fixed asset reserves of £473,973, unrestricted reserves of £43,270 and restricted reserves of £151,694. 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.

d. MATERIAL INVESTMENTS POLICY

The Trust held £43,270 of unrestricted reserves and £151,964 of restricted reserves at 31 August 2016 and £473,973 of fixed asset reserves. Total income for this reporting period is £1,181K. The money held by the UTC is first and foremost for the benefit of the students and all decisions taken are done so with this in mind. The majority of the capital income has already been spent on capital items, mainly IT equipment and other equipment for the UTC.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

a. FUTURE DEVELOPMENTS

The UTC will continue to improve employer engagement at Board level and within the curriculum. The Board and staff will work to continue to raise the profile of the UTC to support the recruitment process and the Board will be reorganised and refocussed to support the Principal and staff in terms of strategic direction and governance.

The UTC will continue to prioritise student recruitment, industry engagement and governance. A major challenge for 2016/17 will be the withdrawal from the Outwood Grange Academies Trust contract and to operate independently of them. A Task and Finish group of Governors has been set up to plan for, and mitigate the effect of, the Outwood Grange withdrawal. Other developments include a refresh of the Board composition and responsibilities. This will include 5 Members rather than the current 3 and more places as members and governors for industry representatives. The Employer Engagement group will focus on new sponsor organisations and developing the support provided by employers to the curriculum through projects. The relationship with North Lindsey College will be reviewed following the withdrawal of Outwood Grange, including the leasing of the building for HE. There will also be discussions with the Hull, Scunthorpe and possibly Lincoln UTCs about closer relationships and the possibility of sharing of resources.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has 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 charitable company's auditors are aware of that information.

AUDITORS

Saffery Champness have expressed their willingness to continue in office as auditors to the company.

This report, incorporating a strategic report, was approved by order of the board of trustees as the company directors, on 21 December 2016 and signed on its behalf by:



.....
University of Hull, Represented by: Prof.
Alan Speight, Chair of Trustees

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As trustees, we acknowledge we have overall responsibility for ensuring that Humber 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 David Talbot, 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 Humber 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 7 times during the year. Attendance during the year at meetings of the board of trustees was as follows (including attendance of sub-committees):

Trustee	Meetings attended	Out of a possible
Able UK, Represented by: David Shepherd, Trustee	5	5
Centrica Storage, Represented by: Darren Oliver, Trustee	3	7
British (formerly Tata) Steel, Represented by: Paul Martin, Trustee	4	7
Outwood Grange Academies Trust, Represented by: David Earnshaw, Trustee	5	5
Brendan Patrick Conlan, Trustee	3	7
Elizabeth Marie Redfern, Trustee	2	7
David Talbot, Accounting Officer	6	7
Anne Tyrrell, Trustee	6	7
Andrew Downing, Trustee	7	7
Michelle Atkin, Staff Trustee	1	1
Ashley Gibbons, Staff Trustee	0	1
Lisa Mallett, Parent Trustee	1	1
Julie Slater, Trustee	1	1
Cassie Flanagan, Trustee	1	1
Mark O'Reilly, Trustee	1	1
Alan Speight, Chair of Trustees	7	7

Sub-committee attendance Trustee	Meetings attended	Out of a possible
FFG:		
A Downing	5	6
S Bennett	5	6
D Oliver	4	6
B Conlan	2	6
P Martin	2	6

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GOVERNANCE STATEMENT (continued)

STAKEHOLDER:

M Lochran	3	6
A Speight	3	6
A Downing	2	6

AUDIT:

D Talbot	4	4
D Earnshaw	3	4
L Redfearn	2	4

A review of the governance of the UTC has been undertaken by the Board. This has been led by the Chair of the Board and supported by the Chairs of the sub-committees and staff from the University of Hull. The review has confirmed the size and structure of the Board and has updated discrepancies on the Companies House submission. The task and finish group of Trustees will take forward the changes to governance including those required as a result of the withdrawal of Outwood Grange Academies Trust.

REVIEW OF VALUE FOR MONEY

As Accounting Officer, David Talbot has responsibility for ensuring that the UTC 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 UTC'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 UTC has delivered improved value for money during the year by:

- arranging to lease part of the building that is currently unused to North Lindsay College for HE provision
- maintaining tight cost control measures in place while turnover is low due to low student recruitment
- engaging Outwood Grange for a number of back office services

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 UTC 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 Humber UTC Limited for the year 1 September 2015 to 31 August 2016 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 UTC 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 significant risks, that has been in place for the year 1 September 2015 to 31 August 2016 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 UTC'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

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GOVERNANCE STATEMENT (continued)

- which are reviewed and agreed by the board of trustees;
- regular reviews by the finance group 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 trustees has considered the need for a specific internal audit function and has requested and received a quote for an internal Auditor and will look to appoint shortly. All policies were signed off by the Board prior to opening and processes and procedures have been reviewed by the Principal, Business Manager and the Audit committee. This work has been on hold due to the reorganisation of the governance structure that included the formation of a combined Finance and Audit Committee. The results of checks are reported to the main Board through the Finance and Audit Committee.

REVIEW OF EFFECTIVENESS

As Accounting Officer, David Talbot 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 auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the UTC who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members on 21 December 2016 and signed on their behalf, by:



University of Hull, Represented by: Prof.
Alan Speight, Chair of Trustees



David Talbot, Accounting Officer
Accounting Officer

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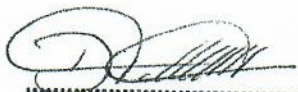
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of the Humber UTC I have considered my responsibility to notify academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA 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 2015.

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 2015.

I took over as accounting officer for the Humber UTC on 6 December 2016 having taken over from Brendan Conlan, who had been appointed as a Member of the Humber UTC company, and had therefore relinquished his accounting officer responsibilities.

I confirm that instances of material irregularity, impropriety or funding non-compliance have been identified in the Auditor's report to the Trustees and have been highlighted to the EFA. If any instances are identified after the date of this statement, these will be notified to the board of trustees and EFA



.....
David Talbot
Accounting Officer

Date: 21 December 2016

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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees (who act as governors of Humber UTC Ltd 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 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 2015 to 2016;
- 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 the EFA/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 2016 and signed on its behalf by:



.....
University of Hull, Represented by: Prof. Alan Speight
Chair of Trustees

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HUMBER UTC LIMITED**

We have audited the financial statements of Humber UTC Limited for the year ended 31 August 2016 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes. 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" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the charitable company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2016. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the charitable UTC 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the UTC's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HUMBER UTC LIMITED**

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

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

OPINION ON OTHER REQUIREMENTS OF THE COMPANIES ACT 2016

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- the UTC has not kept adequate and sufficient accounting records or returns adequate for 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 remuneration specified by law are not made, or;
- we have not received all the information and explanations we require for our audit.



Jonathan Davis
Senior Statutory Auditor 22/12/16
For and on behalf of:

Saffery Champness

Auditors

Mitre House
North Park Road
Harrogate
North Yorkshire
HG1 5RX

HUMBER UTC LIMITED
(A company limited by guarantee)

INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO HUMBER UTC LIMITED AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 8 August 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Humber UTC Limited during the year 1 September 2015 to 31 August 2016 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 Humber UTC Limited and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Humber UTC Limited and the EFA 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 Humber UTC Limited and the EFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF HUMBER UTC LIMITED'S ACCOUNTING OFFICER AND THE REPORTING AUDITORS

The accounting officer is responsible, under the requirements of Humber UTC Limited's funding agreement with the Secretary of State for Education dated 1 August 2014, and the Academies Financial Handbook extant from 1 September 2015, 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 2015 to 2016. 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 2015 to 31 August 2016 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 2015 to 2016 issued by the EFA. 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 UTC's income and expenditure.

The work undertaken to draw our conclusions 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.

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 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

- A system of internal audit or independent checking was not in place during the academic year
- Declarations of interest obtained and published on the UTC's website are not up to date
- Governance information published on the UTC's website is not complete
- In one instance the UTC's procurement processes had not been followed in full and three quotes had not been obtained for consultancy services in excess of £10,000.
- Insufficient evidence of the Accounting Officer role being fulfilled during the year has been obtained, however we note the changes described on page 12 to address such issues post year end.



22/12/16

Jonathan Davis (Senior statutory auditor)

for and on behalf of

Saffery Champness

Mitre House
North Park Road
Harrogate
North Yorkshire
HG1 5RX

HUMBER UTC LIMITED
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
INCOME FROM:						
Donations and capital grants	3	31,770	-	-	31,770	600,440
Charitable activities:	4					
Funding for the Academy's educational operations		7,795	1,141,737	-	1,149,532	308,024
TOTAL INCOME		39,565	1,141,737	-	1,181,302	908,464
EXPENDITURE ON:						
Charitable activities:						
Funding for the Academy's educational operations		4,505	1,113,246	120,617	1,238,368	284,886
TOTAL EXPENDITURE	5	4,505	1,113,246	120,617	1,238,368	284,886
NET INCOME / (EXPENDITURE)		35,060	28,491	(120,617)	(57,066)	623,578
Actuarial losses on defined benefit pension schemes	18	-	(17,000)	-	(17,000)	-
NET MOVEMENT IN FUNDS		35,060	11,491	(120,617)	(74,066)	623,578
RECONCILIATION OF FUNDS:						
Total funds brought forward		8,210	140,203	594,590	743,003	119,425
TOTAL FUNDS CARRIED FORWARD		43,270	151,694	473,973	668,937	743,003

The notes on pages 23 to 42 form part of these financial statements.

HUMBER UTC LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: 08351953


BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Intangible assets	10		178,966		-
Tangible assets	11		217,453		356,162
			<u>396,419</u>		<u>356,162</u>
CURRENT ASSETS					
Debtors	12	82,742		152,798	
Cash at bank and in hand		449,767		448,869	
		<u>532,509</u>		<u>601,667</u>	
CREDITORS: amounts falling due within one year	13	(237,991)		(214,826)	
NET CURRENT ASSETS			294,518		386,841
TOTAL ASSETS LESS CURRENT LIABILITIES			690,937		743,003
Defined benefit pension scheme liability	18		(22,000)		-
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>668,937</u>		<u>743,003</u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	14	173,694		140,203	
Restricted fixed asset funds	14	473,973		594,590	
Restricted income funds excluding pension liability		647,667		734,793	
Pension reserve		(22,000)		-	
Total restricted income funds			625,667		734,793
Unrestricted income funds	14		43,270		8,210
TOTAL FUNDS			<u>668,937</u>		<u>743,003</u>

HUMBER UTC LIMITED
(A company limited by guarantee)

BALANCE SHEET (continued)
AS AT 31 AUGUST 2016

The financial statements were approved by the Trustees, and authorised for issue, on 21 December 2016 and are signed on their behalf, by:


.....
University of Hull, Represented by: Prof.
Alan Speight, Chair of Trustees
Chair of Trustees

The notes on pages 23 to 42 form part of these financial statements.

HUMBER UTC LIMITED
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by operating activities	16	<u>161,772</u>	<u>36,041</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(160,874)	(356,162)
Capital grants from DfE/EFA		-	594,590
Net cash (used in)/provided by investing activities		<u>(160,874)</u>	<u>238,428</u>
Change in cash and cash equivalents in the year		898	274,469
Cash and cash equivalents brought forward		<u>448,869</u>	<u>174,400</u>
Cash and cash equivalents carried forward	17	<u><u>449,767</u></u>	<u><u>448,869</u></u>

HUMBER UTC LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation 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 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Humber UTC Limited constitutes a public benefit entity as defined by FRS 102.

First time adoption of FRS 102

These financial statements are the first financial statements of Humber UTC Limited prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Humber UTC Limited for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Reconciliations to previous UK GAAP for the comparative figures are included in note 23.

1.2 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the 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 and include grants from the Department for Education.

HUMBER UTC LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.3 Income

All income is recognised once the UTC 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

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

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

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

Sponsorship Income

Sponsorship income provided to the UTC which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where receipt is probable and it can be measured reliably.

Donations

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

Other Income

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.

HUMBER UTC LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.4 Expenditure

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

Charitable Activities

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

Grants Payable

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All resources expended are inclusive of irrecoverable VAT.

1.5 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 UTC 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 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..

1.6 Intangible fixed assets and amortisation

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment

Amortisation is provided at the following rates:

Computer Software	- 25% - over 4 years
-------------------	----------------------

HUMBER UTC LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.7 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Assets that are bought in bulk, particularly computers, tablets and their accessories, where individually they cost less than £1,000, are also capitalised.

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.

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.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures and fittings	-	10% - over 10 years
Office equipment	-	10% - over 10 years
Computer equipment	-	25% - over 4 years

1.8 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the UTC; this is normally upon notification of the interest paid or payable by the Bank.

1.9 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.

1.10 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.

HUMBER UTC LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.11 Liabilities and provisions

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 UTC 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.

1.12 Financial instruments

The UTC only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.13 Taxation

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

1.14 Pensions

Retirement benefits to employees of the UTC are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes and the assets are held separately from those of the UTC.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the UTC 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 18, 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.

HUMBER UTC LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

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 incorporating income and expenditure account 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

1.15 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from EFA. Payments received from EFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs but this is not recognised in the Statement of Financial Activities. The funds received and paid and any balances held are disclosed in note 22.

1.16 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. 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.

HUMBER UTC LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

2. GENERAL ANNUAL GRANT (GAG)

Under the funding agreement with the Secretary of State the UTC was subject to limits at 31 August 2016 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The UTC has not exceeded these limits during the year ended 31 August 2016.

3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Donations	31,770	-	-	31,770	5,850
Capital Grants	-	-	-	-	594,590
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and capital grants	31,770	-	-	31,770	600,440
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

In 2015, of the total income from donations and capital grants, £5,850 was to unrestricted funds and £594,590 was to restricted funds

HUMBER UTC LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

4. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA grants				
General Annual Grant	-	726,357	726,357	-
Start up Grants	-	312,954	312,954	120,000
Other DfE/EFA Grants	-	102,426	102,426	55,664
	-	1,141,737	1,141,737	175,664
Other government grants				
Local Authority Grants	-	-	-	130,000
	-	-	-	130,000
Other funding				
Other Income	7,795	-	7,795	2,360
	7,795	-	7,795	2,360
	7,795	1,141,737	1,149,532	308,024

In 2015, of the total income from charitable activities, £2,360 was to unrestricted funds and £305,664 was to restricted funds.

5. EXPENDITURE

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Educational Operations:					
Direct costs	463,655	120,617	97,830	682,102	76,818
Support costs	188,870	152,606	214,790	556,266	208,068
	652,525	273,223	312,620	1,238,368	284,886

In 2016, of the total expenditure, £4,505 (2015 - £NIL) was to unrestricted funds and £1,160,118 (2015 - £284,886) was to restricted funds.

HUMBER UTC LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

6. SUPPORT COSTS

	Total 2016 £	Total 2015 £
Technology Costs	2,560	4,156
Marketing Costs	9,106	27,520
Staff Development	21,309	313
Educational Consultancy	13,525	69,765
NLE contract Costs	86,807	65,711
Recruitment & Support	3,663	-
Maintenance of Premises & Equipment	29,203	-
Cleaning	21,072	1,045
Rent & Rates	32,314	-
Energy Costs	66,667	-
Insurance	3,350	-
Security & Transport	12,646	-
Catering	12,861	-
Bank Interest & Charges	807	150
Other Support Costs	47,406	24,018
Governance Costs	4,100	5,008
Wages and salaries	146,729	10,382
National insurance	8,586	-
Pension cost	33,555	-
	<u>556,266</u>	<u>208,068</u>

During the year ended 31 August 2016, the UTC incurred the following Governance costs:
£4,505 (2015 - £5,008) included within the table above in respect of Educational Operations.
£NIL (2015 - £NIL) included within the table above in respect of Other.

In 2015, the UTC incurred the following Support costs:
£205,887 in respect of Educational Operations
£NIL in respect of Other

7. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the charity	120,617	-
Auditors' remuneration - audit	7,000	4,000
	<u>127,617</u>	<u>4,000</u>

HUMBER UTC LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

8. STAFF COSTS

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	519,985	23,585
Social security costs	42,218	1,442
Operating costs of defined benefit pension schemes	90,322	1,862
	<u>652,525</u>	<u>26,889</u>

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

	2016 No.	2015 No.
Teaching & Educational Support Staff	9	0
Other Support Staff	9	0
	<u>18</u>	<u>0</u>

Average headcount expressed as a full time equivalent:

	2016 No.	2015 No.
Teachers	7	0
Support Staff	8	0
	<u>15</u>	<u>0</u>

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

	2016 No.	2015 No.
In the band £80,001 - £90,000	1	0

One member of staff qualifies as highly paid. This person is part of the Teachers Pension Scheme. In the year employers contributions were 16.48% of gross pay which equals £13,295.

Key Management Personnel

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 staff members under their contracts of employment.

In the 2015/16 financial year only the principal was remunerated whilst serving as a trustee and being considered as a key manager. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their service to the UTC was £93,666 (2015: £93,948)

HUMBER UTC LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

8. STAFF COSTS (continued)

Other Trustees

Other than the Principal no trustees of the UTC were remunerated or paid expenses during the financial year.

9. TRUSTEES' AND OFFICERS' INSURANCE

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

10. INTANGIBLE FIXED ASSETS

	Computer Software £
Cost	
At 1 September 2015	-
Transfer between classes	<u>238,549</u>
At 31 August 2016	<u>238,549</u>
Amortisation	
At 1 September 2015	-
Charge for the year	<u>59,583</u>
At 31 August 2016	<u>59,583</u>
Carrying amount	
At 31 August 2016	<u><u>178,966</u></u>
At 31 August 2015	<u><u>-</u></u>

HUMBER UTC LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

11. TANGIBLE FIXED ASSETS

	Office equipment £	Computer equipment £	Assets under construction £	Total £
Cost				
At 1 September 2015	14,261	-	341,901	356,162
Additions	32,965	-	127,909	160,874
Transfer between classes	2,380	228,881	(469,810)	(238,549)
At 31 August 2016	49,606	228,881	-	278,487
Depreciation				
At 1 September 2015	-	-	-	-
Charge for the year	4,778	56,256	-	61,034
At 31 August 2016	4,778	56,256	-	61,034
Net book value				
At 31 August 2016	44,828	172,625	-	217,453
At 31 August 2015	14,261	-	341,901	356,162

12. DEBTORS

	2016 £	2015 £
Trade debtors	14,200	-
VAT repayment due	17,733	94,653
Prepayments and accrued income	50,809	58,145
	82,742	152,798

13. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	78,315	127,809
Accruals and deferred income	25,057	87,017
GAG abatement	120,176	-
Other creditors	14,443	-
	237,991	214,826

There is no deferred income within creditors (2015 £NIL). The full balance relates to accruals.

HUMBER UTC LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

14. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds					
Unrestricted Reserve	8,210	39,565	(4,505)	-	43,270
Restricted funds					
General Annual Grant (GAG)	-	758,669	(725,178)	-	33,491
Start Up Grant	140,203	312,954	(312,954)	-	140,203
Pupil Premium	-	27,520	(27,520)	-	-
Other EFA Grants	-	42,594	(42,594)	-	-
Pension reserve	-	-	(5,000)	(17,000)	(22,000)
	<u>140,203</u>	<u>1,141,737</u>	<u>(1,113,246)</u>	<u>(17,000)</u>	<u>151,694</u>
Restricted fixed asset funds					
EFA Capital Grants	594,590	-	(120,617)	-	473,973
Total restricted funds	<u>734,793</u>	<u>1,141,737</u>	<u>(1,233,863)</u>	<u>(17,000)</u>	<u>625,667</u>
Total of funds	<u><u>743,003</u></u>	<u><u>1,181,302</u></u>	<u><u>(1,238,368)</u></u>	<u><u>(17,000)</u></u>	<u><u>668,937</u></u>

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

Restricted funds comprises of income from the DfE/EFA and from the Local Authority. These funds are used for the normal running costs of the UTC.

Unrestricted funds comprises of donations from private companies and are also used for the normal running costs of the UTC.

Restricted fixed asset funds comprises of income from the DfE/EFA and are used to purchase fixed assets for the continued operations and use of the UTC.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Intangible fixed assets	-	-	178,966	178,966	-
Tangible fixed assets	-	-	217,453	217,453	356,162
Current assets	43,270	411,686	77,554	532,510	601,667
Creditors due within one year	-	(237,992)	-	(237,992)	(214,826)
Provisions for liabilities and charges	-	(22,000)	-	(22,000)	-
	<u>43,270</u>	<u>151,694</u>	<u>473,973</u>	<u>668,937</u>	<u>743,003</u>

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

	2016 £	2015 £
Net (expenditure)/income for the year (as per Statement of financial activities)	(57,066)	623,578
Adjustment for:		
Depreciation charges	61,034	-
Decrease/(increase) in debtors	70,056	(152,798)
Increase in creditors	23,165	159,851
Capital grants from DfE and other capital income	-	(594,590)
Defined benefit pension scheme cost less contributions payable	5,000	-
Amortisation Charges	59,583	-
Net cash provided by operating activities	<u>161,772</u>	<u>36,041</u>

17. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash in hand	449,767	448,869
Total	<u>449,767</u>	<u>448,869</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

18. 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 2013.

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:

- 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 will be as at March 2016, 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 £56,767 (2015 - £nil).

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NOTES TO THE FINANCIAL STATEMENTS
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18. PENSION COMMITMENTS (continued)

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 2016 was £35,000 (2015 - £nil), of which employer's contributions totalled £28,000 (2015 - £nil) and employees' contributions totalled £7,000 (2015 - £nil). The agreed contribution rates for future years are 21.3% for employers and 6.5% for employees.

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

Principal actuarial assumptions:

	2016
Discount rate for scheme liabilities	2.10 %
Expected return on scheme assets at 31 August	20.10 %
Rate of increase in salaries	2.30 %
Rate of increase for pensions in payment / inflation	2.10 %
Inflation assumption (CPI)	2.10 %
Commutation of pensions to lump sums	65.00 %

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

	2016	2015
Retiring today		
Males	21.9	-
Females	24.1	-
Retiring in 20 years		
Males	24.2	-
Females	26.7	-

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

18. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2016 £'000
Equities	3,147,750
Debt instruments	461,670
Property	461,670
Cash	125,910
Total market value of assets	<u>4,197,000</u>

The actual return on scheme assets was £3,000 (2015 - £nil).

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

	2016 £	2015 £
Current service cost (net of employee contributions)	<u>(31,000)</u>	-
Actual return on scheme assets	<u>3,000</u>	-

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

	2016 £	2015 £
Current service cost	31,000	-
Interest cost	1,000	-
Contributions by employees	7,000	-
Actuarial losses	19,000	-
Closing defined benefit obligation	<u>58,000</u>	-

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NOTES TO THE FINANCIAL STATEMENTS
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18. PENSION COMMITMENTS (continued)

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

	2016 £	2015 £
Return on plan assets (excluding net interest on the net defined pension liability)	1,000	-
Actuarial gains and (losses)	2,000	-
Contributions by employer	26,000	-
Contributions by employees	7,000	-
	<hr/>	<hr/>
Closing fair value of scheme assets	36,000	-
	<hr/> <hr/>	<hr/> <hr/>

19. 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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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

20. RELATED PARTY TRANSACTIONS

Owing to the nature of the UTC'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 UTC's financial regulations and normal procurement procedures.

Humber UTC is proud to have developed a significant number of partners who are closely involved in the development and future delivery of the curriculum. Building connections with industry will ensure local young people have the skills, knowledge and attitude that companies in Humberside are looking for.

The partners of the UTC are: RES, Clugston, Cristal, BAe Systems, Singleton Birch, Jacobs, Smart Wind, University Technical College, University of Hull, Able UK, North Lincs Council, North Lindsey College, Outwood Grange Academies Trust, Centrica Storage, Tata Steel, Team Humber Marine Alliance.

The University of Hull as the lead academy sponsor, which has membership on the board of trustees. No charges have been made for their support. The University of Hull also gave a donation of £10,000 in the year.

North Lindsey College as a member of the board and advisor regarding post 16 technical Education matters. Charges of £12,071 have been made in the year.

Outwood Grange Academies Trust have provided support under an agreed NLE contract. Charges of £254,144 have been made for this support during the year.

TATA Steel UK has now become British Steel Ltd and charged £696 during the year which was payment of further educational fees, and was a direct recharge. £5,200 was donated by British Steel in the year.

Clugston made a donation in the year of £5,000.

Donations of £5,000 and £3,000 were also received from DONG Energy Wind Power A/S and Jotun Paints Ltd respectively.

Only one trustee, the Principal Mr A Downing was paid a salary and employers pensions contributions are made to the TPS on his behalf.

Able UK, Centrica Storage and Team Humber Marine Alliance are lead employer sponsors who direct the technical curriculum and give access to facilities and resources within their organisations to support learning for the young people of the academy. They do not give any financial support or donations.

£200 received from North Lindsey College for sponsorship to Humber Awards.

Headteacher's meetings costing £71 incurred by the UTC from Fedrick Gough School.

£200 donation from Online Design and Engineering Limited and HCF Catch Limited.

A table summarising related party transactions from the last two years appears below. Note that there were no balances outstanding relating to these transactions at the end of the period on 31 August 2016.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

20. RELATED PARTY TRANSACTIONS (continued)

	2016 £	2015 £
University of Hull - donations	(11,470)	(2,000)
North Lindsey College - educational support costs	12,071	9,662
Able UK - donations	-	(2,000)
Centrica Storage	-	-
British Steel - charge	696	696
- donations	(5,200)	-
Outwood Grange Academies Trust - various support costs	254,144	76,351
BAE Systems	-	-
Principal, A Downing - salary & pension	93,965	-
Clugston - donation	(5,000)	(750)
DONG Energy Wind Power - donation	(5,000)	-
Jotun Paints - donation	(3,000)	-
Singleton Birch	-	(2,000)
Team Humber Marine Alliance	-	(100)

21. POST BALANCE SHEET EVENTS

No post balance sheet events to report.

22. AGENCY ARRANGEMENTS

The academy trust distributes 16-19 bursary funds to students as an agent for EFA. In the accounting period ending 31 August 2016 the trust received £5,257 and disbursed £nil from the fund. An amount of £5,257 is included in other creditors relating to undistributed funds that is repayable to EFA.

23. FIRST TIME ADOPTION OF FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

The policies applied under the UTC's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure.