

Engineering UTC Northern Lincolnshire

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2022

Forrester Boyd
Statutory Auditors
Chartered Accountants
66-68 Oswald Road
Scunthorpe
North Lincolnshire
DN15 7PG

Engineering UTC Northern Lincolnshire

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Engineering UTC Northern Lincolnshire

Reference and administrative details

Members	B P Conlan D Robinson (appointed 26 October 2021) J Murray (resigned 26 October 2021) M Gavin (resigned 26 October 2021) N L Stobart S Stead (appointed 26 October 2021)
Trustees (Directors)	A McCullagh (accounting officer) D J Kemshall (resigned 1 February 2022) G Thornton, (Chair of Trustees) K E Arundel K Mc Tieron-Marsh (resigned 29 September 2021) M Hancock M Setterfield N L Andrew (appointed 2 December 2021) N Whittle S M Kelly
Senior Management Team	A Mccullagh N Bradford N Oxborough (resigned 31 December 2021) C Reet J Vincent I Bates J Wilby R Endicott Z Hennchen
Principal and Registered Office	Carlton Street Scunthorpe North Lincolnshire DN16 6TA
Company Registration Number	08351953
Auditors	Forrester Boyd Statutory Auditors Chartered Accountants 66-68 Oswald Road Scunthorpe North Lincolnshire DN15 7PG
Bankers	Lloyds Bank 106 High St Scunthorpe DN15 6HG

Engineering UTC Northern Lincolnshire

Reference and administrative details (continued)

Solicitors

Wrigleys Solicitors
19 Cookridge Street
Leeds
West Yorkshire
LS2 3AG

Engineering UTC Northern Lincolnshire

Trustees' report for the Year Ended 31 August 2022

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2022. The annual report serves the purposes of both a trustees' report, including a strategic report, and a directors' report under company law.

The academy trust operates an academy for pupils aged 13 to 19 serving a catchment area in Scunthorpe, North Lincolnshire. It has a pupil capacity of 600 and had a roll of 228 in the school census on 7th October 2021.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The company registration number is 08351953.

The governors act as the trustees for the charitable activities of Engineering UTC Northern Lincolnshire and are also the directors of the charitable company for the purposes of company law.

The charitable company is known as Engineering UTC Northern Lincolnshire.

Details of the trustees who served during the year, and to the date these accounts are approved 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 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 cease to be a member.

Trustees' indemnities

The academy trust through its Articles has indemnified its Trustees to the fullest extent permissible by law. During the period the Academy also purchased and maintained liability insurance for its Trustees.

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.

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.

Organisational structure

The UTC opened its doors to students in September 2015. A governance structure has been determined, which includes 4 members and a maximum of 16 members of the board of Trustees. There are 2 positions for Parent Trustees and 2 for staff Trustees.

The senior leadership team comprises the Principal, Vice Principal, Assistant Principals and Business Engagement Lead and Business Manager.

The Trustees 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.

The UTC Principal is also the Accounting Officer.

The UTC Business Manager is the designated Chief Financial Officer.

Engineering UTC Northern Lincolnshire

Trustees' report for the Year Ended 31 August 2022 (continued)

Arrangements for setting pay and remuneration of key management personnel

Teaching staff remuneration policy is in line with the School Teachers' Pay and Conditions Guidelines 2021. 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.

Connected organisations, including related party relationships

Engineering UTC Northern Lincolnshire 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: Tronox, Phillips 66, Orsted, ABP Ports, University of Hull, North Lincs Council, British Steel and Care Plus Group.

North Lincolnshire Council charged £70,200 during the year for business rates, clerking services, training services and school catering.

Other partners give time resources or donations of equipment to support learning for the young people of the academy.

Objectives and activities

Objects and aims

The Engineering UTC Northern Lincolnshire has a clear vision to be the centre of excellence for 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 Engineering UTC Northern Lincolnshire students with the skills, knowledge and experience they need to progress into employment or further study.

The main objectives of the Academy during the period ended 31 August 2022 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 provide value for money of funds expended.

Activities for achieving objectives

-A full time recruitment team continue to support high quality engagement with the many potential partners and to support student recruitment. Employers and Board members are invited to support the marketing activity. The Board has engaged a Marketing/PR company, Engaging Education, to support this activity.

-Employer engagement is seen as a critical activity for a UTC. The engagement strategy is led by the Director of Employer Engagement and Curriculum Committee along with support from the wider Board Members.

-The Principal, staff and Board continue to implement and deliver the standards including the new Positive Discipline system. This includes maintaining the learning environment in a positive and supporting manner.

-The Committees, overseen by the Board of Trustees, will ensure that business is conducted to the highest standards through implementation and monitoring of governance.

-All purchases are authorised through the Principal in order to ensure cost control and value for money. There is a preferred supplier list in place.

Public benefit

The academy trust provides educational services to all children in the local area. The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to the public benefit guidance provided by the Charity Commission.

In setting objectives and planning our activities the Trustees have carefully considered the Charity Commission's general guidance on public benefit.

Engineering UTC Northern Lincolnshire

Trustees' report for the Year Ended 31 August 2022 (continued)

Strategic Report

Achievements and performance

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.

An Ofsted in February 2018 deemed the school to be Good in all areas of inspection.

A number of employer projects have been run for the students. The engagement of the employers is critical to the UTC and, through the Director of Employer Engagement and Curriculum Committee we are seeing events and activities taking place on a more regular basis; they will continue to increase during the next academic year.

At the end of the academic year there were 216 students at the UTC. Punctuality and behaviour are excellent, which indicate good engagement from the students.

Covid continued to have an impact on student recruitment for September 2021 as visits to other schools and events were cancelled or restricted. We were, however, able to retain all of the students that had already applied. Regular contact was made with the students, and their families, throughout the lockdown period. Online events were also held to promote the UTC.

The use of open events, promotion via social media and additional advertising was utilised throughout 2021/22 to mitigate the ongoing Covid restrictions.

Initial discussions have taken place regarding the UTC joining a MAT; in line with ESFA guidance.

Investment 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.

Going concern

The Finance and Audit Committee and the full Board have discussed the budget situation and put in place a strategy which has turned around the previous cumulative deficit position. This continues to include: maintaining the cost controls in place, producing a marketing strategy to increase student recruitment and looking to rent space currently not being utilised.

As identified in the financial review above there is a planned cumulative budget surplus for the next 5 financial years. The introduction of a Year 9 cohort in 2019, followed by the introduction of a second specialism in 2021 has led to an increase in student numbers; there is a strong belief that student recruitment will continue to grow. The UTC has recognised that recruitment is difficult and is working to mitigate it through increased employer engagement activity. 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.

Financial review

This has been the seventh year of operating for the UTC and the year end accounts for FY 2021/22 show an in year deficit of £42,345 (not including fixed assets and pension adjustment). Pupil numbers have increased, although not at the desired level.

Engineering UTC Northern Lincolnshire

Trustees' report for the Year Ended 31 August 2022 (continued)

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 £6,071,887 of total reserves, made up of fixed asset reserves of £6,025,508, unrestricted reserves of £48,379, restricted general reserves of nil and restricted pension reserves of deficit £2,000. Reserves are held to ensure that the UTC has sufficient resources to continue to advance the education of pupils, including incurring the necessary capital expenditure. The trustees would like to maintain reserves of restricted and unrestricted funds (not including fixed assets and pension reserve) of the equivalent of 2 months staffing costs for the UTC. Of the total restricted fixed asset fund, £6,025,508 can only be realised by disposing of tangible fixed assets.

Total income for this reporting period is £1,860,541. 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 capital income has already been spent on capital items, mainly IT equipment and other equipment for the UTC.

Investment policy

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.

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 identified are:-

- Insufficient student numbers to ensure the viability of the UTC;
- Insufficient cash to manage day to day finances; and
- Insufficient funds put aside for replacement of fixed assets.

Trustees feel that they have put steps in place to mitigate against these factors. The risks are reviewed on a regular basis.

Fundraising

The academy trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

Engineering UTC Northern Lincolnshire

Trustees' report for the Year Ended 31 August 2022 (continued)

Plans for future periods

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. The Board has been 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. The Employer Engagement group will focus on new sponsor organisations and developing the support provided by employers to the curriculum through projects.

A second specialism in Health Sciences and Social Care was introduced from September 2021. A successful marketing campaign and summer school led to us seeing our highest student recruitment numbers for the second year running. Student numbers are expected to grow over the next few years.

An experienced Business Manager joined the UTC from 1st September 2020. As a member of the Senior Leadership Team they lead and manage the school's business functions including Finance and HR; working closely with the Principal and Board. Improvements have already been seen, by the Board, in terms of financial information, monitoring and control.

The UTC will continue to work towards joining a MAT.

Auditor

Insofar as the Trustees are aware:

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

The trustees' report, incorporating a Strategic Report, was approved by order of the members of the Governing Body on 16 November 2022 and signed on its behalf by:



G Thornton
Trustee

Engineering UTC Northern Lincolnshire

Governance statement

Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Engineering UTC Northern Lincolnshire 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.

As trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The Governing Body has delegated the day-to-day responsibility to A McCullagh, 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 Engineering UTC Northern Lincolnshire and the Secretary of State for Education. They are also responsible for reporting to the Governing Body 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 Governing Body has formally met 6 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Trustee	Meetings attended	Out of a possible
A McCullagh	6	6
D J Kemshall (resigned 1 February 2022)	1	2
G Thornton, (Chair of Trustees)	6	6
K E Arundel	2	6
K Mc Tieron-Marsh (resigned 29 September 2021)	0	0
M Hancock	2	6
M Setterfield	6	6
N L Andrew (appointed 2 December 2021)	3	4
N Whittle	4	6
S M Kelly	6	6

Governance reviews

A review of the governance of the UTC has recently 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.

Parent Governor K McTierman-Marsh resigned at the start of the academic year and was replaced by N Andrew.

The Finance, Audit and Risk Committee is a sub-committee of the main Governing Body. Its purpose is to ensure sound management of the academy's finances and resources, including proper planning, monitoring and probity in line with the ESFA guidelines in the Academy Trust handbook and Accounts Direction documents. It also reviews the risks to internal financial control, then present the findings to the full board and the Members and agree a programme of work that will address these risks, to inform the governance statement that accompanies the UTC's annual accounts and, so as far as possible, provide assurance to the external auditors and the Governing Body regarding the sound management and control of the school finances and resources. Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
A McCullagh	2	3
G Thornton,	3	3
M Setterfield	3	3
S M Kelly	3	3

Engineering UTC Northern Lincolnshire

Governance statement (continued)

The Curriculum and Standards Committee is a sub-committee of the main Governing Body. Its purpose is to ensure that the UTC's curriculum and assessment procedures are carried out to the required standard, and in line with the UTCs curriculum intent, by the monitoring and review of school performance and educational standards in all curriculum areas. It also reviews the standard of teaching and learning and the levels of progress for all students, across all subject areas. Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
A McCullagh	2	3
G Thornton,	3	3
K E Arundel	0	3
M Hancock	0	3
M Setterfield	3	3
N Whittle	0	3
S M Kelly	3	3

Effective oversight of funds

The Board ensure clarity of vision, ethos and strategic direction of the UTC. They hold leaders to account for the educational performance of the UTC and its students, along with the effective performance management of staff. This is done via whole Board meetings, committee meetings and regular meetings between members of the senior leadership team and their linked trustee. Progress towards SIP targets is discussed, the detailed information and data provided is scrutinised and challenging questions asked. The Principal provides an in-depth and thorough report to trustees at each full Board meeting outlining key developments and progress against a range of measures. Overseeing the financial performance of the UTC has been a key priority over the last couple of years. Detailed management accounts and reports are provided to all trustees and are discussed at finance committee and full Board level.

Monthly management accounts information has been provided to all trustees who are then given the opportunity to raise any queries.

Review of value for money

As accounting officer, the trustee 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 trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the academy trust has delivered improved value for money during the year by:

- maintaining tight cost control measures.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy 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 Engineering UTC Northern Lincolnshire for the year ended 31 August 2022 and up to the date of approval of the annual report and financial statements.

Engineering UTC Northern Lincolnshire

Governance statement (continued)

Capacity to handle risk

The Governing Body has reviewed the key risks to which the academy trust is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ended 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

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 Governing Body;
- regular reviews by the Finance, Audit and Risk 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;
- identification and management of risks.

The board of trustees has considered the need for an internal peer review and has enlisted an experienced Finance Manager from Baker Dearing Trust to conduct this. All policies were signed off by the Board prior to opening and processes and procedures have been reviewed by the Principal, Chief Financial Officer and the Finance, Audit and Risk Committee. The results of checks are reported to the main Board through the Finance, Audit and Risk Committee. The areas covered are payroll systems, purchase and sales ledger systems, control accounts reconciliation and ESFA returns including budget forecasting.

There were no material control or other issues reported by the Peer Reviewer to date.


Review of effectiveness


As Accounting Officer, A McCullagh 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 peer reviewer;
- the work of the external auditor;
- the work of the executive managers within the UTC who have responsibility for the development and maintenance of the internal control framework;
- a peer review, conducted by an experienced UTC Finance Manager.

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

Approved by order of the members of the Governing Body on 16 November 2022 and signed on its behalf by:


.....
A McCullagh
Trustee


.....
G Thornton
Trustee

Engineering UTC Northern Lincolnshire

Statement of regularity, propriety and compliance

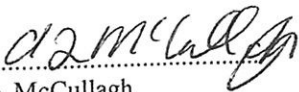
As Accounting Officer of Engineering UTC Northern Lincolnshire I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of all funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academy Trust Handbook 2021.

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the board of trustees and the ESFA. If any instances are identified after the date of this statement, these will be notified to the board of trustees and ESFA

- **Financial issues**

during the year the Trust's bank went into overdraft by a trivial amount for just one day.



A McCullagh
Accounting officer

16 November 2022

Engineering UTC Northern Lincolnshire

Statement of Trustees' Responsibilities

The Trustees (who acts as governors of Engineering UTC Northern Lincolnshire 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 Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of 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 apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board on 16 November 2022 and signed on its behalf by:



G Thornton
Trustee

Engineering UTC Northern Lincolnshire

Independent Auditor's Report on the Financial Statements to the Members of Engineering UTC Northern Lincolnshire

Opinion

We have audited the financial statements of Engineering UTC Northern Lincolnshire (the 'academy trust') for the year ended 31 August 2022, which comprise the Statement of Financial Activities for the year ended 31 August 2022, Balance Sheet, for the year ended 31 August 2022, Statement of Cash Flows for the year ended 31 August 2022 and Notes to the Financial Statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy trust's affairs as at 31 August 2022 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; and
- have been prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information (covers the Reference and administrative details, the Trustees' report and Strategic Report and the Governance statement)

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the financial statement themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Engineering UTC Northern Lincolnshire

Independent Auditor's Report on the Financial Statements to the Members of Engineering UTC Northern Lincolnshire (continued)

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report (incorporating the Strategic Report & Directors' Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and Trustees' report.

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 12], the Trustees (who are also directors of the Academy Trust for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Discussions with management, including consideration of known or suspected instances of non-compliance held.
- Challenging assumptions and judgements made within significant accounting estimates and judgements such as depreciation and the local government pension scheme liability.
- Testing of income, bank, purchases and payroll, systems and controls and providing conclusions on the regularity of samples chosen.
- Identification of key laws and regulations central to the academies operations and review of compliance with such laws including a review of the Academy Trust Handbook 2021 and correspondence with solicitors to identify any on-going litigation.
- Testing of journal entries and potential override of systems.

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Engineering UTC Northern Lincolnshire

Independent Auditor's Report on the Financial Statements to the Members of Engineering UTC Northern Lincolnshire (continued)

Use of our report

This report is made solely to the academy trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 trust and the Academy Trust's members as a body, for our audit work, for this report, or for the opinions we have formed.

C Jensen

.....
Carrie Anne Jensen ACA (Senior Statutory Auditor)
For and on behalf of Forrester Boyd,

Statutory Auditors
Chartered Accountants
66-68 Oswald Road
Scunthorpe
North Lincolnshire
DN15 7PG

16 November 2022

Engineering UTC Northern Lincolnshire

Independent Reporting Accountant's Assurance Report on Regularity to Engineering UTC Northern Lincolnshire and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 5 August 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Engineering UTC Northern Lincolnshire during the period 1 September 2021 to 31 August 2022 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 Engineering UTC Northern Lincolnshire and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to Engineering UTC Northern Lincolnshire and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Engineering UTC Northern Lincolnshire and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Engineering UTC Northern Lincolnshire Academy Trust's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of the Engineering UTC Northern Lincolnshire's funding agreement with the Secretary of State for Education dated 1 August 2014 and the Academy Trust Handbook extant from 1 September 2021, 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 2021 to 2022. 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 from 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- evaluating the systems and control environment
- assessing the risk of irregularity, impropriety and non-compliance
- confirming that the activities of the academy are in keeping with the Trust's framework and the charitable objectives; and
- obtaining representations from the Accounting Officer and Key Management Personnel.

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 from 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

- during the year the Trust's bank went into overdraft by a trivial amount for just one day.

Engineering UTC Northern Lincolnshire

**Independent Reporting Accountant's Assurance Report on Regularity to Engineering UTC
Northern Lincolnshire and the Education and Skills Funding Agency (continued)**

C Jensen

.....
Carrie Anne Jensen ACA, Reporting Accountant
For and on behalf of Forrester Boyd, Chartered Accountants

Statutory Auditors
Chartered Accountants
66-68 Oswald Road
Scunthorpe
North Lincolnshire
DN15 7PG

16 November 2022

Engineering UTC Northern Lincolnshire

Statement of Financial Activities for the Year Ended 31 August 2022 (including Income and Expenditure Account)

Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2021/22 Total £	2020/21 Total £	
Income and endowments from:						
Donations and capital grants	2	18,724	-	7,608	26,332	222,436
Other trading activities	4	24,956	-	-	24,956	29,425
Investments	5	13	-	-	13	10
<i>Charitable activities:</i>						
Funding for the Academy trust's educational operations	3	-	1,809,240	-	1,809,240	1,753,208
Total		43,693	1,809,240	7,608	1,860,541	2,005,079
Expenditure on:						
<i>Charitable activities:</i>						
Academy trust educational operations	7	4,080	2,040,312	232,734	2,277,126	1,826,194
Net income/(expenditure)		39,613	(231,072)	(225,126)	(416,585)	178,885
Transfers between funds		(26,368)	14,482	11,886	-	-
Other recognised gains and losses						
Actuarial gains on defined benefit pension schemes	23	-	783,000	-	783,000	(170,000)
Net movement in funds/(deficit)		13,245	566,410	(213,240)	366,415	8,885
Reconciliation of funds						
Total funds/(deficit) brought forward at 1 September 2021		35,134	(568,410)	6,238,748	5,705,472	5,696,587
Total funds/(deficit) carried forward at 31 August 2022		48,379	(2,000)	6,025,508	6,071,887	5,705,472

Comparative figures are stated on page 19.

Engineering UTC Northern Lincolnshire

Statement of Financial Activities for the Year Ended 31 August 2021 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2020/21 Total £
Income and endowments from:					
Donations and capital grants	2	4,441	-	217,995	222,436
Other trading activities	4	29,425	-	-	29,425
Investments	5	10	-	-	10
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	1,753,208	-	1,753,208
Total		33,876	1,753,208	217,995	2,005,079
Expenditure on:					
<i>Charitable activities:</i>					
Academy trust educational operations	7	10,677	1,592,768	222,749	1,826,194
Net income/(expenditure)		23,199	160,440	(4,754)	178,885
Transfers between funds		-	(23,738)	23,738	-
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	23	-	(170,000)	-	(170,000)
Net movement in funds/(deficit)		23,199	(33,298)	18,984	8,885
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2020		11,935	(535,112)	6,219,764	5,696,587
Total funds/(deficit) carried forward at 31 August 2021		35,134	(568,410)	6,238,748	5,705,472

Engineering UTC Northern Lincolnshire

(Registration number: 08351953)
Balance Sheet as at 31 August 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	11	6,025,508	6,238,749
Current assets			
Debtors	12	55,669	48,330
Cash at bank and in hand		<u>71,587</u>	<u>111,752</u>
		127,256	160,082
Creditors: Amounts falling due within one year	13	<u>(78,877)</u>	<u>(69,359)</u>
Net current assets		<u>48,379</u>	<u>90,723</u>
Total assets less current liabilities		<u>6,073,887</u>	<u>6,329,472</u>
Net assets excluding pension liability		6,073,887	6,329,472
Pension scheme liability	23	<u>(2,000)</u>	<u>(624,000)</u>
Net assets including pension liability		<u><u>6,071,887</u></u>	<u><u>5,705,472</u></u>
Funds of the Academy:			
Restricted funds			
Restricted general fund		-	55,590
Restricted fixed asset fund		6,025,508	6,238,748
Restricted pension fund		<u>(2,000)</u>	<u>(624,000)</u>
		6,023,508	5,670,338
Unrestricted funds			
Unrestricted general fund		<u>48,379</u>	<u>35,134</u>
Total funds		<u><u>6,071,887</u></u>	<u><u>5,705,472</u></u>

The financial statements on pages 18 to 38 were approved by the Trustees, and authorised for issue on 16 November 2022 and signed on their behalf by:



.....
G Thornton
Trustee

Engineering UTC Northern Lincolnshire

Statement of Cash Flows for the year ended 31 August 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	17	(28,293)	460,130
Cash flows from investing activities	19	(11,872)	(234,446)
Cash flows from financing activities	18	<u>-</u>	<u>(147,000)</u>
Change in cash and cash equivalents in the year		(40,165)	78,684
Cash and cash equivalents at 1 September		<u>111,752</u>	<u>33,068</u>
Cash and cash equivalents at 31 August	20	<u><u>71,587</u></u>	<u><u>111,752</u></u>

Engineering UTC Northern Lincolnshire

Notes to the Financial Statements for the Year Ended 31 August 2022

1 Accounting policies

General information

The academy trust is a private company limited by guarantee and incorporated in the United Kingdom.

The address of its registered office is:
Engineering UTC Northern Lincolnshire
Carlton Street
Scunthorpe
DN15 6TA

These financial statements were authorised for issue by the Board on 16 November 2022.

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 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The financial statements are prepared in sterling which is the functional currency of the company and have been rounded to the nearest pound.

Engineering UTC Northern Lincolnshire meets the definition of a public benefit entity under FRS 102.

The financial statements cover the individual entity, Engineering UTC Northern Lincolnshire.

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 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.

Income

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

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

1 Accounting policies (continued)

Grants

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the 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 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 spent on capital projects in line with the terms and conditions of the grant. 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.

Other income

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

Donated fixed assets

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

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.

All resources expended are inclusive of irrecoverable VAT.

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.

Engineering UTC Northern Lincolnshire

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

1 Accounting policies (continued)

Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, per the table below. Where an asset comprises of two or more components which have substantially different useful lives, each component is depreciated separately over its useful economic life.

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.

Asset class

Long leasehold land
Long leasehold buildings
Fixtures and fittings
Office equipment
Specialist equipment
Computer equipment

Depreciation method and rate

125 years straight line basis
50 years straight line basis
10 years straight line basis
10 years straight line basis
10 years straight line basis
4 years straight line basis

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.

Leased assets

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

Taxation

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

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.

Engineering UTC Northern Lincolnshire

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

1 Accounting policies (continued)

Pension benefits

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

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

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

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

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 Department for Education (Group).

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, 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 2019 has been used by the actuary in valuing the pensions liability at 31/08/2022. 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.

Engineering UTC Northern Lincolnshire

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

1 Accounting policies (continued)

Agency accounting

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the 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 and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 25.

2 Donations and capital grants

	Unrestricted Funds £	Restricted Asset Funds £	Fixed Funds £	2021/22 Total £	2020/21 Total £
Capital grants	-		7,608	7,608	7,504
Sponsorship	(558)		-	(558)	1,200
Other donations	19,282		-	19,282	3,241
Donated fixed assets	-		-	-	210,491
	18,724		7,608	26,332	222,436

3 Funding for the Academy Trust's educational operations

	Restricted General Funds £	2021/22 Total £	2020/21 Total £
Educational operations			
DfE/ESFA revenue grants			
General Annual Grant (GAG)	1,541,070	1,541,070	1,373,017
Other DfE/ESFA Grants	112,415	112,415	156,849
Start-up Grants	-	-	1,000
Pupil Premium	92,555	92,555	74,402
Teachers Pay and Pension grant	11,713	11,713	70,210
	1,757,753	1,757,753	1,675,478
Other government grants			
Local Authority Grants	13,665	13,665	1,766
Other government grants	-	-	9,487
	13,665	13,665	11,253
Non-government grants and other income			
Other non-government grants	-	-	9,167
Covid-19 additional funding (DfE/ESFA)			
Covid-19 Catch up premium	37,822	37,822	57,310
Total grants	1,809,240	1,809,240	1,753,208

Engineering UTC Northern Lincolnshire

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

3 Funding for the Academy Trust's educational operations (continued)

The academy received £37,822 (2021:£57,310) of funding for catch-up premium and mass testing. Costs incurred in respect of this funding totalled £37,822 (2021: £57,310).

4 Other trading activities

	Unrestricted Funds £	2021/22 Total £	2020/21 Total £
Hire of staff	22,434	22,434	-
Lettings income	1,170	1,170	19,921
Other sales	1,352	1,352	9,504
	<u>24,956</u>	<u>24,956</u>	<u>29,425</u>

5 Investment income

	Unrestricted Funds £	2021/22 Total £	2020/21 Total £
Interest Receivable	13	13	10

6 Expenditure

	Non Pay Expenditure			2021/22 Total £	2020/21 Total £
	Staff costs £	Premises £	Other costs £		
Academy's educational operations					
Direct costs	1,074,031	-	140,139	1,214,170	1,009,334
Allocated support costs	355,590	487,378	219,988	1,062,956	816,860
	<u>1,429,621</u>	<u>487,378</u>	<u>360,127</u>	<u>2,277,126</u>	<u>1,826,194</u>

Engineering UTC Northern Lincolnshire

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

6 Expenditure (continued)

Net income/(expenditure) for the year includes:

	2021/22	2020/21
	£	£
Operating lease rentals	5,920	6,366
Depreciation	232,734	222,749
Fees payable to auditor - audit	7,250	6,750
Fees payable to auditor - other audit services	1,250	1,250
	1,250	1,250

7 Charitable activities

	2021/22	2020/21
	£	£
Direct costs - educational operations	1,214,170	1,009,334
Support costs - educational operations	1,062,956	816,860
	2,277,126	1,826,194

	Educational operations	2021/22	2020/21
	£	Total	Total
		£	£
Analysis of support costs			
Support staff costs	355,590	355,590	249,457
Depreciation	232,734	232,734	222,749
Technology costs	45,821	45,821	47,768
Premises costs	254,644	254,644	188,350
Legal costs - other	10,777	10,777	9,640
Other support costs	145,970	145,970	88,991
Governance costs	17,420	17,420	9,905
Total support costs	1,062,956	1,062,956	816,860

Engineering UTC Northern Lincolnshire

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

8 Staff

Staff costs

	2021/22	2020/21
	£	£
Staff costs during the year were:		
Wages and salaries	948,858	775,906
Social security costs	97,218	76,794
Operating costs of defined benefit pension schemes	351,228	224,450
	1,397,304	1,077,150
Supply staff costs	32,317	82,403
	1,429,621	1,159,553

Staff numbers

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

	2021/22	2020/21
	No	No
Teachers	13	7
Administration and support	22	14
Management	7	7
	42	28

Higher paid staff

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

	2022	2021
	No	No
£60,001 - £70,000	1	-
£70,001 - £80,000	1	1
	1	1

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £526,849 (2021: £481,695).

9 Related party transactions - trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from 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. The value of trustees' remuneration and other benefits was as follows:

Engineering UTC Northern Lincolnshire

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

9 Related party transactions - trustees' remuneration and expenses (continued)

A McCullagh (Headteacher, Accounting Officer and Trustee):

Remuneration: £75,000 - £80,000 (2021 - £70,000 - £75,000)

Employer's pension contributions: £15,000 - £20,000 (2021 - £15,000 - £20,000)

During the year ended 31 August 2022, travel and subsistence expenses totalling £Nil (2021 - £Nil) were reimbursed or paid directly to 0 trustees (2021 - 0).

Other related party transactions involving the trustees are set out in note 24.

10 Trustees' and officers' insurance

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

11 Tangible fixed assets

	Leasehold land and buildings £	Furniture and equipment £	Computer equipment £	2021/22 Total £
Cost				
At 1 September 2021	5,939,333	1,212,542	240,189	7,392,064
Additions	-	19,493	-	19,493
At 31 August 2022	<u>5,939,333</u>	<u>1,232,035</u>	<u>240,189</u>	<u>7,411,557</u>
Depreciation				
At 1 September 2021	530,382	406,960	215,973	1,153,315
Charge for the year	117,888	100,020	14,826	232,734
At 31 August 2022	<u>648,270</u>	<u>506,980</u>	<u>230,799</u>	<u>1,386,049</u>
Net book value				
At 31 August 2022	<u>5,291,063</u>	<u>725,055</u>	<u>9,390</u>	<u>6,025,508</u>
At 31 August 2021	<u>5,408,951</u>	<u>805,582</u>	<u>24,216</u>	<u>6,238,749</u>

12 Debtors

	2022 £	2021 £
Trade debtors	1,089	866
VAT recoverable	12,786	12,900
Prepayments	41,794	34,564
	<u>55,669</u>	<u>48,330</u>

Engineering UTC Northern Lincolnshire

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

13 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	-	1,716
Other taxation and social security	43,879	36,431
Other creditors	523	2,247
Accruals	33,748	28,965
Deferred income	<u>727</u>	<u>-</u>
	<u>78,877</u>	<u>69,359</u>
	<u>2022</u> £	<u>2021</u> £

Deferred income

Deferred income at 1 September 2021	-	2,750
Resources deferred in the period	727	-
Amounts released from previous periods	-	<u>(2,750)</u>
Deferred income at 31 August 2022	<u>727</u>	<u>-</u>

At 31 August 2022 the academy was holding funds received in advance for bus passes.

14 Funds

	Balance at 1 September 2021 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2022 £
Restricted general funds					
General Annual Grant	55,590	1,541,070	(1,611,142)	14,482	-
Pupil Premium	-	92,555	(92,555)	-	-
Other grants	-	<u>175,615</u>	<u>(175,615)</u>	-	-
	<u>55,590</u>	1,809,240	(1,879,312)	14,482	-
Restricted fixed asset funds					
Restricted fixed asset fund	6,238,748	7,608	(232,734)	11,886	6,025,508
Other restricted funds					
Pension reserve	<u>(624,000)</u>	-	<u>(161,000)</u>	<u>783,000</u>	<u>(2,000)</u>
Total restricted funds	5,670,338	1,816,848	(2,273,046)	809,368	6,023,508
Unrestricted funds					
Unrestricted general funds	<u>35,134</u>	<u>43,693</u>	<u>(4,080)</u>	<u>(26,368)</u>	<u>48,379</u>
Total funds	<u>5,705,472</u>	<u>1,860,541</u>	<u>(2,277,126)</u>	<u>783,000</u>	<u>6,071,887</u>

Engineering UTC Northern Lincolnshire

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

14 Funds (continued)

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

	Balance at 1 September 2020 £	Incoming resources £	Resources Expended £	Gains, losses and transfers £	Balance at 31 August 2021 £
Restricted general funds					
General Annual Grant	(150,112)	1,373,017	(1,143,577)	(23,738)	55,590
Start Up Grant	-	1,000	(1,000)	-	-
Pupil Premium	-	74,402	(74,402)	-	-
Other grants	-	304,789	(304,789)	-	-
	<u>(150,112)</u>	<u>1,753,208</u>	<u>(1,523,768)</u>	<u>(23,738)</u>	<u>55,590</u>
Restricted fixed asset funds					
Restricted fixed asset fund	6,219,764	217,995	(222,749)	23,738	6,238,748
Other restricted funds					
Pension reserve	<u>(385,000)</u>	-	<u>(69,000)</u>	<u>(170,000)</u>	<u>(624,000)</u>
Total restricted funds	5,684,652	1,971,203	(1,815,517)	(170,000)	5,670,338
Unrestricted funds					
Unrestricted general funds	<u>11,935</u>	<u>33,876</u>	<u>(10,677)</u>	-	<u>35,134</u>
Total funds	<u><u>5,696,587</u></u>	<u><u>2,005,079</u></u>	<u><u>(1,826,194)</u></u>	<u><u>(170,000)</u></u>	<u><u>5,705,472</u></u>

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

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

Unrestricted funds are comprised of donations from private companies, lettings income and hire of staff. These are also used for the normal running costs of the UTC.

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

15 Analysis of net assets between funds

Fund balances at 31 August 2022 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	6,025,508	6,025,508
Current assets	48,379	78,877	-	127,256
Current liabilities	-	(78,877)	-	(78,877)
Pension scheme liability	-	(2,000)	-	(2,000)
Total net assets	<u><u>48,379</u></u>	<u><u>(2,000)</u></u>	<u><u>6,025,508</u></u>	<u><u>6,071,887</u></u>

Engineering UTC Northern Lincolnshire

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

15 Analysis of net assets between funds (continued)

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

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	(As restated) Total Funds £
Tangible fixed assets	-	-	6,238,749	6,238,749
Current assets	35,134	124,949	(1)	160,082
Current liabilities	-	(69,359)	-	(69,359)
Pension scheme liability	-	(624,000)	-	(624,000)
Total net assets	<u>35,134</u>	<u>(568,410)</u>	<u>6,238,748</u>	<u>5,705,472</u>

16 Long-term commitments, including operating leases

Operating leases

At 31 August 2022 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2022 £	2021 £
Amounts due within one year	7,298	7,298
Amounts due between one and five years	<u>18,373</u>	<u>22,813</u>
	<u>25,671</u>	<u>30,111</u>

The total amount of lease payments recognised as an expense during the year was £5,920 (2021: £6,366).

17 Reconciliation of net (expenditure)/income to net cash inflow/(outflow) from operating activities

	2021/22 £	2020/21 £
Net (expenditure)/income	(416,585)	178,885
Depreciation	232,734	222,749
Capital grants from DfE and other capital income	(7,608)	(7,504)
Interest receivable	(13)	(10)
Defined benefit pension scheme obligation inherited	150,000	62,000
(Increase)/decrease in debtors	(7,339)	35,238
Increase/(decrease) in creditors	9,518	(38,455)
Interest on defined scheme finance cost	11,000	7,000
Loss on disposal	-	227
Net cash (used in)/provided by Operating Activities	<u>(28,293)</u>	<u>460,130</u>

Engineering UTC Northern Lincolnshire

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

18 Cash flows from financing activities

	2022	2021
	£	£
Repayments of borrowing	-	(147,000)
Net cash used in financing activities	<u>-</u>	<u>(147,000)</u>

19 Cash flows from investing activities

	2021/22	2020/21
	£	£
Dividends, interest and rents from investments	13	10
Purchase of tangible fixed assets	(19,493)	(241,960)
Capital funding received from sponsors and others	7,608	7,504
Net cash used in investing activities	<u>(11,872)</u>	<u>(234,446)</u>

20 Analysis of cash and cash equivalents

	2022	2021
	£	£
Cash in hand and at bank	71,587	111,752
Total cash and cash equivalents	<u>71,587</u>	<u>111,752</u>

21 Analysis of changes in net debt

	At 1 September 2021	Cash flows	At 31 August 2022
	£	£	£
Cash	111,752	(40,165)	71,587
	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>111,752</u>	<u>(40,165)</u>	<u>71,587</u>

22 Member 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 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 cease to be a member.

Engineering UTC Northern Lincolnshire

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

23 Pension and similar obligations

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS to the period ended 31 March 2019.

Contributions amounting to £18,926 were payable to the schemes at 31 August 2022 (2021: £15,992) and are included within creditors. There were no 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' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. Assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

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

The employer's pension costs paid to TPS in the period amounted to £151,596 (2021: £120,448).
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 an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £67,000 (2021 - £92,000), of which employer's contributions totalled £49,000 (2021 - £76,000) and employees' contributions totalled £18,000 (2021 - £16,000). The agreed contribution rates for future years are 15.8% per cent for employers and 5.5%-6.8% per cent for employees.

Engineering UTC Northern Lincolnshire

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

23 Pension and similar obligations (continued)

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

	2022	2021
	%	%
Rate of increase in salaries	4.00	3.80
Discount rate for scheme liabilities	4.30	1.70
Inflation assumptions (CPI)	3.10	2.90

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

	2022	2021
Retiring today		
Males retiring today	20.80	21.00
Females retiring today	23.50	23.70
Retiring in 20 years		
Males retiring in 20 years	22.00	22.20
Females retiring in 20 years	25.30	25.50

Sensitivity analysis

	2022	2021
	£	£
Discount rate -0.1%	22,000	39,000
Mortality assumption – 1 year increase	29,000	52,000
CPI rate +0.1%	22,000	38,000
Salary growth -0.1%	-	1,000

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

	2022	2021
	£	£
Equities	541,500	459,540
Other bonds	101,080	119,880
Property	72,200	73,260
Cash and other liquid assets	7,220	13,320
Total market value of assets	722,000	666,000

The actual return on scheme assets was (£10,000) (2021 - £93,000).

Engineering UTC Northern Lincolnshire

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

23 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2021/22	2020/21
	£	£
Current service cost	199,000	138,000
Interest income	(12,000)	(9,000)
Interest cost	23,000	16,000
	210,000	145,000
Total amount recognised in the SOFA	210,000	145,000

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

	2021/22	2020/21
	£	£
At start of period	1,290,000	866,000
Current service cost	199,000	123,000
Interest cost	23,000	16,000
Employee contributions	18,000	16,000
Actuarial (gain)/loss	(805,000)	254,000
Benefits paid	(1,000)	-
Past service cost	-	15,000
	724,000	1,290,000
At 31 August	724,000	1,290,000

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

	2021/22	2020/21
	£	£
At start of period	666,000	481,000
Interest income	12,000	9,000
Actuarial gain/(loss)	(22,000)	84,000
Employer contributions	49,000	76,000
Employee contributions	18,000	16,000
Benefits paid	(1,000)	-
	722,000	666,000
At 31 August	722,000	666,000

24 Related party transactions

Owing to the nature of the academy trust and the composition of the board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. The following related party transactions took place in the financial period.

Engineering UTC Northern Lincolnshire

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

24 Related party transactions (continued)

Expenditure related party transactions

During the year the academy made the following related party transactions:

Ron Dearing UTC

(A trustee is also a trustee at The Ron Dearing UTC.)

During the period the academy trust paid expenditure of £Nil (2021:£2,100). There were no amounts outstanding at 31 August 2022. (2021: £Nil).

This was made up of the following:

SLA - £Nil (2021: £2,100).

In entering into the transaction, the academy trust has complied with the requirements of the Academies Financial Handbook 2020.

At the balance sheet date the amount due to Ron Dearing UTC was £Nil (2021 - £Nil).

All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

Income related party transactions

During the year the academy made the following related party transactions:

University of Hull

(Sponsor)

During the period the academy trust received income of £6,039 (2021:£9,777.42). There were amounts outstanding at 31 August 2022 of £496 (2021: £Nil).

This was made up of the following:

Hop Grant - £6,039 (2021: £9,777.42).

Phillips 66

(Sponsor)

During the period the academy trust received income of £1,000 (2021:£Nil). There were amounts outstanding at 31 August 2022 of £Nil (2021: £Nil).

This was made up of the following:

Funding for the Greenpower Car Race - £1,000 (2021: £Nil).

All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

25 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2022 the academy trust received £6,339 and disbursed £6,339 from the fund. An amount of £Nil is included in other creditors relating to undistributed funds that is repayable to ESFA.

Comparatives for the accounting period ending 31 August 2021 are £5,175 received, £5,175 disbursed and £Nil included in other creditors.