



Health Futures UTC Ltd

Annual Report and Financial Statements

Period From

1 September 2019 to 31 August 2020



Company Registration Number: 8257814

Health Futures UTC Ltd

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Reference and Administrative Details

Members	
Board of Directors	<p>Prof Geoffrey Layer</p> <p>Professor Michelle Shaw (Chair) - Appointed 10/09/2018</p> <p>Mrs Ruth Umerah - Appointed 31/03/2019</p> <p>Dr Cheryl Etches OBE - Appointed 10/09/2018</p> <p>Dr Gill Conde - Appointed - 10/09/2018</p> <p>Dr Jon Crockett - Appointed 10/09/2018</p> <p>Mrs Sharon Arkell - Appointed 21/05/2019</p> <p>Mr George Faux - Appointed 10/09/2018</p> <p>Mr Richard Kirby - Appointed 10/09/2018</p> <p>Mr Robert Till - Appointed 10/09/2018</p> <p>Mr Joseph Davis - Appointed 05/10/2019</p> <p>Mr David Baldwin - Appointed 11/02/2020</p> <p>Prof Linda Lang - Resigned 31/08/2019</p> <p>Dr Alexandra Hopkins - Resigned 04/04/2019</p> <p>University of Wolverhampton Social Enterprise Ltd</p>
Principal Sponsor	University of Wolverhampton
Co-Sponsor	West Midlands Ambulance Service NHS Foundation Trust
Company Secretary	Vacant
Senior Management team:	
Principal and Accounting Officer	Mrs Ruth Umerah Rebecca Griffith Matthew Bradley
Director of Operations	Annette Guest
Registered Office	<p>MA Building</p> <p>University of Wolverhampton</p> <p>Wulfruna Street</p> <p>Wolverhampton</p> <p>West Midlands</p> <p>WV1 1LY</p>
Company registration number	8257814
Independent auditor	<p>KPMG LLP</p> <p>One Snowhill</p> <p>Snow Hill Queensway</p> <p>Birmingham</p> <p>B4 6GH</p>
Bankers	<p>Barclays</p> <p>One Snowhill</p> <p>Snow Hill Queensway</p> <p>Birmingham</p> <p>B3 2WN</p>

Governors' Report

The governors present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2020. The company commenced trading on 20 November 2013.

Structure, Governance and Management

Constitution

The UTC is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the UTC.

The Members of Health Futures University Technical College are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Health Futures University Technical College. Health Futures UTC was formerly known as Education Central UTC and changed its name on 10 October 2014.

Details of the Members who served throughout the year except as noted are included in the Reference and Administrative Details on page 3.

Members' Liability

Each Member of the Charitable Company undertakes to contribute to the assets of the Charitable Company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Trustees Indemnities

In accordance with common practice, the UTC has purchased the Department for Education Risk Protection Arrangement (RPA) to protect the Governors and officers from claims arising from UTC business activities.

Principal Activities

Health Futures University Technical College (UTC) offers educational experiences and opportunities rarely if ever seen in traditional schools and colleges. A unique partnership between Health Futures and a range of health, education and public sector organisations from across the West Midlands enables us to combine national qualification teaching with hands-on project learning with healthcare professionals. 14-19 year olds from across the region enjoy enviable academic and career-focused advantages that prepare them for higher education and employment.

Method of Recruitment and Appointment or Election of Governors

The members of the Governing Body comprise of 10 trustees and the term of office will be 4 years. An excerpt from the Articles follows detailing the membership of the Governing Body:

- a) the signatories to the Memorandum
- b) Up to 6 person(s) who may be appointed by the University Sponsors
- c) the chairman of the Governors, and
- d) any person appointed under Article 16

Each of the persons entitled to appoint Members in Article 12 shall have the right from time to time by written notice delivered to the Office to remove any Member appointed by them and to appoint a replacement Member to fill a vacancy whether resulting from such removal or otherwise.

If any of the persons entitled to appoint Members in Article 12:

- a) in the case of an individual, die or become legally incapacitated;
- b) in the case of a corporate entity, cease to exist and are not replaced by a successor institution; or
- c) becomes insolvent or makes any arrangement or composition with their creditors generally
- d) ceases to be a member

Their right to appoint Members under these Articles shall vest in the remaining Members.

Membership will terminate automatically if:

- a) a Member (which is a corporate entity) ceases to exist and is not replaced by a successor institution;
- b) a Member (which is an individual) dies or becomes incapable by reason of mental disorder, illness or injury of managing and administering his own affairs; or
- c) a Member becomes insolvent or makes any arrangement or composition with that Member's creditors generally.

The Members may agree unanimously in writing to remove any member(s) who is a signatory to the memorandum (save that the agreement of a signatory to the Memorandum who is to be removed shall not be required), provided that it is in the interests of the UTC to remove such a Member(s).

The Members may agree by passing a special resolution in writing to appoint such additional Members as they think fit and may unanimously (save that the agreement of the Member(s) to be removed shall not be required) in writing agree to remove any such additional Members.

Every person nominated to be a Member of the UTC shall either sign a written consent to become a Member or sign the register of Members on becoming a Member.

Any Member may resign provided that after such resignation the number of Members is not less than three. A Member shall cease to be one immediately on the receipt by the UTC of a notice in writing signed by the person or persons entitled to remove him under Articles 13 or 16 provided that no such notice shall take effect when the number of Members is less than three unless it contains or is accompanied by the appointment of a replacement Member.

Policies and Procedures Adopted for the Induction and Training of Governors

All new Governors undertake an induction and training programme to ensure that the Governing Body is well equipped to discharge their duties. In addition all Governors participate in a training scheme including:-

- Preparing for Ofsted
- Educational Data and Standards
- Safeguarding for Governors
- How to be a Critical Friend

Organisational Structure

Health Futures Governing Body is made up of nominees of the University of Wolverhampton, nominees of Health sector partners, the Principal and up to two Parent Governors. It meets at least four times per year to consider the performance and strategic direction of the UTC and has three Sub-committees who also meet at least two times a year to undertake business on its behalf and report this business to the board.

The UTC also has lead Governors for; Safeguarding and SEND and Health and Safety.

In addition to the Principal, members of the Senior Leadership Team will attend Governors meetings as appropriate. The Governors will be responsible for the strategic direction of the Health Futures UTC including, approving the annual budgets, senior staff appointments and policy changes. Operational responsibility is the responsibility of the Principal and senior staff.

College Policies are developed by senior members of the Health Futures UTC's staff to reflect both the strategic direction agreed by the Governors and also any statutory requirements. These policies are approved and adopted by the Governing Body, and implemented as procedures and systems by the ELT and other designated member of staff.

Arrangements for setting pay and remuneration of key management personnel

The Remuneration committee considers pay and remuneration for all UTC staff including all key management personnel.

Principal Risks and Uncertainties

The following key project risks have been identified:-

1. Recruitment

Insufficient student numbers to meet recruitment targets (numbers/financial)

Action Plan

- (i) Highly active marketing and recruitment campaign and Expression of Interest conversion activities. These are constantly progressed and monitored and are proving successful.
- (ii) Regular reporting to DfE to confirm status and ascertain if further action and/or revision of targets required.
- (iii) Recruitment monitored by Board of Governors

Connected Organisations, including Related Party Relationships

Health Futures University Technical College is supported by a number of partner organisations. The following have at least one seat on the Board of Governors:

- University of Wolverhampton
- University of Wolverhampton Social Enterprises
- West Midlands Ambulance Service NHS Foundation Trust

Related Party transactions are reported in Note 25.

Objectives, Strategies and Activities

Health Futures UTC are proud to be the first UTC in the UK to specialise in health care and health science, offering learning and career opportunities for young people like no other school or college in the region.

By combining academic study with real-life work projects, personal development activities, and career opportunities our young people will become well-rounded work-ready individuals. They will benefit from a combination of qualified national curriculum teaching and putting their learning into practice in exciting, work-focused projects that are delivered in partnership with employer professionals.

The UTC is able to deliver this 'tomorrow's education today' concept through partnership with a range of health, education and public sector organisations all working together. This approach supports the development of academic, practical and life skills in our young people, equipping them to meet the demands from employers for good qualifications, transferable skills and a professional attitude to work - whatever career path they eventually choose.

Achievements and Performance

The UTC is measured against Ofsted Common inspection framework criteria and received our second Ofsted inspection on 21st and 22nd February 2020. Ofsted's report found that the school no longer required Special Measures although there were still some areas that required improvement. The Governors have agreed an improvement plan to move the school into a grade 2 (good) at the next inspection and are fully committed to its successful implementation.

Objectives

Public Benefit

The Governors confirm that they have complied with their duty in Section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission for England and Wales. The Governors have referred to the Charity Commission's general guidance on public benefit when reviewing the Trust's objectives and aims and in planning future activities for the year. The UTC continues to be at the heart of its community, promoting cohesion and sharing facilities with the wider community.

Going Concern

Notwithstanding net current liabilities of £480,257 as at 31 August 2020 and a loss for the year then ended of £593,555, the financial statements have been prepared on a going concern basis which the trustees consider to be appropriate for the following reasons.

The trustees have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the academy trust will have sufficient funds, through funding from its regulator, the Education and Skills Funding Agency (ESFA), to meet its liabilities as they fall due for that period.

Those forecasts are dependent on the ESFA not seeking repayment of the amounts currently due to it, which at 31 August 2020 amounted to £458,845, and providing additional financial support during that period. The ESFA has indicated its intention to continue to make available such funds as are needed by the academy trust, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. As with any company placing reliance on other entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. However, the intention of the ESFA to continue to provide this support over the period covered by the forecasts is dependent on approval and payment of the total amount of the financial support during the 2020/21 financial year.

Based on these indications the trustees believe that it remains appropriate to prepare the financial statements on a going concern basis. However, these circumstances represent a material uncertainty may cast significant doubt on the academy trust's ability to continue as a going concern and, therefore, to continue realising its assets and discharging its liabilities in the normal course of business. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

Financial Review

The Statement of Financial Activities (SOFA) for the year ended 31 August 2020 is showing an overall Deficit of £794K. The revenue activities are split into three categories as per the Academies Accounts Direction 2019 to 2020 as follows:-

* **Unrestricted Funds** - have no restrictions as to their use, and can be expended on any purpose of the UTC at the Governors discretion.

* **Restricted Non Fixed Asset Funds** - funds that have a certain conditions attached, for example: funds provided by the Education and Skills Funding Agency are restricted as they are for the provision of education activities (GAG).

* **Restricted Fixed Asset Funds** - Funds provided for the purpose of funding capital expenditure (Capital Grant). Capital grants are fully realised in the year of receipt and the subsequent depreciation charges are charged over the life of the assets.

The financial results for each category are summarised as follows:-

	Unrestricted funds	Restricted non fixed asset funds	Restricted fixed asset funds	Total 2020
	£	£	£	£
Total income	13,534	1,523,522	0	1,537,056
Total Expenditure	12,140	1,886,732	231,739	2,130,611
Net Income / (Expenditure)	1,394	(363,210)	(231,739)	(593,555)
Pension schemes	0	(200,000)	0	(200,000)
Net movement in funds	1,394	(563,210)	(231,739)	(793,555)
Reconciliation of funds				
Funds brought forward at 1 September 2019	6,727	(369,168)	8,538,716	8,176,275
Funds carried forward at 31 August 2018	8,121	(932,378)	8,306,977	7,382,720

Key Performance Indicators

	Actual	Target
Pupil Number Target	153	175
Pupil Number as a % of Capacity	26%	29%
Pupil / Teaching Ratio	12.75 : 1	10.94 : 1
Salary Expenditure as a % of income	89.1%	95.7%
Premises Expenditure as a % of Income	13.8%	14.5%
Education Resources Expenditure as a % of Income	8.7%	11.4%

The financial results for the year and year end position, as shown in the audited financial statements, are considered by the Board of Members to be satisfactory. Financial projections, supported by the ESFA, indicate that the UTC has adequate resources to deliver its educational programme in 2020/21.

Covid-19 has impacted both the educational activities and the financial performance of Health Futures UTC during 2019/20. In line with national restrictions the UTC closed from March 2020 to June 2020 with students continuing their learning on line. Inevitably the UTC incurred additional expenditure during the pandemic with directly attributable expenditure being £5K. Covid-19 also impacted on income generating activities as the UTC closed its catering facility and was unable to rent space to external organisations.

Additional expenditure will be incurred during 2020/21 due to Covid-19 as the UTC ensures the health and wellbeing of our staff and students.

Financial and Risk Management Objectives and Policies

The principal risk facing Health Futures UTC is low student numbers. As the majority of the Health Futures UTC's income is derived from ESFA funding determined by the number of students actually recruited.

Reserves Policy

The Governors have reviewed the reserves of the charity; this review encompassed the nature of the income and expenditure streams, the need to match them with commitments and the nature of reserves. The Governors will keep the level of reserves under review. The agreed long term target for the UTC is to build up a level of reserves (excluding any revaluation reserve for the capital works) to a level which equates to approximately 3 months working capital, as a prudent level of resources designed to meet the long term cyclical needs of renewal and any other unforeseen contingencies.

Investment Policy

The UTC has a cash balance of £74K. The objective of the UTC is to ensure that sufficient funds are available at short or no notice to meet foreseeable requirements, while earning an acceptable rate of return without undue risk.

Funds held as Custodian Trustee on behalf of others

There are no funds held as Custodian Trustee on behalf of others. No director had any personal or beneficial interest in the shares of the company during the year. No director has been granted any share options.

Auditor

In so far as the governors are aware:

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

Approved by order of the Board of Governors on 8th December 2020 and signed on its behalf by:



Professor Michelle Shaw
Chair of Trustees

Governance Statement

Scope of Responsibility

As Governors, we acknowledge we have overall responsibility for ensuring that Health Futures UTC 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 Governing Body has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform to the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Health Futures UTC and the Secretary of State for Education. They are responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Principal	End of Office	Attendance of meetings 19/20
Mrs Ruth Umerah	Ex-officio	5/5
Employer Sponsor		
Dr Cheryl Etches OBE	31/08/2021 – appointed 01/09/2015	5/5
Mr Robert Till	06/02/2022 – appointed 07/02/2018	1/4
Mr Richard Kirby	06/02/2022 – appointed 07/02/2018	5/5
VACANCY		
Dr Jon Crockett	31/08/2020 – appointed 01/09/2015	0/5
University of Wolverhampton Sponsor		
Professor Michelle Shaw	31/08/2022 – appointed 01/09/2015	4/5
VACANCY		
Mrs Sharon Arkell	20/05/2023 – appointed 21/05/2019	3/5
Dr Gillian Condé	04/06/2020 – appointed 01/09/2016	0/4
Parents		
Mr Joseph Davis	05/10/2022 – appointed 04/10/2018	2/5
Mr David Baldwin	10/02/2024 - appointed 11/02/2019	2/3
Co-opted Governor	End of Office	
George Faux	02/05/2022 – appointed 03/05/2018	4/5

The UTC and has three Sub-committees who also meet at least twice a year to undertake business on its behalf and report this business to the board of Governors. The three committees are:

- Academic Standards

This Committee considers educational aspects of the UTC's performance including; the quality of teaching and learning, the progress of students and their outcomes, the quality of the curriculum and the quality of pastoral care.

- Finance and General Purposes & Audit

This committee considers the non-educational aspects of the UTC's performance including; financial planning, performance and compliance, legal compliance, health and safety and maintenance of buildings.

- Remuneration and Nomination

This committee considers appointments and pay. This includes; the appointment of the Principal and their pay arrangements, arrangements for performance management, pay ranges and reviews for all other staff.

Review of Value for Money

As accounting officer the principal 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 trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- * Access to University of Wolverhampton Procurement Team
- * Access to University of Wolverhampton Approved Suppliers and contracts

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 Health Futures UTC for the year ended 31st August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Governors have reviewed the key risks to which the UTC is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the UTC's significant risks that has been in place for the year ending 31st August 2020 and up to the date of approval of the annual report and financial statements.

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 which are reviewed and agreed by the Finance and General Purposes Committee;
- 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.

Review of Effectiveness

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

- the work of the Responsible Officer;
- the work of the external auditor;
- 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 and Resources Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by the Board of Governors on 8th December 2020 and signed on its behalf by:



Professor Michelle Shaw
Chair of Trustees

Statement on Regularity, Propriety and Compliance

As Chair of the Board of Governors for Health Futures UTC I have considered my responsibility to notify the Board of Governors and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the UTC and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.



Professor Michelle Shaw

Chair of Trustees

Statement of Governors' Responsibilities

The Governors (who are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and 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 governors are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company's transactions and disclose with reasonable accuracy at anytime the financial position of the Charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by order of the Board of Governors on 8th December 2020 and signed on its behalf by:



Professor Michelle Shaw

Chair of Trustees

Review of Effectiveness

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

- * the work of the external auditor
- * the financial management and governance self-assessment process
- * the work of the senior 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 and General Purpose 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 board of trustees on 8th December 2020 and signed on its behalf by:



Ruth Umerah
Accounting Officer



Professor Michelle Shaw
Chair of Trustees



Independent auditor's report to the members of Health Futures UTC

Opinion

We have audited the financial statements of Health Futures UTC Ltd ("the charitable company") for the year ended 31 August 2020 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement and related notes, including the accounting policies in note 1.

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 2020, and of the charitable company's incoming resources and application of resources, including the charitable company's income and expenditure, for the year then ended;
- * have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*;
- * have been prepared in accordance with the requirements of the Companies Act 2006; and
- * have been prepared in accordance with the Charities SORP (FRS 102) and the *Academies Accounts Direction 2019 to 2020* 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the charitable company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Material uncertainty related to going concern

We draw attention to the Going Concern disclosures in note 1 to the financial statements which indicate that the charitable company is dependent on the continued support of the Education and Skills Funding Agency through provision of short term cash flow support. These events and conditions, along with other matters explained in note 1 indicate that a material uncertainty exists that may cast significant doubt on the charitable company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The trustees are responsible for the other information, which comprises the Reference and Administrative Details, the Governors' Report and Governance Statement. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- * we have not identified material misstatements in the other information;
- * in our opinion the information given in the Governors' Report, which constitutes the Directors' Report for the financial year, is consistent with the financial statements; and
- * in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- * adequate accounting records have not been kept by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
 - * the charitable company's 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; or
 - * the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Trustees' responsibilities

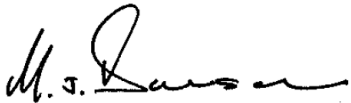
As explained more fully in their statement set out on page 13, the trustees (who are the directors of the charitable company for the purposes of company law) are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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 2006. 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 opinions we have formed.



Mark Dawson (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

Date: 29 January 2021



Independent Reporting Accountant's Assurance Report on Regularity to Health Futures UTC and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 22 June 2016 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Health Futures UTC Ltd during the period 1 September 2019 to 31 August 2020 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 Health Futures UTC Ltd (the Academy Trust) and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of the Academy Trust's funding agreement with the Secretary of State for Education dated 11 July 2014 and the Academies Financial Handbook, extant from 1 September 2018, 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 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 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 2019 to 2020 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 our conclusion included:

- * Documenting the framework of authorities which govern the activities of the Academy Trust;
- * Reviewing the evidence supporting the representations included in the Accounting Officer's statement on regularity, propriety and compliance with the framework of authorities;
- * Undertaking a risk assessment based on our understanding of the general control environment and any weaknesses in internal controls identified by our audit of the financial statements;
- * Reviewing the output from the self-assessment questionnaires completed by the Accounting Officer on behalf of the Governing Body;
- * Testing compliance with delegated authorities for a sample of material transactions;
- * Testing transactions with connected parties to determine whether the Trust has complied with the 'at cost' requirements of the Academies Financial Handbook 2019;
- * Confirming through enquiry and sample testing that the Trust has complied with its procurement policies and that these policies comply with delegated authorities; and
- * Reviewing any evidence of impropriety resulting from our work and determining whether it was significant enough to be referred to in our regularity report.

This list is not exhaustive and we performed additional procedures designed to provide us with sufficient appropriate evidence to express a negative conclusion on regularity consistent with the requirements of Annex B of the Academies Accounts Direction 2019 to 2020.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Mark Dawson
Reporting Accountant
for and on behalf of KPMG LLP
Chartered Accountants
One Snowhill
Snow Hill Queensway
Birmingham
B4 6G

Date: 29 January 2021

Health Futures UTC
Statement of Financial Activities for the year ended 31 August 2020

	Note	Unrestricted funds £	Restricted non fixed asset funds £	Restricted fixed asset funds £	Total 2020 £	Total 2019 £
Income From:						
<i>Incoming resources from generated funds</i>						
■ Donations and Capital Grants	3	545	0	0	545	987
■ Investment Income	4	849	0	0	849	2,401
■ Other Trading Activities	5	12,140	0	0	12,140	540
<i>Incoming resources from charitable activities:</i>						
■ Funding for the Academy trust's educational operations	6	0	1,523,522	0	1,523,522	1,979,704
Total income		13,534	1,523,522	0	1,537,056	1,983,632
Expenditure On:						
■ Academy's educational operations	8	12,140	1,860,347	231,739	2,104,226	2,652,124
■ Governance Costs	9	0	26,385	0	26,385	16,510
Total Expenditure		12,140	1,886,732	231,739	2,130,611	2,668,634
Net Income / (Expenditure)		1,394	(363,210)	(231,739)	(593,555)	(685,002)
Transfers between funds		0	0	0	0	0
Other recognised gains and losses						
Actuarial (Losses)/Gains on defined benefit pension schemes	16,25	0	(200,000)	0	(200,000)	(41,000)
Net movement in funds		1,394	(563,210)	(231,739)	(793,555)	(726,002)
Reconciliation of funds						
Funds brought forward at 1 September 2019	16	6,727	(369,168)	8,538,716	8,176,275	8,902,277
Funds carried forward at 31 August 2020		8,121	(932,378)	8,306,977	7,382,720	8,176,275

All of the UTC's activities derive from continuing operations during the above financial period.

Health Futures UTC
Balance sheet
as at 31 August 2020

	Note	2020		2019	
		£	£	£	£
Fixed assets					
Tangible assets	13		8,306,977		8,538,716
Current assets					
Debtors	14	35,637		46,032	
Cash at bank and in hand		<u>73,566</u>		<u>516,288</u>	
		109,203		562,320	
Creditors: Amounts falling due within one year	15	<u>(589,460)</u>		<u>(736,761)</u>	
Net current assets			(480,257)		(174,441)
Total assets less current liabilities			<u>7,826,720</u>		<u>8,364,275</u>
Net assets excluding pension liability					
Pension scheme liability	25		(444,000)		(188,000)
Net assets including pension liability			<u><u>7,382,720</u></u>		<u><u>8,176,275</u></u>
Funds of the academy:					
Restricted funds					
Fixed asset fund	16	8,306,977		8,538,716	
General fund	16	(488,378)		(181,168)	
Pension reserve	16	(444,000)		(188,000)	
Total restricted funds			<u>7,374,599</u>		<u>8,169,548</u>
Total unrestricted funds	16		8,121		6,727
Total funds			<u><u>7,382,720</u></u>		<u><u>8,176,275</u></u>

The financial statements on pages 20 to 33 were approved by the Board of Governors, and authorised for issue on 8th December 2020 and are signed on their behalf by:

Professor Michelle Shaw
Chair of Trustees

Company Registration Number: 8257814

Cash flow statement
for the year ended 31 August 2020

	<i>Note</i>	2020 £	2019 £
Net cash provided by/(used in) operating activities	20	(443,571)	277,881
Cash flows from investing activities	21	849	(2,439)
Increase / (Decrease) in cash in the year	22	<u><u>(442,722)</u></u>	<u><u>275,442</u></u>
Change in cash and cash equivalents in the reporting period			
Cash and cash equivalents at 1 September 2019		516,288	240,846
Cash and cash equivalents at the 31 August 2020		73,566	516,288
		<u><u>(442,722)</u></u>	<u><u>275,442</u></u>

Notes
(Forming part of the Financial Statements)

1 Statement of Accounting Policies

Basis of Preparation

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Going Concern

Notwithstanding net current liabilities of £480,257 as at 31 August 2020 and a loss for the year then ended of £593,555, the financial statements have been prepared on a going concern basis which the trustees consider to be appropriate for the following reasons.

The trustees have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the academy trust will have sufficient funds, through funding from its regulator, the Education and Skills Funding Agency (ESFA), to meet its liabilities as they fall due for that period.

Those forecasts are dependent on the ESFA not seeking repayment of the amounts currently due to it, which at 31 August 2020 amounted to £458,845, and providing additional financial support during that period. The ESFA has indicated its intention to continue to make available such funds as are needed by the academy trust, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. As with any company placing reliance on other entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. However, the intention of the ESFA to continue to provide this support over the period covered by the forecasts is dependent on approval and payment of the total amount of the financial support during the 2020/21 financial year.

Based on these indications the trustees believe that it remains appropriate to prepare the financial statements on a going concern basis. However, these circumstances represent a material uncertainty may cast significant doubt on the academy trust's ability to continue as a going concern and, therefore, to continue realising its assets and discharging its liabilities in the normal course of business. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

Incoming Resources

All incoming resources are recognised when the UTC has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants receivable

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 entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued. General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balances 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 there is certainty of receipt

Donations

Donations are recognised on a receivable basis where there is certainty of receipt 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 goods have been provided or on completion of the service.

Donated Services and gifts in kind

The value of donated services and gifts in kind provided to the UTC are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the UTC can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with UTC's policies.

Resources Expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of generating funds

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities

These are costs incurred on the UTC's educational operations.

Governance Costs

These include the costs attributable to the UTC's compliance with constitutional and statutory requirements. The 2019/20 reported governance costs relates to audit fees. The Board of Governors do not receive any remuneration in respect of their role as governors

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

Assets costing £2,500 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. 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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the UTC's depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Buildings	50 years
Fixtures, fittings and equipment	5 years
ICT equipment	3 years

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

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Leased Assets

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

Stock

Unsold uniforms are valued at the lower of cost or net realisable value.

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.

Pensions Benefits

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 quinquennial valuations using a prospective benefit method. As stated in Note 24, the TPS is a multi employer scheme and the UTC is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the UTC 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 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

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 governors.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education and Skills Funding Agency / Department for Education where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Education and Skills Funding Agency / Department for Education.

Accounting estimates and judgements

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 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2

General Annual Grant (GAG)

Under the funding agreement with the secretary of state the UTC was subject to limits at 31 August 2020 on the amount of GAG that could be carried forward from the 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 2020.

3

Donations and Capital Grant

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Capital Grant	0	0	0	0
Other Donations	545	0	545	987
	<u>545</u>	<u>0</u>	<u>545</u>	<u>987</u>

4

Investment Income

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Short term deposits	849	0	849	2,401
	<u>849</u>	<u>0</u>	<u>849</u>	<u>2,401</u>

5

Other Trading Activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Hire of Facilities	12,140	0	12,140	540
	<u>12,140</u>	<u>0</u>	<u>12,140</u>	<u>540</u>

6

Funding for the Academy's educational operations

	Unrestricted funds £	Restricted funds non fixed assets £	Total 2020 £	Total 2019 £
DfE / ESFA revenue grants				
General Annual Grant (GAG) (note 2)	0	1,141,397	1,141,397	1,744,312
Other DfE / ESFA grants	0	341,667	341,667	189,416
	<u>0</u>	<u>1,483,064</u>	<u>1,483,064</u>	<u>1,933,728</u>
Exceptional Government Funding				
Coronavirus Job Retention Scheme Grant	0	18,493	18,493	0
Other income from the UTC's educational operations	0	21,965	21,965	45,976
	<u>0</u>	<u>1,523,522</u>	<u>1,523,522</u>	<u>1,979,704</u>

7

Expenditure

	Staff costs £	Non Pay Premises £	Expenditure Other costs £	Total 2020 £	Total 2019 £
Academy's educational operations					
Direct costs	1,120,837	660	158,031	1,279,528	1,646,911
Allocated support costs	284,199	386,712	180,172	851,083	1,021,723
	<u>1,405,036</u>	<u>387,372</u>	<u>338,203</u>	<u>2,130,611</u>	<u>2,668,634</u>

Incoming/outgoing resources for the year include:

	2020	2019
Fees payable to auditor - audit	18,500	15,000
Depreciation	231,739	299,043
	<u>250,239</u>	<u>314,043</u>

8

Charitable activities - Academy's educational operations

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Direct costs				
Teaching and educational support staff costs	0	1,131,154	1,131,154	1,442,548
Technology costs	0	0	0	0
Educational supplies	0	59,060	59,060	78,824
Examination fees	0	36,062	36,062	78,330
Staff development	0	4,270	4,270	1,265
Educational consultancy	0	25,295	25,295	11,285
Other direct costs	0	23,687	23,687	34,659
	0	1,279,528	1,279,528	1,646,911
Allocated support costs				
Support staff costs	0	284,199	284,199	320,022
Technology costs	0	15,974	15,974	22,275
Recruitment and support	0	0	0	245
Marketing	0	23,784	23,784	26,319
Maintenance of premises and equipment	0	39,193	39,193	40,242
Cleaning	12,140	85,819	97,959	107,016
Rent & Rates	0	22,856	22,856	23,143
Insurance	0	2,888	2,888	0
Energy costs	0	61,663	61,663	63,563
Security and Transport	0	592	592	450
Catering	0	6,621	6,621	41,066
Bank interest and charges	0	1,493	1,493	1,608
Other support costs	0	35,737	35,737	60,221
	12,140	580,819	592,959	706,170
	12,140	1,860,347	1,872,487	2,353,081

9

Governance costs

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Auditor's remuneration	0	18,500	18,500	15,000
Other audit costs	0	7,040	7,040	910
Support costs	0	845	845	600
	0	26,385	26,385	16,510

10

Staff costs

	2020 £	2019 £
Staff costs during the period were:		
Wages and salaries	1,046,853	1,336,962
Social security costs	104,602	127,488
Pension costs	232,894	212,058
Severance	10,047	1,718
Supply teacher costs	10,467	80,104
	1,404,863	1,758,330

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

	2020 No.	2019 No.
Teachers	14	20
Administration and support	16	20
Management	4	4
	34	44

The number of employees, including the principal, whose emoluments, excluding employer pension costs, fell within the following bands was:

	2020 No.	2019 No.
£60,001 - £70,000	0	0
£70,001 - £80,000	0	0
£80,001 - £90,000	0	0
£90,001 - £100,000	1	1
£100,001 - £110,000	0	0
£110,001 - £120,000	0	0
	<u>1</u>	<u>1</u>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 3. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £309,495 (2019: £318,966).

Emoluments of the Principal

	2020	2019
Remuneration	£90,000 to £95,000	£90,000 to £95,000
Employers Pension Contribution	£20,000 to £25,000	£15,000 to £20,000

* Principal Remuneration was part year in 2018

11 Related party transactions - Governors' remuneration and expenses

The Principal and the other staff governor only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as Members or Governors. Other governors did not receive any payments from the Health Futures UTC in respect of their role as governors. Travel expenses of £0 (2018/19: £297) were paid to Governors in year.

Other related party transactions involving Health Futures UTC Partners are set out in note 26

12 Insurance

Health Futures UTC Ltd is a member of the Department for Education's risk protection arrangement (RPA). RPA is a voluntary arrangement for academies and free schools. It is an alternative to insurance through which the cost of risks that materialise will be covered by government funds. RPA provides the following levels of cover:-

EMPLOYER'S LIABILITY	Limit of Indemnity Unlimited
THIRD PARTY PUBLIC LIABILITY	Limit of Indemnity Unlimited
PROFESSIONAL INDEMNITY	Limit of Indemnity Unlimited
PROPERTY DAMAGE	Limit Reinstatement value of the property

13

Tangible Fixed assets

	Freehold Land and buildings	Furniture and Equipment	Computer Equipment	Total
	£	£	£	£
<i>Cost</i>				
At 1 September 2019	9,211,504	177,040	865,998	10,254,542
Additions	0	0	0	0
At 31 August 2020	9,211,504	177,040	865,998	10,254,542
<i>Depreciation</i>				
At 1 September 2019	733,557	143,265	839,004	1,715,826
Charged in year	184,690	31,296	15,753	231,739
At 31 August 2020	918,247	174,561	854,757	1,947,565
<i>Net book value</i>				
At 31 August 2020	8,293,257	2,479	11,241	8,306,977
At 31 August 2019	8,477,947	33,775	26,994	8,538,716

14

	Debtors	
	2020	2019
	£	£
Trade debtors	4,136	0
VAT recoverable	8,026	7,347
Prepayments and accrued income	23,475	38,685
Other debtors	0	0
	<u>35,637</u>	<u>46,032</u>

15

	Creditors: amounts falling due within one year	
	2020	2019
	£	£
Trade creditors	14,889	40,756
ESFA creditor	458,845	591,756
Taxation and social security	47,647	48,563
Other creditors	0	0
Accruals and deferred income	68,079	55,686
	<u>589,460</u>	<u>736,761</u>

ESFA Creditor relates to Pupil Number Adjustment for 2019/20.

	£
Deferred Income	
Deferred Income at 1 September 2019	23,436
Resources deferred in the year	17,264
Amounts released from previous years	(23,436)
	<u>17,264</u>

Deferred Income at 31 August 2020

Deferred income relates to the UTC's ESFA Rates Grant

16

	Funds				
	Balance at 01-Sep 2019	Income	Expenditure	Gains, losses and transfers	Balance at 31-Aug 2020
	£	£	£	£	£
Restricted general funds					
General annual grant (GAG)	(181,168)	1,141,397	(1,467,100)	0	(506,871)
Other DfE/ESFA grants	0	341,667	(341,667)	0	0
Other income from the UTC's educational operations	0	21,965	(21,965)	0	0
Pension reserve	(188,000)	0	(56,000)	(200,000)	(444,000)
Exceptional Government Funding	0	18,493	0	0	18,493
	<u>(369,168)</u>	<u>1,523,522</u>	<u>(1,886,732)</u>	<u>(200,000)</u>	<u>(932,378)</u>
Restricted fixed asset funds					
DfE/ESFA capital grants	8,493,629	0	(231,739)	0	8,261,890
Capital Expenditure from GAG	45,087	0	0	0	45,087
	<u>8,538,716</u>	<u>0</u>	<u>(231,739)</u>	<u>0</u>	<u>8,306,977</u>
Unrestricted funds	6,727	13,534	(12,140)	0	8,121
	<u>6,727</u>	<u>13,534</u>	<u>(12,140)</u>	<u>0</u>	<u>8,121</u>
Total funds	<u>8,176,275</u>	<u>1,537,056</u>	<u>(2,130,611)</u>	<u>(200,000)</u>	<u>7,382,720</u>

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

	Balance at 01-Sep 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31-Aug 2019 £
Restricted general funds					
General annual grant (GAG)	155,717	1,744,312	(2,076,357)	(4,840)	(181,168)
Other DfE/ESFA grants	0	189,416	(189,416)	0	0
Other income from the UTC's educational operations	0	45,976	(45,976)	0	0
Pension reserve	(90,000)	0	(57,000)	(41,000)	(188,000)
	<u>65,717</u>	<u>1,979,704</u>	<u>(2,368,749)</u>	<u>(45,840)</u>	<u>(369,168)</u>
Restricted fixed asset funds					
DfE/ESFA capital grants	8,792,672	0	(299,043)	0	8,493,629
Capital Expenditure from GAG	40,247	0	0	4,840	45,087
	<u>8,832,919</u>	<u>0</u>	<u>(299,043)</u>	<u>4,840</u>	<u>8,538,716</u>
Total Restricted Funds					
	<u>3,641</u>	<u>3,928</u>	<u>(842)</u>	<u>0</u>	<u>6,727</u>
Unrestricted funds					
	<u>3,641</u>	<u>3,928</u>	<u>(842)</u>	<u>0</u>	<u>6,727</u>
Total unrestricted funds					
	<u>8,902,277</u>	<u>1,983,632</u>	<u>(2,668,634)</u>	<u>(41,000)</u>	<u>8,176,275</u>

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Analysis of net assets between funds

Fund balances at 31 August 2020 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	0	15,203	8,291,774	8,306,977
Current assets	8,121	101,082	0	109,203
Current liabilities	0	(589,460)	0	(589,460)
Pension scheme liability	0	(444,000)	0	(444,000)
Total net assets	<u>8,121</u>	<u>(917,175)</u>	<u>8,291,774</u>	<u>7,382,720</u>

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

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	0	29,100	8,509,617	8,538,717
Current assets	6,727	555,593	0	562,320
Current liabilities	0	(736,761)	0	(736,761)
Pension scheme liability	0	(188,000)	0	(188,000)
Total net assets	<u>6,727</u>	<u>(340,068)</u>	<u>8,509,617</u>	<u>8,176,276</u>

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	Capital Commitments 2020 £	Capital Commitments 2019 £
Contracted for, but not provided in the financial statements	<u>0</u>	<u>0</u>

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Financial commitments

Operating leases

At 31 August 2020 the UTC had no annual commitments under non-cancellable operating leases

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Reconciliation of net income to net cash inflow
from operating activities

	At 31 August 2020 £	At 31 August 2019 £
Net expenditure for reporting period	(593,555)	(685,002)
<i>Adjusted for:</i>		
Depreciation (Note 13)	231,739	299,043
Capital Grant	0	0
Interest Receivable	(849)	(2,401)
Defined benefit pension scheme cost less contributions payable (note 23)	53,000	55,000
Defined benefit pension scheme finance cost (note 23)	3,000	2,000
Decrease in stocks	0	0
Decrease in debtors	10,395	7,774
Decrease in creditors	(147,301)	601,467
Net cash provided by / (used in) Operating Activities	<u>(443,571)</u>	<u>277,881</u>

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Cashflow from Investing Activities

	2020 £	2019 £
Interest received	849	2401
Purchase of tangible fixed assets	0	(4,840)
Net cash used in investing activities	<u>849</u>	<u>(2,439)</u>

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Analysis of changes in net funds

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash in hand and at bank	516,288	(442,722)	73,566

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Contingent liabilities

There are no contingent liabilities (2019: Nil)

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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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Pension and similar obligations

The Health Futures UTC 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 West Midlands Pension Fund. Both are multi-employer defined benefit pension schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019. Contributions amounting to £23,535 were payable to the schemes at 31 August 2020 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

The employer's pension costs paid to TPS in the period amounted to £139,384 (2019: £116,899).

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 pension scheme, with the assets held in separate trustee-administered funds.

The total contribution made for the year ended 31 August 2019 was £53,000 (2019: £58,000), of which employer's contributions totalled £38,000 (2019: £41,000) and employees' contributions totalled £15,000 (2019: £17,000) The agreed contribution rates for future years are 14 per cent for employers.

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

Principal Actuarial Assumptions

	At 31 August 2020	At 31 August 2019
Rate of increase in salaries	3.20%	3.65%
Rate of increase for pensions in payment/inflation	2.20%	2.15%
Discount rate for scheme liabilities	1.65%	1.90%
Inflation assumption (CPI)	2.20%	2.15%
Commutation of pensions to lump sums	50.00%	50.00%

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

	At 31 August 2020	At 31 August 2019
<i>Retiring today</i>		
Males	21.9	20.9
Females	24.1	23.2
<i>Retiring in 20 years</i>		
Males	23.8	22.6
Females	26.0	25.1

The Health Futures UTC's share of the assets in the scheme were:

	Fair value at At 31 August 2020 £000	Fair value at At 31 August 2019 £000
Equities	213	140
Government bonds	41	22
Other bonds	15	9
Property	29	19
Cash/liquidity	25	8
Other	57	34
Total market value of assets	380	232

The actual return on scheme assets was £24,000 (2019: £12,000).

Amounts recognised in the statement of financial activities

	2020	2019
	£000	£000
Service Cost	(91)	(96)
Net interest cost	(3)	(2)
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	-	-
Total operating charge	(94)	(98)

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

	2020	2019
	£'000	£'000
At 1 September	420	253
Current service cost	91	87
Interest cost	8	7
Employee contributions	15	17
Actuarial (gain)/loss	107	48
Experience loss/(gain) on defined benefit obligation	183	-
Benefits paid	-	(1)
Plan introductions, benefit changes, curtailments and settlements	-	9
At 31 August	824	420

Changes in the fair value of Health Futures UTC's share of scheme assets:

	2020	2019
	£'000	£'000
At 1 September	232	163
Interest income	5	5
Return on plan assets (excluding net interest on the net defined pension liability)	19	7
Actuarial gain/(loss)	71	-
Employer contributions	38	41
Employee contributions	15	17
Benefits paid	-	(1)
Plan introductions, benefit changes, curtailments and settlements	-	-
At 31 August	380	232

	2020	2019
	£'000	£'000
Actuarial Gain / (Loss) Statement		
Actuarial (gain)/loss	(107)	(48)
Return on plan assets (excluding net interest on the net defined pension liability)	19	7
Actuarial gain/(loss)	71	-
Actuarial gain/(loss)	(17)	(41)

The actuaries have included an allowance to reflect the Court of Appeal judgement in respect of the McCloud and Sargeant cases which relate to age discrimination within the Judicial and Fire Pension schemes, respectively. This allowance was described in the previous accounting report and incorporated into the accounting results as at 31 August 2019. These results, including the allowance, have been rolled forward and remeasured to obtain the accounting results as at 31 August 2020.

26 Related Party Transactions

Owing to the nature of the UTC 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 UTC 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.

The UTC has 22 partners (<http://www.healthfuturesutc.co.uk/partners>) and the following related party transaction took place in the period of account:

	2020	2019
	Expenditure	Expenditure
	£	£
University of Wolverhampton(Lead Partner)	19,430	19,047
Sandwell MBC	1,047	11,446
Sandwell MBC Business Rates Revenue & Benefits Services	19,200	23,457
The Royal Wolverhampton Hospitals NHS Trust	0	900
Total	39,677	54,850

No income has been received from related parties in 2019/20 (2018/19 £Nil)

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