

UTC CAMBRIDGE
(A Company Limited by Guarantee)

ANNUAL REPORT & FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2015

Registered Number 07911604 (England and Wales)

UTC CAMBRIDGE
REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2015

Members	Cambridge Regional College represented by M A Constantine and Dr J White Cambridge University Health Partners represented by Dr Arun Gupta, J Smith, K Lancaster, Prof Patrick Maxwell, P Cave and S Haldane Long Road Sixth Form College represented by C Sherwin
Trustees	M Radford (Principal and Accounting Officer) (appointed 4 December 2014) M A Constantine (Chair) Dr R Lingwood (Deputy Chair) (appointed 4 December 2014) J White (appointed 4 December 2014) Dr A Gupta (appointed 4 December 2014) S Haldane (Chair F&A Committee, appointed 17 June 2015) J Smith (appointed 4 December 2014) C Sherwin (appointed 4 December 2014) C Lang (resigned 4 December 2014) M Garratt (appointed 4 December 2014) K Lancaster (appointed 4 December 2014) A Campbell (appointed 26 March 2015) C Brown (appointed 26 March 2015) V Ball (appointed 26 March 2015) J Grover (Parent, appointed 17 June 2015) R Beddard (Parent, appointed 17 June 2015) J St Ledger (Staff, appointed 17 June 2015)
Principal and Registered Office	Robinson Way Cambridge CB2 0SZ
Company Registration Number	07911604 (England and Wales)
Independent Auditor	RSM UK Audit LLP 7 th Floor, City Gate East Toll House Hill Nottingham NG1 5FS
Bankers	Lloyds TSB Bank Plc Gonville Place PO Box 1000 Cambridge BX1 1LT

UTC CAMBRIDGE
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015

The trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2015.

The Trust operates an academy for pupils aged 14-19 serving a catchment area within a 25 mile radius from Cambridge. It has a pupil capacity of 670 and had a roll of 288 in the school census on 23/10/2015.

Structure, Governance and Management

Constitution

The Academy Trust is a company limited by guarantee (registration number 07911604) and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The directors of the Charitable Company ("The Academy Trust") are its trustees for the purposes of charity law and throughout this report are collectively referred to as the Trustees. The Charitable Company is known as UTC Cambridge. Details of the Trustees who served during the period are included in the Reference and Administrative Details on page 1.

The Academy opened for students on 8 September 2014. These accounts cover the first year of operations.

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 period 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

There were no indemnities due in the year ended 31 August 2015.

Method of recruitment and appointment or election of trustees

The Members of the Academy Trust nominate directors of the Charitable Company for the purposes of the Companies Act 2006 and Trustees for the purpose of charity legislation. Members comprise the signatories to the Memorandum and the Chair of Governors. The Secretary of State for Education has the right to appoint one person to the membership of the Academy Trust. This right has not been exercised. The Members may agree unanimously to appoint such additional members as they think fit.

Policies and procedures adopted for the induction and training of trustees

The training and induction provided for each new Trustee will depend on their existing experience. The Academy Trust will perform an annual skills audit of governors: should any gaps be identified training courses are offered to address these issues. All new trustees undergo induction.

Organisational structure

The Trustees shall exercise their powers and functions with a view to fulfilling a largely strategic role in the running of the Academy and shall consider any advice given by the Principal.

The Principal is responsible for the internal organisation, management and control of the Academy; and for advising and implementing the Academy Trust's strategic framework. In particular, the Principal will formulate objectives, targets and policies for the Board to consider adopting.

In the role of the Accounting Officer, the Principal is responsible and answerable for the propriety and regularity of the public finances, for keeping proper accounts, prudent administration, ensuring value for money and for the effective use of the resources at their disposal.

UTC CAMBRIDGE

TRUSTEES' REPORT (*continued*)

FOR THE YEAR ENDED 31 AUGUST 2015

Risk management

The charity trustees have considered the major risks to which the charity is exposed and have reviewed those risks and established systems and procedures to manage these risks.

During the year the Principal has identified the following risks and implemented risk management and mitigation strategies:

- A major risk was the delay of VAT recovery which was managed with a number of emergency meetings and resolved in time;
- Failing to recruit the target number of students and the risk of funding claw-back by the EFA. The Academy Trust's strategy was to ensure accurate recruitment and staffing decisions based on solid students recruited;
- Failing to provide a high enough service right from the start and so losing students which had a knock-on effect on our failure to build a good reputation early on to support future recruitment. The remedial strategy was to recruit high quality staff with a diversity of professional backgrounds in industry, academia and education and to foster a culture of high expectations from students.
- Not having a robust ICT system, especially a learning platform, to enable the desired learning environment. This has largely been remedied by purchasing an expert service.
- Our success is dependent on high-calibre staff; the risk being that the UTC Cambridge fails to attract highly capable staff. To manage this, carefully structured advertisements and application packs were distributed early in the academic year.
- Our examination results and attainment data are not good. The risk was managed by setting up robust systems to monitor achievement at short intervals and implement immediate intervention where needed.
- Failing to establish robust industry links to bring the curriculum alive. We reduced this risk by appointing a Director of Science who has brought innovation to our teaching and learning and is constantly forging and maintaining links with industry.

Connected Organisations

Other than its Members, the Academy Trust has a wide network of Employer Sponsors from the biomedical and clean-tech sectors. These include The Cambridge University Hospitals Trust; Medical Research Council; Napp Pharmaceuticals Holdings; Wellcome Trust Sanger Institute; The Cube Ltd; The Babraham Institute; MedImmune Ltd; Takeda; Cambridge Cleantech Ltd; Anglian Water; Amey; Ridgeons. Any related party transactions are disclosed in Note 24.

Objectives and Activities

Principal activities

The Academy Trust's object in its Articles of Association is to advance education for the public benefit in the United Kingdom by establishing, maintaining, carrying on, managing and developing a UTC offering a broad and balanced curriculum, which includes provision for technical education. Under the Funding Agreement with the Department for Education, the curriculum is further defined to include an emphasis on biomedical science and technology, environmental science and technology.

Objects and aims

The Academy Trust's object in its Articles of Association is to advance education for the public benefit in the United Kingdom by establishing, maintaining, carrying on, managing and developing a UTC offering a broad and balanced curriculum, which includes provision for technical education. Under the Funding Agreement with the Department for Education, the curriculum is further defined to include an emphasis on biomedical science and technology, environmental science and technology.

UTC CAMBRIDGE

TRUSTEES' REPORT *(continued)*

FOR THE YEAR ENDED 31 AUGUST 2015

Objectives, strategies and activities

The main objectives, strategies and activity of the period were to:

- open UTC Cambridge in a temporary building, moving into permanent accommodation and managing ongoing building and snagging works;
- implementing the workplace culture: implement the curriculum and pastoral systems with new students and staff; implementing school and finance management systems; working with employers developing and implementing Challenge Projects, Masterclasses, work-based learning and careers education;
- marketing and year 2 student recruitment;
- recruiting year 1 and year 2 staff.

Public benefit

The Trustees have complied with the duty in Section 4 of the Charities Act 2006, to have due regard to public benefit guidance published by the Charity Commission in exercising their powers or duties. In particular, the Governors consider how planned activities will contribute to and serve the wider community. In line with the strong Cambridgeshire tradition of community education, they have also discussed making the Academy's facilities more widely available, the logistics of which are under review.

We hold by our values that instilled in our studentship is social responsibility, by respecting our environment, our world, we make a difference. The school culture is to be morally and ethically responsible in scientific and environmental innovation.

STRATEGIC REPORT

Achievements and Performance

UTC Cambridge opened on 8 September 2014 in temporary accommodation. UTC Cambridge building was handed over and occupied on 21 September, 2014.

UTC CAMBRIDGE STUDENT PROFILE 2014/15

<i>Year Group</i>	<i>Number</i>	<i>Gender</i>	
10	56	Girls	22
		Boys	34
12	117	Girls	36
		Boys	81
Totals	173		173

UTC Cambridge has developed a workplace culture that has been universally praised by our stakeholders and visitors alike.

UTC Cambridge Mission: through an innovative curriculum, developed with leading scientists from industry and academia, UTC Cambridge builds bespoke learning solutions delivered in a state of the art science and technology environment that empowers students to manage their academic and career development.

Our Values

We set ourselves challenging goals, are agile and resilient, to achieve our personal best.

By respecting one another we enhance our experience and benefit from different perspectives.

We take individual responsibility, ensuring team delivery.

By respecting our environment, our world, we make a difference.

We celebrate positive contribution and aspire to excellence.

We are morally and ethically responsible in scientific and environmental innovation.

UTC CAMBRIDGE

TRUSTEES' REPORT *(continued)*

FOR THE YEAR ENDED 31 AUGUST 2015

Achievements and Performance *(continued)*

UTC Cambridge is a STEM college that specialises in preparing young people to enter the Biomedical and CleanTech industries that underpin the local and regional economy. UTC Cambridge signature programme is "Challenge Projects". These projects are designed and implemented by STEM companies in collaboration with UTC Cambridge. Students spend 30-40% of their week engaged in Challenge Projects that combine STEM, business, communication, innovation and enterprise knowledge and skills.

UTC Cambridge's Masterclass programme is a weekly series of lectures and seminars that extend and enrich the curriculum.

Academic Courses

YEAR 10/11 GCSE: English and English Literature, Maths, Statistics, Further Maths, Biology, Chemistry, Physics, Computer Science, Geography, Spanish.

YEAR 12/13 A LEVEL: Biology, Chemistry, Physics, Maths, F. Maths, Geography, Computer Science, BTECH: Applied Science

Sponsors

Cambridge University Health Partners, Cambridge Regional College, Long Road Six Form College, Parkside Federation, Medical Research Council, Wellcome Sanger, Babraham Institute, NAPP, Cambridge CleanTech

UTC CAMBRIDGE

TRUSTEES' REPORT (continued)

Topic	Speaker	Institute
FOR THE YEAR ENDED 31 AUGUST 2015		
Careers in health sciences		Cambridge University Health Partners
A life in academic science	Dr. John Coadwell	Babraham Institute (Alumnus)
Careers in pharmaceutical industry	Cathy Brown	NAPP Pharmaceuticals
Apply to a top university	Dr. David Bainbridge	St. Catherine's College Cambridge
Student life	Lauren Robinson- Stanley	Anglia Ruskin University
Careers in midwifery	Shahla Noodeh	Rosie Maternity Hospital
Apprenticeships	Howard Cordingly	Cambridge Regional College
Careers with animals	Theresa Langford	Medical Research Council Laboratory of Molecular Biology
Drug development	Dr. Aaron Smith	Astra Zeneca
pNMR conference		Nuclear Magnetic Resonance Spectroscopy for Paramagnetic Systems
Laboratory safety	Dr. Martin Vinnel	Head of Safety, University of Cambridge
Treating cancer	CRI seminar- Advances in cancer biology	Cambridge Research Institute
	Karen Bevan & Josh Peck	Cambridge University
	Drs Steve Edgley & Sue Jones	Headway Cambridge
Brain injury		Cambridge University
Neuroanatomy	Margi Fosh & team	Cambridgeshire Community Services NHS
Assistive technology	John Stanley	Cambridgeshire Community Council
Designing a cycle safe city	Professor Michael Brown	University Of Texas
Nobel Prize Inspiration Initiative- a collaborative approach to cholesterol		Southwestern Medical Centre
Innovations - treatment of brain injury UK	Mita Brahmabatt	Brain Injury Healthcare Cooperative
Design	Dr. Ian Hosking	Department of Engineering, CU
Writing a business plan	Walter Herriot	Herriot Associates Ltd.
Bioengineering applied to brain disease and injury	Dr. Michael Sutcliffe	Department Of Engineering, CU
Protecting intellectual property	Cr Helen Forsyth	Nash Matthews LLP
Learned Societies & Professional Bodies Conference		
Zeiss the business	Dr. Oliver Clark	Zeiss
Cyber security	Andy Lawson	MASS
Waste management	Mark Shelton	AmeyCespa
Histology tissue preparation	James Warner	Pathology Diagnostics
Confocal Microscopy Masterclass	Dr. Alex Schreiner	Cambridge Cancer Centre
Waste Management in Cambridgeshire	Maggie Pratt	Cambridgeshire County Council
Waste Regulations	Emma Smith	Environment Agency
Waste Collection	Adam Smith	Cambridgeshire County Council
Wireless Spectrum Analysis	Dave Smith	Ofcom
Electron Microscopy Masterclass	Drs Julia Hudson & Steve Furzeland	Zeiss
Introduction to Molecular Biology	Dr. Simon Rudge	Babraham Institute
The Babraham Institute	Michael Hinton	Babraham Institute
What is Cancer?	Dr. Sarah Thorpe	Cambridge Cancer Centre
Function and Relevance of PTEN	Elke Van Oudenhove	Cambridge Cancer Centre
Understanding Proteins by Computer Modelling	Dr. Joe Sheridan	Evolva
Networks	Dr. Nicolas Le Novere	Babraham Institute
Risk Assessment	Dr. Trevor Smith	Babraham Institute
Protein Science	Dr. Michael Wilson	Babraham Institute
Introduction to Animal Research	Theresa Langford & Lynda Westall	Medical Research Council Laboratory of Molecular Biology, Sanger
Animal Husbandry	Theresa Langford	Medical Research Council Laboratory of Molecular Biology
Maintaining SPF	Jenny Spillane	Techniplast
Animal Research & the law	Pilar Browne & Dr. Martin Vinnel	Cambridge University
Protein Purification Master class	Dr. Simon Rudge	Babraham Institute
Scientific Publishing	Dr. Stella Hurtley	Science
Cell Signalling	Dr. Mike Wilson	Babraham Institute
Budongo Chimpanzees	Dr. Vernon Reynolds	Oxford University
Careers at ARM	Andy Nightingale	ARM
Computational Chemistry	Dr. Rob Scoffin	Cresset

UTC CAMBRIDGE

TRUSTEES' REPORT *(continued)*

FOR THE YEAR ENDED 31 AUGUST 2015

Financial review

During the financial year, the Academy Trust has received £3,396,000 of funding. Of these incomes, the Academy Trust expended on educational operations and to support progress towards opening the school £2,211,000, leaving a net movement on funds of £1,185,000 for the year.

Financial and risk management objectives and policies

UTC Cambridge has a Finance Committee that meets five times a year and reports directly to the Board of Governors. The Committee monitors the risk register, receives audit updates and the latest management accounts and cash flow reports. Where necessary and to effect prompt mitigation, points are actioned upon. The Academy has a set of financial policies and updated Finance Manual required to meet its obligations.

Reserves policy

Any reserves will be held in accordance with the requirements laid down by the Department for Education. At the 31 August 2015, the business held total reserves of £9,726,000 (2014: £8,540,000) including £8,000 deficit (2014: £13,000 surplus) of unrestricted general funds.

Investment policy

Under the Articles of Association, the Trust may deposit or invest any funds not immediately required after obtaining such advice from a financial expert that the Trustees consider necessary and having due regard to the suitability of investments. No investments have been made during the year to 31st August 2015.

Key performance indicators

The Academy has key performance indicators for use in its year of operation.

Plans for future periods

The Academy has made a successful start in creating a new University Technical College. The primary focus of the first two years is to ensure that the first set of GCSE / A level exam results and the BTEC qualification outcomes reflect good student progress especially in English, maths and the sciences. Alongside this, the Principal and senior management team have recruited experienced, outstanding teachers most of whom have STEM industry experience. UTCC actively markets to attract students from the 25 mile radius catchment area.

Principal risks and uncertainties

The Board of Trustees 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 board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place since the start of the project to 31 August 2015 and up to the date of the approval of the annual report and financial statements. The risk register and process is regularly reviewed by the Board of Trustees

GOING CONCERN

The Trustees and Senior Leadership Team are aware that student numbers for the 2015/16 Academic Year have not met expectations and, as such, the potential exists for a future claw back if funding at currently levels continues. Consequently, the Trustees have instigated a review of the financial viability of the UTC and are working with the EFA and partners to prepare a 4 year recovery and business plan to fund £700,000 potential claw back. The EFA have indicated that their support will be forthcoming but, at the date of approving these financial statements, there is no formal agreement of a new plan and this represents an uncertainty. On the basis of the EFA's indicative support and the Trustees' expectation that a deliverable plan will be agreed, these financial statements have been drawn up on the basis that the UTC is a going concern.

UTC CAMBRIDGE

TRUSTEES' REPORT (*continued*)

FOR THE YEAR ENDED 31 AUGUST 2015

AUDITOR

RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP) have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

Statement as to disclosure of information to auditors

The Trustees have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the Trustees have confirmed that they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The Trustees' Report is approved by order of the Board of Trustees and the Strategic Report (included therein) is approved by the Board of Trustees in their capacity as the Directors at a meeting on 17 December 2015 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'MA Constantine', with a long horizontal flourish extending to the right.

MA Constantine
Chair

UTC CAMBRIDGE
GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2015

Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the principal, as accounting officer, for ensuring financial controls conform 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 UTC Cambridge and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

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

Trustee	Meetings attended	Out of possible
MA Constantine	3	3
M Radford (appointed 4 December 2014)	3	3
C Sherwin (appointed 4 December 2014)	2	3
J White (appointed 4 December 2014)	2	3
A Campbell (appointed 26 March 2015)	2	3
M Garrett (appointed 4 December 2014)	0	3
Dr R Lingwood (appointed 4 December 2014)	2	3
J Smith (appointed 4 December 2014)	2	3
Dr A Gupta (appointed 4 December 2014)	1	3
C Lang (resigned 4 December 2014)	-	-
K Lancaster (appointed 4 December 2014)	2	3
C Brown (appointed 26 March 2015)	1	3
S Haldane (appointed 17 June 2015)	1	2
V Ball (appointed 26 March 2015)	2	3
J Grover (appointed 17 June 2015)	2	2
R Beddard (appointed 17 June 2015)	2	2
J St Ledger (appointed 17 June 2015)	2	2

Governance reviews

The governance system has been set up during the year ended 31 August 2015 and therefore no formal review has at this point been undertaken. A review will be undertaken in the next financial year to consider the impact of any changes required due to the UTC now being in full operation. The finance and audit committee is a sub-committee of the main board of trustees, which was set up post year end.

Review of Value for Money

As accounting officer the principal has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider social outcomes achieved in return for the tax payer 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 use of a CRC experienced procurement officer.

UTC CAMBRIDGE
GOVERNANCE STATEMENT (*continued*)
YEAR ENDED 31 AUGUST 2015

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

Capacity to handle risk

The Board of Trustees 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 Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ending 31 August 2015 and up to the date of approval of the annual report and financial statements.

The risk and control framework

The Academy Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Finance and Audit committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and the following options have been discussed, with a conclusion still to be reached;

- to appoint an independent audit firm as internal auditor; or
- not to appoint an internal auditor. However the trustees could appoint a trustee, as responsible officer (RO); and/or
- not to appoint an internal auditor. However the trustees could appointed Baker Tilley, the external auditor, to perform additional checks; and or
- not to appoint an internal auditor. However the trustees could appoint members of another academy to perform peer review.

UTC CAMBRIDGE
GOVERNANCE STATEMENT (*continued*)
YEAR ENDED 31 AUGUST 2015

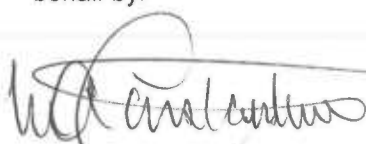
Review of effectiveness

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

- The work of the external auditor
- The work of the executive managers within the Academy Trust 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 audit 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 17 December 2015 and signed on its behalf by:



MA Constantine
Chair



M Radford
Accounting Officer

UTC CAMBRIDGE
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
YEAR ENDED 31 AUGUST 2015

As accounting officer of UTC Cambridge I have considered my responsibility to notify the academy trust Board of Trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

I confirm that no instances of material irregular, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of trustees and EFA.



M Radford
Accounting Officer
17 December 2015

UTC CAMBRIDGE
STATEMENT OF TRUSTEES' RESPONSIBILITIES
YEAR ENDED 31 AUGUST 2015

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements 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 the EFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 17 December 2015 and signed on its behalf by:



MA Constantine
Chair

UTC CAMBRIDGE

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF UTC CAMBRIDGE

YEAR ENDED 31 AUGUST 2015

We have audited the financial statements of UTC Cambridge for the year ended 31 August 2015 on pages 16 to 32. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

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

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 13, the trustees (who act as trustees for the charitable activities of the Charitable Company, and are also 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.

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Charitable Company's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

Opinion on other requirement of the Companies Act 2006

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

UTC CAMBRIDGE

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO
THE MEMBERS OF UTC CAMBRIDGE (CONTINUED)

YEAR ENDED 31 AUGUST 2015

Matters on which we are required to report by exception

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

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

RSM UK Audit LLP

Philip Coleman (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP (formerly BAKER TILLY UK AUDIT LLP), Statutory Auditor
Chartered Accountants
Suite A, 7th Floor
City Gate East
Tollhouse Hill
Nottingham
NG1 5FS

22nd December 2015

UTC CAMBRIDGE

STATEMENT OF FINANCIAL ACTIVITIES
(including Income and Expenditure Account and Statement of Recognised
Gains and Losses)
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total 2015 £'000	Total 2014 £'000
Incoming resources						
<i>Incoming resources from generated funds</i>						
Voluntary income	2	1	-	1,913	1,914	8,550
Activities for generating funds	3	57	-	-	57	-
Investment income	4	1	-	-	1	1
<i>Incoming resources from charitable activities:</i>						
Academy Trust's educational operations	5	-	1,424	-	1,424	381
Total incoming resources		<u>59</u>	<u>1,424</u>	<u>1,913</u>	<u>3,396</u>	<u>8,932</u>
Resources expended						
<i>Costs of generating funds:</i>						
Cost of generating voluntary income		-	-	-	-	23
Fundraising trading		22	-	-	22	-
<i>Charitable activities:</i>						
Academy Trust's educational operations	7	76	1,406	682	2,164	454
Governance costs	8	-	25	-	25	38
Total resources expended	6	<u>98</u>	<u>1,431</u>	<u>682</u>	<u>2,211</u>	<u>515</u>
Net (outgoing)/incoming resources before transfers		(39)	(7)	1,231	1,185	8,417
Gross transfers between funds		31	(20)	(11)	-	-
Net (expenditure)/income for the year		<u>(8)</u>	<u>(27)</u>	<u>1,220</u>	<u>1,185</u>	<u>8,417</u>
Other recognised gains and losses						
Actuarial gains on defined benefit pension schemes		-	1	-	1	-
Net movement in funds		<u>(8)</u>	<u>(26)</u>	<u>1,220</u>	<u>1,186</u>	<u>8,417</u>
<i>Reconciliation of funds</i>						
Total funds brought forward		-	13	8,527	8,540	123
Total funds carried forward	15	<u>(8)</u>	<u>(13)</u>	<u>9,747</u>	<u>9,726</u>	<u>8,540</u>

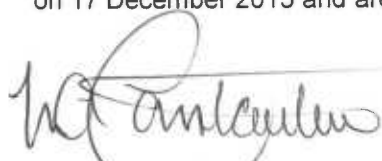
All of the Academy Trust's activities derive from continuing operations during the above two financial periods.

UTC CAMBRIDGE
BALANCE SHEET AS AT 31 AUGUST 2015

COMPANY NUMBER: 07911604

	Notes	2015 £'000	2015 £'000	2014 £'000	2014 £'000
Fixed assets					
Tangible assets	12		9,747		8,347
Current assets					
Debtors	13	2,582		2,969	
Cash at bank and in hand		308		52	
		<u>2,890</u>		<u>3,021</u>	
Creditors: amounts falling due within one year	14	<u>(2,898)</u>		<u>(2,828)</u>	
Net current (liabilities)/assets			<u>(8)</u>		<u>193</u>
Net assets excluding pension liability			9,739		8,540
Pension scheme liability	23		(13)		-
Net assets including pension liability			<u>9,726</u>		<u>8,540</u>
Funds of the Academy Trust:					
Restricted funds					
Fixed asset fund	15		9,747		8,527
General fund	15		-		13
Restricted funds excluding pension reserve			9,747		8,540
Pension reserve	15		(13)		-
Total restricted funds	15		9,734		8,540
Total unrestricted funds			(8)		-
Total funds	15		<u>9,726</u>		<u>8,540</u>

The financial statements on pages 16 to 32 were approved by the trustees' and authorised for issue on 17 December 2015 and are signed on their behalf by:



MA Constantine
Chair

UTC CAMBRIDGE
CASHFLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

	Notes	2015 £'000	2014 £'000
Net cash inflow/(outflow) from operating activities	18	255	(256)
Returns on investments and servicing of finance	19	1	1
Capital expenditure	20	-	180
Increase/(decrease) in cash in the year	21	<u>256</u>	<u>(75)</u>
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September		52	127
Net funds at 31 August	21	<u>308</u>	<u>52</u>

UTC CAMBRIDGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. Statement of accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Statement of Recommended Practice: ('SORP 2005') 'Accounting and Reporting by Charities', the Academies Accounts Direction 2014 to 2015 (SORP 2005) issued by the Education Funding Agency and the Companies Act 2006.

A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Going concern

The Trustees and Senior Leadership Team are aware that student numbers for the 2015/16 Academic Year have not met expectations and, as such, the potential exists for a future claw back if funding at currently levels continues. Consequently, the Trustees have instigated a review of the financial viability of the UTC and are working with the EFA and partners to prepare a 4 year recovery and business plan to fund £700,000 potential claw back. The EFA have indicated that their support will be forthcoming but, at the date of approving these financial statements, there is no formal agreement of a new plan and this represents an uncertainty. On the basis of the EFA's indicative support and the Trustees' expectation that a deliverable plan will be agreed, these financial statements have been drawn up on the basis that the UTC is a going concern.

Incoming resources

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

Grants receivable

Grant income is 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.

The General Annual Grant ("the GAG") from the DfE, which is intended to meet requirement costs, is recognised on a receivable basis and is credited directly to the Statement of Financial Activities incoming resources from charitable activities, to the extent of the entitlement of the funds, any abatement in respect of the period is deducted from income and is recognised as a liability.

Capital grants are recognised as voluntary income on a receivable basis to the extent there is entitlement.

Other grants from government agencies and other bodies are recognised in the period in which they are receivable to the extent the conditions of funding have been met. 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.

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.

UTC CAMBRIDGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

1. Statement of accounting policies (continued)

Donated services and gifts in kind

The value of donated services and gifts in kind provided to the academy trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy trust 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 academy trust's policies

Interest receivable

Interest receivable is included in the Statement of Financial Activities on a receivable basis, and is stated inclusive of related tax credits.

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.

Cost 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 Academy Trust's educational operations.

Governance costs

These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and trustees meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

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 general funds are resources subject to specific restrictions imposed by funds or donors and include grants from the Education Funding Agency or the Department for Education.

Restricted fixed assets funds are resources when are to be applied to specific capital purposes imposed by the Education Funding Agency or the Department for Education, where the asset acquired or created is held for a specific purpose on a continuing basis.

Fixed Assets

Tangible fixed assets costing £5,000 or more are capitalised at cost 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 the related grants require the asset to be held for a specific purpose and continued use they are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet, with this amount being reduced over the useful economic life of the related asset by charging depreciation of the relevant asset directly against the restricted fixed asset fund.

UTC CAMBRIDGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

1. Statement of accounting policies (continued)

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 lives, as follows:

- Long leasehold buildings	- 25 years
- Fixtures fittings and equipment	- 5 years
- Computer equipment	- 5 years
- Motor vehicles	- 5 years

Fixed Assets (continued)

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.

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 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 Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS') (until April 2016), and the assets are held separately from those of the Academy Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective benefit method. As stated in Note 23, the TPS is a multiemployer scheme and the Academy Trust is unable to identify its share of the underlying assets and liability of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contributor's scheme and the contributors recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit 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.

UTC CAMBRIDGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

1. Statement of accounting policies (continued)

Agency arrangements

The Academy Trust acts as an agent in the administering of 16-19 Bursary Funds from the EFA. Related payments received from the EFA and subsequent disbursements to students are excluded from the statement of financial activities to the extent that the Academy Trust does not have a beneficial interest in the individual transactions. The allowance of 5% as a contribution to administration costs is however recognised in statement of financial activities. Where funds have not been fully applied in the year then an amount will be included as amounts due to the EFA.

2. Voluntary income

	Unrestricted funds £'000	Restricted funds £'000	Total 2015 £'000	Total 2014 £'000
DfE/EFA capital grants	-	1,913	1,913	8,492
Other capital donations	-	-	-	35
Other donation	1	-	1	23
	<u>1</u>	<u>1,913</u>	<u>1,914</u>	<u>8,550</u>

3. Activities for generating funds

	Unrestricted funds £'000	Restricted funds £'000	Total 2015 £'000	Total 2014 £'000
Hire of facilities	4	-	4	-
Other income	53	-	53	-
	<u>57</u>	<u>-</u>	<u>57</u>	<u>1</u>

4. Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2015 £'000	Total 2014 £'000
Short term deposits	1	-	1	1
	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>

5. Funding for academy trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2015 £'000	Total 2014 £'000
DfE/EFA revenue grants				
General annual grant (GAG)		961	961	-
Start Up Grants	-	-	-	120
Other DFE/EFA grants	-	434	434	-
	<u>-</u>	<u>1,395</u>	<u>1,395</u>	<u>120</u>
Other Government grants				
Local authority grants	-	29	29	261
	<u>-</u>	<u>1,424</u>	<u>1,424</u>	<u>381</u>

UTC CAMBRIDGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

6. Resources expended

	Staff costs £000	Non pay expenditure Premises costs £000	Other costs £000	Total 2015 £000	Total 2014 £000
Costs of generating voluntary income	-	-	-	-	23
Fundraising trading	-	-	22	22	-
Academy Trust's educational operations:					
- Direct costs	662	180	468	1,310	405
- Allocated support costs	237	237	380	854	49
	<u>899</u>	<u>417</u>	<u>848</u>	<u>2,164</u>	<u>454</u>
Governance costs	-	-	25	25	38
	<u>899</u>	<u>417</u>	<u>895</u>	<u>2,211</u>	<u>515</u>

Net incoming/(outgoing) resources for the period include:

	2015 £000	2014 £000
Fees payable to RSM UK Audit LLP and its associates		
- audit	4	4
- other services	9	1
	<u>9</u>	<u>1</u>

7. Charitable activities – Academy's educational operations

	Total 2015 £000	Total 2014 £000
Direct costs:		
Teaching and educational support staff costs	662	143
Depreciation	361	-
Technology costs	6	-
Educational supplies	200	-
Examination fees	22	-
Staff development	13	-
Other direct costs	46	262
	<u>1,310</u>	<u>405</u>
Allocated support costs		
Support staff costs	237	-
Depreciation	152	-
Technology costs	10	-
Recruitment and support	27	16
Maintenance of premises and equipment	16	-
Cleaning	44	-
Rent and rates	153	-
Energy costs	65	-
Insurance	1	1
Security and transport	36	-
Catering	76	2
Bank interest and charges	1	-
Other support costs	36	30
	<u>854</u>	<u>49</u>
	<u>2,164</u>	<u>454</u>

UTC CAMBRIDGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

8. Governance costs

	2015 £'000	2014 £'000
Legal and professional fees	12	33
Auditor's remuneration:		
- Audit of financial statements	4	4
- Other services	9	1
	<u>25</u>	<u>38</u>

9. Staff numbers and costs

Staff costs

	2015 £'000	2014 £'000
Staff costs during the year were:		
Wages and salaries	604	118
Social security costs	115	9
Pension costs	144	12
Total staff costs	<u>863</u>	<u>139</u>
Supply staff costs	36	-
Total	<u>899</u>	<u>139</u>

Staff numbers

The average number of persons (including senior management team) employed by the Academy Trust during the year was as follows:

	2015 No.	2014 No.
Educational operations		
Teachers	15	-
Administration and support	9	1
Management	3	1
	<u>27</u>	<u>2</u>

The average number of persons (including senior management) employed by the Academy Trust during the year expressed as full-time equivalents was as follows:

	2015 No.	2014 No.
Educational operations		
Teachers	13	-
Admin	7	1
Management	2	1
	<u>22</u>	<u>2</u>

Higher paid staff

The number of employees whose annualised emoluments fell within the following bands was:

	2015 No.	2014 No.
£80,001 - £90,000	<u>1</u>	<u>1</u>

The above employee participated in the Teachers' Pension Scheme, a defined benefit scheme.

UTC CAMBRIDGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

10. Trustees remuneration and expenses

Principal and staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment and not in respect of their services as trustees. Other trustees did not receive any payments from the Academy Trust in respect of their role as trustees.

M. Radford, the Principal, received remuneration of £79,392 in 2015 and is accruing retirement benefits under the Teachers' Pension Scheme. The contributions paid in the year amounted to £11,280.

J St Ledger (staff trustee) received remuneration of £10,110 in 2015 since appointment in June 2015, and is accruing retirement benefits under the Teachers' Pension Scheme. The contributions paid amounted to £2,430.

During the year ended 31 August 2015 travel and subsistence expenses totalling £nil (2014: £nil) were reimbursed to trustees.

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

11. Trustees and officers insurance

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2015 was £1,500 (2014: £1,407). The cost of this insurance is included in the total insurance cost.

12. Tangible fixed assets

	Long leasehold buildings £'000	Furniture & equipment £'000	Computer equipment £'000	Motor vehicles £'000	Total £'000
Cost					
1 September 2014	8,105	-	242	-	8,347
Additions	1,162	483	243	25	1,913
31 August 2015	<u>9,267</u>	<u>483</u>	<u>485</u>	<u>25</u>	<u>10,260</u>
Depreciation					
1 September 2014	-	-	-	-	-
Charged in the year	361	73	77	2	513
31 August 2015	<u>361</u>	<u>73</u>	<u>77</u>	<u>2</u>	<u>513</u>
Net book value					
31 August 2015	<u>8,906</u>	<u>410</u>	<u>408</u>	<u>23</u>	<u>9,747</u>
31 August 2014	<u>8,105</u>	<u>-</u>	<u>242</u>	<u>-</u>	<u>8,347</u>

UTC CAMBRIDGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

13. Debtors

	2015 £000	2014 £000
VAT recoverable	2,085	1,620
Other debtors	243	243
Prepayments	254	1,106
	<u>2,582</u>	<u>2,969</u>

14. Creditors: amounts falling due within one year

	2015 £'000	2014 £'000
Trade creditors	391	930
Other taxation and social security	18	-
Other creditors	2,273	1,893
Accruals and deferred income	216	5
	<u>2,898</u>	<u>2,828</u>

15. Funds

	At 1 Sept 2014 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses and transfers £'000	At 31 Aug 2015 £'000
Restricted general funds					
General Annual Grant (GAG)	-	961	(941)	(20)	-
Start-up grant	13	-	(13)	-	-
Other DfE/EFA grants	-	434	(434)	-	-
Other Government grants	-	29	(29)	-	-
Pension reserve	-	-	(14)	1	(13)
	<u>13</u>	<u>1,424</u>	<u>(1,431)</u>	<u>19</u>	<u>(13)</u>
Restricted fixed asset funds					
DfE/EFA capital grants	8,492	1,913	(680)	(1)	9,724
Capital expenditure from donations and GAG	35	-	(2)	(10)	23
	<u>8,527</u>	<u>1,913</u>	<u>(682)</u>	<u>(11)</u>	<u>9,747</u>
Total restricted funds	<u>8,540</u>	<u>3,337</u>	<u>(2,113)</u>	<u>(30)</u>	<u>9,734</u>
Total unrestricted funds	<u>-</u>	<u>59</u>	<u>(98)</u>	<u>31</u>	<u>(8)</u>
Total funds	<u>8,540</u>	<u>3,396</u>	<u>(2,211)</u>	<u>1</u>	<u>9,726</u>

UTC CAMBRIDGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

15. Funds (continued)

The specific purposes of which the funds are to be applied are as follows;

Restricted general funds

This fund represents grants received for the Academy's operational activities and development. This includes the pension reserve which represents the potential liability due by the academy at the year end.

Fixed asset fund

This fund represents the net book value of fixed assets that the academy have purchased out of grants and donations received.

Unrestricted funds

The unrestricted funds represent funds available to the Trustees to apply for the general purposes of the Academy.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

16. Analysis of net assets between funds

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total funds £'000
Tangible fixed assets	-	-	9,747	9,747
Current assets	-	2,890	-	2,890
Current liabilities	(8)	(2,890)	-	(2,898)
Pension scheme liability	-	(13)	-	(13)
Total net assets at 31 August 2015	(8)	(13)	9,747	9,726

17. Capital commitments

	2015 £'000	2014 £'000
Contracted for but not provided in financial statements.	-	1,898

18. Reconciliation of net income to net cash flow from operating activities

	2015 £000	2014 £000
Net income	1,185	8,417
Depreciation (note 12)	513	-
Capital grants from DfE and other capital income (note 20)	(1,913)	(8,527)
Interest receivable (note 19)	(1)	(1)
FRS17 pension cost less contributions payable (note 23)	14	-
Decrease/(increase) in debtors	387	(2,969)
(Decrease)/increase in creditors	70	2,824
Net cash inflow/(outflow) from operating activities	255	(256)

UTC CAMBRIDGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

19. Returns on investment and servicing of finance

	2015 £000	2014 £000
Interest received	1	1
Net cash inflow from returns on investment and servicing of finance	1	1

20. Capital expenditure and financial investment

	2015 £000	2014 £000
Purchase of tangible fixed assets	(1,913)	(8,347)
Capital grants from DfE	1,913	8,492
Other capital grants	-	35
Net cash inflow from capital expenditure and financial investment	-	180

21. Analysis of changes in net funds

	At 1 September 2014 £000	Cash flows £000	At 31 August 2015 £000
Cash in hand and at bank	52	256	308

22. Members' liabilities

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.

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 Cambridgeshire County Council. Both are defined-benefit scheme.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2012 and of the LGPS 31 March 2013.

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

UTC CAMBRIDGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

23. Pension and similar obligations (continued)

Teachers' Pension Scheme

The Teachers' Pensions Scheme ("TPS") is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010 and, from 1 April 2014, by the Teachers' Pensions Scheme Regulations 2014. The TPS is an unfunded scheme and members contribute on a 'pay as-you-go' basis, and along with employers' contributions, are credited to the Exchequer.

Valuation of the Teachers' Pensions Scheme

Not less than every four years the Government Actuary ("GA"), using normal actuarial principles, conducts a formal actuarial review of the TPS. 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 was carried out as at 31 March 2012 in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation being published in June 2014. The key elements of the valuation and subsequent consultation are:

- Total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £191,500 million.
- Value of the notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £176,600 million
- Assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings
- Rate of real earnings growth is assumed to be 2.75%
- Assumed nominal rate of return is 5.06%.

During the year the employer contribution rate was 14.1%.

The TPS valuation for 2012 determined an employer rate of 16.4% from 1 September 2015 and an employer cost cap of 10.9%. The employer contribution rate will be payable until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the year amounted to £79,000 (2014: £12,000).

Under the definitions set out in Financial Standards (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme.

Accordingly, the Academy Trust has taken the exemption in FRS 17 and 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 and the implications for the Academy Trust in terms of the anticipated rates.

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 2015 was £51,000 of which employer's contributions totalled £39,000 and employees' contributions totalled £12,000.

The agreed rates for future years are 18 per cent for employers and between 5.5 and 11.4 per cent for employees.

UTC CAMBRIDGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

23. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

Principal Actuarial Assumptions	At 31 August 2015
Rate of increase in salaries	4.6%
Rate of increase for pensions in payment / inflation	2.7%
Discount rate for scheme liabilities	3.8%

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 2015
<i>Retiring today</i>	
Males	22.5
Females	24.5
<i>Retiring in 20 years</i>	
Males	24.4
Females	26.6

The academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	Expected return at 31 August 2015	Fair value at 31 August 2015 £'000
Equities	3.8%	38
Bonds	3.8%	8
Property	3.8%	4
Cash	3.8%	2
Total market value of assets		52
Present value of scheme liabilities - funded		(65)
Deficit in the scheme		(13)

The actual return on scheme assets was £nil.

Amounts recognised in the statement of financial activities

	2015 £'000
Current service cost (net of employee contributions)	51
Total operating charge	51

UTC CAMBRIDGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

23. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

Analysis of pension finance costs

	2015 £'000
Expected return on pension scheme assets	1
Interest on pension liabilities	(1)
Pension finance costs	<u>-</u>

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £1,000 loss.

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

	2015 £'000
At 1 September	3
Current service cost	51
Interest cost	1
Employee contributions	12
Actuarial gain	(2)
At 31 August	<u>65</u>

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

	2015 £'000
At 1 September	1
Expected return on assets	1
Actuarial loss	(1)
Employer contributions	39
Employee contributions	12
At 31 August	<u>52</u>

The estimated value of employer contributions for the year ended 31 August 2016 is £40,000.

The history of experience adjustments is as follows:

	2015 £'000
Present value of defined benefit obligations	(65)
Fair value share of scheme assets	52
Deficit in the scheme	<u>(13)</u>
Experience adjustments on share of scheme assets	
Amount £000	<u>(1)</u>
Experience adjustments on scheme liabilities	
Amount £000	<u>-</u>

UTC CAMBRIDGE

NOTES TO THE FINANCIAL STATEMENTS *(CONTINUED)*

FOR THE YEAR ENDED 31 AUGUST 2015

24. Related party transactions

Owing to the nature of the academy's operations and the composition of the board of governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

During the year, UTC Cambridge purchased finance and IT services from Cambridge Regional College, for which MA Constantine is a governor. These services were provided at cost. The charge for finance services during the year was £9,132 and £24,000 in respect of IT services.

During the year ended 31 August 2014, there were services donated by Cambridge Regional College which have been recorded as benefits in kind within the accounts of an estimated value of £23,000. The income is recognised as other donations in voluntary income as disclosed in Note 2.

25. Agency Arrangements

The Academy Trust administers the disbursement of the new discretionary support for learners, 16-19 Bursary Funds, on behalf of the EFA. In the year it received £14,717 and disbursed £8,892, (if any amount unspent) with therefore an amount of £5,825 repayable to the EFA at the 31 August 2015 is included in other creditors.

UTC CAMBRIDGE

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO UTC CAMBRIDGE AND THE EDUCATION FUNDING AGENCY FOR THE YEAR ENDED 31 AUGUST 2015

In accordance with the terms of our engagement letter dated 1 April 2014 and further to the requirements of the Education Funding Agency ('EFA') as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by UTC Cambridge during the year to 31 August 2015 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 UTC Cambridge and the EFA in accordance with the terms of our engagement letter dated 1 April 2014. Our work has been undertaken so that we might state to UTC Cambridge and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than UTC Cambridge and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of UTC Cambridge's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of UTC Cambridge's funding agreement with the Secretary of State for Education dated 17 September 2014 and the Academies Financial Handbook extant from 1 September 2014, 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 2014 to 2015. 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 to 31 August 2015 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 2014 to 2015 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity. A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

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

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion.

UTC CAMBRIDGE

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON
REGULARITY TO UTC CAMBRIDGE AND THE EDUCATION FUNDING AGENCY
(CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

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

RSM UK Audit LLP

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22nd December 2015

