

UTC OXFORDSHIRE TRUST
(A Company Limited by Guarantee)

Annual Report and Financial Statements

For the year ended 31 August 2014

Company Registration Number:
08296556 (England and Wales)

UTC OXFORDSHIRE TRUST

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UTC OXFORDSHIRE TRUST

Reference and Administrative Details

Trustees

Lee Nicholls (Chair)

Stephen McCormick (Responsible Officer)

Sally Dicketts

Sa'ad Medhat

Company Secretary

Stephen McCormick

Principal

Owain Johns

Registered Office

Activate Learning
Oxpens Road
Oxford
United Kingdom
OX1 1SA

Company Registration Number

08296556

Independent Auditor

Mazars LLP
Chartered Accountants and Statutory Auditor
Clifton Down House
Beaufort Buildings
Clifton Down
Bristol
BS8 4AN

Bankers

Lloyds Bank
Carfax Oxford
1 – 5 High Street
Carfax
Oxford
OX1 4AA

UTC OXFORDSHIRE TRUST

Trustees' Report

The trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2014. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

Structure, Governance and Management

Constitution

The Academy Trust 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 Academy Trust.

The trustees of UTC Oxfordshire Trust are also the directors of the Charitable Company for the purposes of company law.

The Academy Trust is expected to open for students from 1st September 2015. These accounts cover the pre-construction phase of the Academy.

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

There were no known indemnities due in the financial year.

Principal Activities

To offer specialist programmes in Engineering and Life Science alongside traditional subjects, such as English, Maths and Science for 14 to 19 year olds. There will be a strong focus upon project based learning and industry partnerships.

Method of Recruitment and Appointment or Election of Governors

The Members may appoint up to 10 Trustees provided that in making such appointments the Members shall ensure that nominees of the Industry Partners and Academic Partners form a majority of the total number of Trustees.

The Members may appoint Staff Governors through such process as they may determine, provided that the total number of Trustees (including the Principal) who are employees of the Academy Trust does not exceed one third of the total number of Trustees.

Trustees are inducted and are offered training and mentorship to enable them to enact their duties to the best of their ability.

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 on and implementing the Academy Trust's strategic framework. In particular the Principal will formulate aims and objectives, policies and targets for the Board to consider adopting.

UTC OXFORDSHIRE TRUST

Trustees' Report *(continued)*

The role of the Accounting Officer is a personal responsibility for the propriety and regularity of the public finances for which they are answerable; for the keeping of proper accounts; for prudent and economical administration; for the avoidance of waste and extravagance; for ensuring value for money; and for the efficient and effective use of all the resources in their charge.

Risk Management

During the financial year, there were the following risks and risk management strategies:

- The risk of not completing the land transfer from Taylor Wimpey to Oxfordshire County Council and then the subsequent lease of the land to the Trust by 31st January 2015. An early works agreement to be agreed with Kier to commence works, together with the issue of a licence to access their land from Taylor Wimpey. Escalation into OCC, SODC and Taylor Wimpey.
- Enough students have to be recruited to ensure financial and educational viability, this risk is being managed by monitoring application rates and marketing activity in the run up to opening.
- The success of UTC Oxfordshire Trust is dependant on the recruitment of high calibre staff members, the risk being that they would not be established in time for the opening. In order to manage this, advertisements are being placed to cover all eventualities. Pro-active recruitment of the Principal and Vice Principal is in place and the Principal was appointed in Autumn term 2014. These processes ensure that recruitment is planned to match the curriculum plans.

Objectives and Activities

Objects and Aims

The Academy Trust's object is to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

Objectives, Strategies and Activities

The UTC intends to ensure that all students go into employment, further/higher education or training. The strategy to achieve this will include ensuring that appropriate education and skills training are built into the learning environment.

Public Benefit

The vision is for students to be inspired by the relevance and challenge of solving real-life industrial and community problems. They will rapidly gain the confidence and both the technical and personal skills to become the creative contributors on whom our businesses and public services can rely for shaping and driving the future of our society.

Strategic report

Achievements and Performance

The aim for the financial year was to have a construction plan in place and to manage the project for recruiting students and employing suitable numbers of teachers. Going forward there will be different measures of performance relating to academic achievement, attendance and progress.

UTC OXFORDSHIRE TRUST

Trustees' Report *(continued)*

The Department for Education gave approval for the establishment of UTC Oxfordshire Trust in 2013. Since then project management work has been undertaken to plan and schedule the building works and other aspects of setting up the Academy Trust.

There has been a positive response from the local community.

Going Concern

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

Key Financial Performance Indicators

Key Performance indicators will be adopted on completion of construction and when the UTC Oxfordshire Trust becomes open for students.

Financial Review

The UTC received £180,000 of funding and expended £87,000 leaving a net income balance of £93,000 for the year.

Financial and Risk Management Objectives and Policies

The objective for the financial year was to ensure that the building works and recruitment of new staff was managed effectively so that the timetable to get the academy ready for the intake of new students could be met.

Given the nature of the way income was received by grants, the payment of creditors had to be managed to ensure there was always the cash in the bank to do so.

Principal Risks and Uncertainties

The principal risk associated with the financial year was the risk that the project was not managed suitably and so building works would not be able to commence in line with expectation. This risk has been suitably managed and construction work commenced in October 2014.

Reserves Policy

Given the nature of the UTC, it is unlikely that a high level of reserves would be held. If the sum becomes material, UTC Oxfordshire Trust will update the accounts as necessary.

Investment Policy

The UTC holds no investments. Cash is deposited in the bank.

UTC OXFORDSHIRE TRUST

Trustees' Report *(continued)*

Plans for Future Periods

UTC Oxfordshire has a mission to educate and train the next generation of scientists, engineers and industrial innovators. This will be done by drawing on the expertise and resources of industry and academic partners; building and continuously refreshing the curriculum with their guidance and input.

Our vision is for our students to be inspired by the relevance and challenge of solving real-life industrial and community problems. They will rapidly gain the confidence and both the technical and personal skills to become the creative contributors on whom our businesses and public services can rely for shaping and driving the future of our society.

This will be achieved by:

- Establishing Engineering & Computer Science (which will also help deliver Digital Literacy skills) as a core curriculum subject in UTC Oxfordshire at Key Stage 4, and building a technical and scientific curriculum that provides specialisations at Key Stage 4 and corresponding progression pathways at Key Stage 5, to include:
- Life Sciences
- Engineering and systems.

Funds held as Custodian Trustee on behalf of others

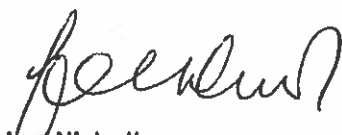
There are no assets being held.

Auditor

In so far as the trustees are aware:

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

The Trustees' Report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 30 January 2015 and signed on the board's behalf by:



Lee Nicholls
Chair of Trustees

UTC OXFORDSHIRE TRUST

Governance Statement

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that UTC Oxfordshire Trust 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 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 UTC Oxfordshire Trust 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 not held any formal meetings during the year.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in UTC Oxfordshire Trust for the year ended 31 August 2014 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the 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 ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ending 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

UTC OXFORDSHIRE TRUST

Governance Statement (*continued*)

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 Board of Trustees of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the trustees have appointed, Stephen McCormick, a trustee as Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and procuring a range of checks on the Academy Trust's financial systems. The RO will report to the Governing Body on the operation of the systems of control and on the discharge of the Board of Trustees financial responsibilities.

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, where appropriate, 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 Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been and will be advised of the implications of the result of the above reviews 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 30 January 2015 and signed on its behalf by:



Lee Nicholls
Chair of Trustees


Owain Johns
Accounting Officer

UTC OXFORDSHIRE TRUST

Statement on Regularity, Propriety and Compliance

As accounting officer of UTC Oxfordshire Trust I have considered my responsibility to notify the UTC trust governing body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement which will be 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 governing body 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 Academies Financial Handbook.

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



Owain Johns
Accounting Officer

UTC OXFORDSHIRE TRUST

Statement of Trustees' Responsibilities

The trustees (who act as governors of UTC Oxfordshire Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements 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 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 to 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.

Approved by order of the members of the Board of Trustees on 30 January 2015 and signed on its behalf by:



Lee Nicholls
Chair of Trustees

UTC OXFORDSHIRE TRUST

Independent auditor's report to the members of UTC Oxfordshire Trust

We have audited the financial statements of UTC Oxfordshire Trust for the Year ended 31 August 2014 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page x, the trustees (who 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. This report is made solely to the members as a body. Our audit work has been undertaken so that we might state to the members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and the members as a body for our audit work, for this report, or for the opinions we have formed.

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 web-site at www.frc.org.uk/auditscopeukprivate.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2014 and of its incoming resources and application of resources, including its income and expenditure, for the Year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

Opinion on the other matter prescribed by the Companies Act 2006

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

UTC OXFORDSHIRE TRUST

Independent auditor's report to the members of UTC Oxfordshire Trust (*continued*)

Matters on which we are required to report by exception

We report to you if, in our opinion:

- adequate accounting records have not been kept; 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.



Richard Bott (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
Clifton Down House
Beaufort Buildings
Clifton Down
Bristol
BS8 4AN

30/1/15

UTC OXFORDSHIRE TRUST

Independent Reporting Accountant's Assurance Report on Regularity to the Governing Body of UTC Oxfordshire Trust and the Education Funding Agency

In accordance with the terms of our engagement letter dated 21 January 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by UTC Oxfordshire Trust during the period 1 July 2013 to 31 August 2014 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 Oxfordshire Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to UTC Oxfordshire Trust and the EFA those matters we are required to state to it 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 Oxfordshire Trust and the EFA, for our review work, for this report, or for the opinion we have formed.

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

The accounting officer is responsible, under the requirements of the Academies Financial Handbook, extant from 1 September 2013, 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 2013 to 2014. 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 2013 to 31 August 2014 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2013 to 2014 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 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.

UTC OXFORDSHIRE TRUST

Independent Reporting Accountant's Assurance Report on Regularity to the Governing Body of UTC Oxfordshire Trust and the Education Funding Agency (*continued*)

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

A summary of the work we have undertaken is as follows:

- Planned our assurance procedures including identifying key risks;
- Carried out sample testing on controls;
- Carried out substantive testing including analytical review; and
- Concluded on procedures carried out.

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 ended 31 August 2014 has not been applied to purposes intended by Parliament and the financial transactions conform to the authorities which govern them.



Reporting Accountant
Mazars LLP

20/1/15

UTC OXFORDSHIRE TRUST

Statement of Financial Activities for the period ended 31 August 2014 (Including Income and Expenditure Account)

	Notes	Restricted Funds £'000	Total 2014 £'000	Total 2013 £'000
Incoming Resources				
<i>Incoming resources from charitable activities:</i>				
Funding for the academy trust's educational operations	2	180	180	0
Total Incoming resources		180	180	0
Resources expended				
<i>Charitable activities:</i>				
Academy trust educational operations	4	84	84	0
Governance costs	5	3	3	0
Total resources expended	3	87	87	0
Net income for the year		93	93	0
Net movement in funds		93	93	0
Reconciliation of funds				
Total funds brought forward 1 Sep-13		0	0	0
Total funds carried forward 31 Aug-14	8	93	93	0

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


A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

UTC OXFORDSHIRE TRUST

Balance sheet as at 31 August 2014

	Notes	2014 £'000	2014 £'000	2013 £'000	2013 £'000
Current assets					
Cash at bank and in hand		<u>162</u>		<u>0</u>	
		162		0	
Liabilities					
Creditors: Amounts falling due within one year	7	<u>(69)</u>		<u>0</u>	
Net current assets			<u>93</u>		<u>0</u>
Total assets less current liabilities			<u>93</u>		<u>0</u>
Funds of the academy trust:					
Restricted funds					
General fund	8	<u>93</u>		<u>0</u>	
Total restricted funds			93		0
Total funds			<u>93</u>		<u>0</u>

The financial statements on pages 16 to 24 were approved by the Trustees, and authorised for issue on 30 January 2015 and are signed on their behalf by:



Lee Nicholls
Chair of Trustees

UTC OXFORDSHIRE TRUST

Cash flow statement for the year ended 31 August 2014

	<i>Note</i>	2014 £'000	2013 £'000
Net cash inflow from operating activities	11	162	0
Increase in cash in the year	12	162	0
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 August 2013		0	0
Net funds at 31 August 2014	12	162	0

UTC OXFORDSHIRE TRUST

Notes to the Financial Statements for the year ended 31 August 2014

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 Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2013 to 2014 issued by the EFA 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 assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

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**

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 balance sheet in the restricted fixed asset fund.

- **Sponsorship income**

Sponsorship income provided to the Academy Trust 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 and it is measurable.

- **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 OXFORDSHIRE TRUST

Notes to the Financial Statements for the year ended 31 August 2014 (continued)

1 Statement of Accounting Policies (continued)

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 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 Governor's meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

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 2011 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.

Fund Accounting

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

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

UTC OXFORDSHIRE TRUST

Notes to the Financial Statements for the year ended 31 August 2014 (continued)

2 Funding for the Academy's educational operations

	Unrestricted Funds £'000	Restricted Funds £'000	Restricted Fixed Asset Funds £'000	Total 2014 £'000	Total 2013 £'000
DfE					
Start Up Grants	0	180	0	180	0
	<u>0</u>	<u>180</u>	<u>0</u>	<u>180</u>	<u>0</u>

3 Resources expended

	Staff costs £'000	Other Expenditure £'000	Total 2014 £'000	Total 2013 £'000
UTC's educational operations:				
Allocated support costs (note 4)	0	84	84	0
	<u>0</u>	<u>84</u>	<u>84</u>	<u>0</u>
Governance costs including allocated support costs	0	3	3	0
	<u>0</u>	<u>87</u>	<u>87</u>	<u>0</u>

4 Charitable activities – Academy's educational operations

Support costs - educational operations

Project management	24	0
Recruitment and support	33	0
Legal and professional	13	0
Marketing and publicity	5	0
Other support costs	9	0
Total support costs	<u>84</u>	<u>0</u>

5 Governance Costs

	2014 £'000	2013 £'000
Auditor's remuneration:		
Audit of financial statements	3	0
	<u>3</u>	<u>0</u>

UTC OXFORDSHIRE TRUST

Notes to the Financial Statements for the year ended 31 August 2014 (continued)

6 Related Party Transactions - Trustees' Remuneration and Expenses

The principal and staff trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as trustees. The value of the Principal's remuneration was £nil in 2014. Other trustees did not receive any payments or expenses from the UTC trust in respect of their role as trustees. Related party transactions involving the trustees are set out in note 14.

7 Creditors: amounts falling due within one year

	2014 £'000	2013 £'000
Amounts due to related parties	66	0
Accruals and deferred income	3	0
	<u>69</u>	<u>0</u>

8 Funds

	Balance at 1 Sep-13 £'000	Incoming Resources £'000	Resources Expended £'000	Balance at 31 Aug-14 £'000
Restricted general funds				
Start Up Grant	0	180	(87)	93
Total restricted funds	<u>0</u>	<u>180</u>	<u>(87)</u>	<u>93</u>
Total funds	<u>0</u>	<u>180</u>	<u>(87)</u>	<u>93</u>

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

Restricted General Funds

This fund relates to a grant received from the Department for Education for the running costs of the UTC. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of grant that it could carry forward at 31 August 2014.

9 Analysis of net assets between funds

Fund balances at 31 August 2014 are represented by:

	Restricted general funds £'000	Restricted fixed asset funds £'000	Total Funds £'000
Current assets	162	0	162
Current liabilities	(69)	0	(69)
Total Net Assets	<u>93</u>	<u>0</u>	<u>93</u>

UTC OXFORDSHIRE TRUST

Notes to the Financial Statements for the year ended 31 August 2014 (continued)

10 Capital Commitments

	2014 £'000	2013 £'000
Contracted for, but not provided in the financial statements	0	0

11 Reconciliation of net income to net cash inflow from operating activities

	2014 £'000	2013 £'000
Net income	93	0
Increase in creditors	69	0
Net cash inflow from operating activities	162	0

12 Analysis of changes in net funds

	At 1 September 2013 £'000	Cash Flows £'000	At 31 August 2014 £'000
Cash in hand and at bank	0	162	162

13 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.

14 Related Party Transactions

During the year expenditure totalling £65,676 was settled on behalf of the UTC Oxfordshire Trust by Activate Learning, the lead sponsor of the project. This amount remained outstanding at 31 August 2014, and is included under amounts due to related parties in note 7.

Owing to the nature of the Academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures. No related party transactions took place in the period of account.

UTC OXFORDSHIRE TRUST

Notes to the Financial Statements for the year ended 31 August 2014 *(continued)*

15 Trustees' and Officers' insurance

The UTC is in the process of obtaining insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business, in advance of the planned opening of the UTC.