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# Annual Report and Financial Statements

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Year to **31 AUGUST 2024**

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**MEMBERS**

..... University of East London  
 ..... Thames Water Utilities Ltd  
 ..... Costain Ltd  
 ..... Skanska UK PLC  
 ..... Chelmsford Diocese Educational Trust

**DIRECTORS**

..... Prof H Abdalla  
 ..... S Ahmad  
 ..... C Beales (Deceased 12 January 2024)  
 ..... G Fowler (CEO)  
 ..... L Graham (Resigned 22 September 2023)  
 ..... A Heal (Chair)  
 ..... G Lois (Staff Director)  
 ..... N Rathbone  
 ..... H Wain (Vice Chair)  
 ..... L Webster (Resigned 31 December 2023)  
 ..... P Sheikh (Parent Director)  
 ..... U Salman (Parent Director)  
 ..... C Kennett  
 ..... C Hunter  
 ..... S Moss  
 ..... S Duffy (Appointed 29 November 2023)

**STRATEGY TEAM**

CEO and Principal ..... G Fowler  
 Head of LDE UTC 6th Form ..... V Webb  
 Head of LDE UTC ..... K Drugzani  
 Deputy Head - Pastoral ..... G Gold  
 Deputy Head - Quality of Education ..... F Ahmed (appointed 1 October 2024)  
 Chief Financial Officer ..... D Watherson (resigned 15 September 2023)  
 Chief Financial Officer ..... A Agidee-Adekunle (appointed 15 September 2023; Resigned 31 March 2024)  
 Chief Financial Officer ..... David Hughes (appointed 11 November 2024)

**COMPANY REGISTRATION NUMBER**

08283657 (England & Wales)

**PRINCIPAL & REGISTERED ADDRESS**

15 University Way  
 East Ham  
 London  
 E16 2RD  
 England

**INDEPENDENT AUDITOR**

Azets Audit Services  
 First Floor, River House  
 1 Maidstone Road, Sidcup  
 Kent DA14 5RH  
 United Kingdom

**BANKERS**

Lloyds Bank plc  
 PO Box 1000  
 Andover BX1 1LT





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**LDE UTC continues  
to be a truly inclusive,  
popular, and heavily  
oversubscribed college.**

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## **DIRECTORS' REPORT**

The Directors of London Design & Engineering UTC ('the academy trust') present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2023 to 31 August 2024. The annual report serves the purposes of both a trustees' report, and a directors' report and strategic report under company law.

The financial statements have been prepared in accordance with the accounting policies set out on pages 37-41 of the attached financial statements and comply with the Academy's memorandum and articles of association, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

The academy trust operates a University Technical College (UTC) for learners aged 13 to 19 based in Newham and serving the whole of London. The UTC opened in September 2016 and moved into its purpose-built permanent building, on the dock front of London's Royal Albert Dock in January 2019. For the academic year 2023/24, the UTC remains heavily oversubscribed with 795 learners on roll across national curriculum year groups 9 to 11 and its Sixth Form (2022/23 – 769 learners). In addition the UTC has around 32 adult apprentice learners on roll.

## **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 Directors of the London Design & Engineering UTC Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as London Design & Engineering UTC. Details of the Directors who served during the year are shown on page 1.

**DIRECTORS REPORT** (continued)

**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.

**Directors' Indemnities**

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

**Method of Recruitment and Appointment or Election of Directors**

The Board of Directors will contain at least 5 Directors and no more than 17, all of whom are to be UK-based, in order to ensure both a range of views, but also that meetings can be scheduled and managed with ease. This includes a minimum of 2 elected Parent Directors. The Principal/CEO will for all purposes be treated as being an exofficio Director.

The Directors may appoint staff Directors through such process as they may determine, provided that the total number of Directors (including the Principal) who are employees of the academy trust does not exceed one third of the total number of Directors. The Directors may appoint any number of Co-opted Directors.

**Policies and procedures adopted for the induction and training of Directors**

On appointment, new Directors follow an induction programme, which includes an induction meeting with the Clerk to the Board of Directors to understand their roles and responsibilities and how the Board and its Committees operate. There is also, a meeting with the Chair and the Principal/CEO to understand the key issues affecting the LDE and a tour of the UTC and personal reading of key documents and information along with online safeguarding training.

## **DIRECTORS REPORT** (continued)

### **Organisational structure**

The organisational structure of the academy trust consists of: The Board of Directors (i.e. the governing body); its Committees; and the Principal and the UTC Strategic Team (ST) and wider Leadership Team (LT) which includes the ST along with wider leaders from within the College staff team. The purpose of this management structure is to distribute responsibility and accountability and to encourage involvement in decision making at all levels so that the UTC nurtures the talents of its entire staff to support continual improvement

The Board of Directors supported by its Committees is responsible for setting the UTC's strategic direction; creating robust accountability and ensuring financial probity.

The Principal/CEO and ST run and manage the UTC on a day-to-day basis at an executive level, implementing the policies set by the Board of Directors and reporting back to them.

The Board of Directors has a three-committee structure to improve oversight and strengthen governance. The three Committees each have terms of reference detailing their responsibilities. The terms of reference and meeting frequency for each Committee are reviewed and approved by the Board of Directors. The terms of reference for the Finance, Operations and Audit Committee ("FOAC") detail the UTC's authorised spending limits. The FOAC also convenes a Remuneration Committee meeting once a year to review the Trust's pay policy and agree the recommendations put forward by the Principal/CEO for the annual pay increases for all staff employed by the Trust. The Remuneration Committee also sets the annual pay increase for the Principal/CEO.

The three Committees of the Board of Directors in operation during 2023/24 were:

1. Quality of Education and Curriculum Committee;
2. Personal Development and Community Committee; and
3. Finance, Operations and Audit Committee.

Furthermore, the Accounting Officer (i.e. the Principal/CEO) has personal responsibility for:

- the propriety and regularity of the public finances, for which they are answerable;
- the keeping of proper accounts;
- prudent and economical administration;
- the avoidance of waste and extravagance;
- ensuring value for money; and
- the efficient use of all resources.

The Principal/CEO, as the Accounting Officer, has to operate within the schemes of delegation agreed with the Board of Directors.

**DIRECTORS REPORT** (continued)

**Arrangements for setting pay and remuneration of key management personnel**

London Design & Engineering UTC has a set of banded pay scales to which staff are appointed. These have been benchmarked against other schools and academies. Staff pay and progression are reviewed annually, including a performance management appraisal, to ensure value for money is delivered. The performance management appraisal for the Principal/CEO is undertaken by the Chair of the Board of Directors in a panel with other Board members.

**Trade union facility time**

No time was spent by relevant union officials on paid trade union activities during contracted employment hours in the relevant period for purposes of reporting under the Trade Union (Facility Time Publication Requirements) Regulations 2017.

**Related parties and other connected charities and organisations**

London Design & Engineering UTC Trust was originally set up in November 2012 and currently has the following five organisations as members: University of East London (UEL), Thames Water Utilities Ltd, Costain Ltd, Skanska UK plc and the Chelmsford Diocese Educational Trust. It was established in response to a lack of high-quality technical education and the need amongst employer sponsors to recruit work ready candidates with the right skills and attitude to fit into their organisations.

All five organisations are independent legal entities that also operate autonomously.

**OBJECTIVES AND ACTIVITIES**

The London Design & Engineering (LDE) UTC's vision is creating technology-led and employer-led education that provides learners with the ability to exceed their potential, celebrate their diversity and embrace the opportunities of the "4th industrial revolution."

Since its inception in 2016, LDE UTC has provided a unique blend of academic excellence and technical education, equipping students with the skills, qualifications, and confidence to excel in their chosen fields. The college offers a range of GCSEs, A-levels, and technical qualifications, with an emphasis on real-world industry partnerships. This forward-thinking approach has already made LDE UTC a beacon of opportunity for young people in Newham, many of whom join the school after disengaging from traditional education.

The LDE UTC is much more than just a college; It's about investing in young people, addressing the UK's skills gap, and providing the tools for learners to realise their potential. With the overwhelming support from industry and our local community, we are shaping a brighter future for Newham's young people.



### **DIRECTORS REPORT** (continued)

The LDE UTC provides outstanding educational and career support at all levels—whether at apprentice or graduate engineer level—within the broad and dynamic sectors of construction, engineering, mechatronics (systems and control), aviation, and digital industries. Its STEM-focused qualifications also open pathways to further studies and employment in other related science and technology fields.

After operating for 8 years, LDE UTC is now recognised locally, regionally, and nationally as a centre of excellence. Renowned for its innovative approach, the UTC has become a benchmark institution, attracting overseas visitors keen to see and understand how it achieves such exceptional success.

LDE UTC Aims to Achieve the Following:

- **Empowered Learners:** Learners leave the UTC as work-ready, independent, and enterprising individuals who are driven to succeed, proud of their achievements, and confident in their identities. They will be technologically skilled and have a clear vision for their future, supported by realistic and actionable plans.
- **Centre of Excellence:** Maintain an outstanding reputation as a centre of excellence in design, engineering, mechatronics, and aviation. This includes creating and sharing high-quality educational resources for teaching and teacher training, while fostering professional and motivated staff and learners who are fully engaged with the UTC's vision, mission, values, and ethos.
- **Industry Alignment:** Work closely with industry to understand and address evolving skills needs. Develop a relevant, sustainable, and innovative curriculum that equips learners with the transferable skills essential to thrive in the 21st-century workplace.

### **THE VISION OF LDE UTC**

At the heart of LDE UTC's mission is its commitment to developing the next generation of tech-savvy learners who can apply theoretical knowledge to solve some of the world's most pressing challenges, including those related to sustainable living.

LDE UTC combines cutting-edge technology, purpose-built learning spaces, and an inspirational curriculum that integrates technical and academic disciplines. Through real-world, employer-driven projects, learners are prepared for the jobs of the future, with every aspect of the curriculum linked to their aspirations.

Recognised for their skills, attitudes, behaviours, and knowledge, LDE learners are highly sought after by leading employers. With unparalleled access to employment opportunities and ongoing support through strong industry connections and sponsors, LDE learners are well-equipped for long-term success in their chosen fields.

### **OBJECTIVES, STRATEGIES AND ACTIVITIES**

#### **Public benefit**

As laid down in its Articles of Association the Academy Trust exists for the benefit of public education in the United Kingdom. Secondary to this, is an object to promote for the benefit of the inhabitants of the areas in which the Academy is situated. In all instances the Academy exists for the benefit of the public.

**DIRECTORS REPORT** (continued)

**STRATEGIC REPORT**

**ACHIEVEMENTS AND PERFORMANCE**

The London Design & Engineering University Technical College (LDE UTC) is now well into its ninth year of operation, marking a remarkable journey of growth and resilience. Over this period, the College has successfully established itself despite significant challenges, including operating from temporary accommodation for two and a half years. Today, LDE UTC is a thriving, employer-led, oversubscribed, mixed-ability, and multi-cultural institution. In March 2022, the College was rated “Good” by Ofsted for its Key Stage 3, 4, and 5 provisions.

**Focus for the 2023/24 Academic Year**

During the 2023/24 academic year, LDE UTC has concentrated on two key priorities:

1. **Continuous Improvement:** Addressing areas for development identified in the 2022 Ofsted inspection to further enhance the quality of education and support offered to learners.
1. **Expansion and Growth:** Responding to the significant demand from the local community for its technical education by exploring opportunities to grow and improve the College’s provision.

**T-Level Building Development**

LDE UTC has made significant progress in advancing its T-Level Building project throughout 2023/24. Working collaboratively with architects, technical advisors, planning consultants, the Department for Education (DfE), and the Greater London Authority (GLA), the College has:

- Relocated the building site, re-designed the structure, and revised the completion timeline to align with the £4m Buildings and Facilities Improvement Grant (BFIG) from the DfE.
- Submitted a full planning application to Newham Council in June 2024, obtaining planning permission on 19 November 2024.
- Procured Neilcott Construction Ltd to deliver the project and is set to finalise a design and build contract.

The new standalone T-Level building will provide essential workshop space to support courses in **Craft & Design, Engineering Construction, and Digital**. Construction is scheduled to be completed by August 2025, ensuring the facility is ready for the start of the 2025/26 academic year.

**Commitment to Wellbeing**

LDE UTC continues to prioritise the wellbeing of learners and staff, implementing a range of initiatives, including:

- **Flexible Working Options:** Supporting work-life balance for staff.
- **Employee Assistance Programme:** Offering confidential support for personal and professional challenges.
- **On-Site Counsellor:** Providing access to trained mental health support.
- **Wellbeing Initiatives:** Introducing various activities and measures to promote a healthy and supportive environment.

This holistic approach underpins the College’s commitment to fostering a positive and inclusive community, enabling both learners and staff to thrive.

**DIRECTORS REPORT** (continued)

**QUALITY OF EDUCATION (QOE) RESULTS 2023-2024**

**Key Stage 5 (KS5) Highlights**

The LDE UTC is pleased to report that its 2024 KS5 results show an improvement on those achieved in 2023 and are broadly in line with 2019 national averages and expectations.

The LDE UTC Sixth Form (KS5) results in 2024 remain strong, with the average grade for technical subjects being a Distinction. Results in Aviation are particularly outstanding, with the average grade reaching Distinction/, an excellent achievement.

A-Level results have seen a slight improvement, with the average grade now a C, consistent with 2023. As a technical college, LDE UTC is especially proud to maintain an average grade of a B in A-Level Maths. Another notable success is the improvement in A-Level Arts, where the average grade has risen to a B from the previous year.

These results reflect the hard work and dedication of both learners and staff, reinforcing the UTC's reputation for academic and technical excellence.

<b>Overall</b>	<b>Average Technical result is a Distinction</b>	<b>Average A Level result is a C</b>
<ul style="list-style-type: none"> <li>• 40% A&gt; or Distinction&gt;</li> <li>• 47% B&gt;</li> <li>• 71% C&gt; or Merit&gt;</li> </ul>	<ul style="list-style-type: none"> <li>• Aviation average result Triple Distinction*</li> <li>• Digital Media average result Distinction</li> <li>• Engineering average result Distinction</li> </ul>	<ul style="list-style-type: none"> <li>• Maths average result B</li> <li>• Art average result B</li> </ul>

Based on the initial analysis by BDT, LDE UT6Form is above the 75th percentile for A Levels and Technical qualifications, putting us in the top 25% of UTCs.

Our Applied generals, (based on the updated result of 27.9), are also well above the 50th percentile.

**DIRECTORS REPORT** (continued)

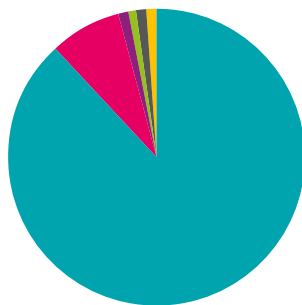
**OVERVIEW OF EXAMINATION PERFORMANCE  
WITHIN THE UTC PROGRAMME - SUMMER 2024**

**Baker Dearing  
Educational Trust**

16-19 Level 3											
Y13 Roll	KS4 Ave Pts	Qualification type									
		A/L Pts	A/L Grade	App Gen Pts	App Gen Grade	Tech Pts	Tech Grade	T Level Core Pts	T Level Core Grd	T Level OS Pts	T Level OS Grd
199											
120	6.0	31.5	C	31.5	Dist-	39.4	Dist+	29.8	C	47.3	Mer+
		30.7	C			36.0	Dist				
103	5.6	28.8	C	29.0	Mer+	35.5	Dist	25.8	C-	45.0	Mer+
	5.5			27.9	Mer+						
59	5.3	26.3	C-	26.6	Mer	32.9	Dist-	24.3	D+	38.8	Mer
28	5.1	19.6	D	19.0	Pass+	26.7	Mer+	19.4	D	30.6	Mer-
22	4.5	15.6	D-	15.2	Pass	21.5	Mer-	17.1	D-	27.8	Pass+

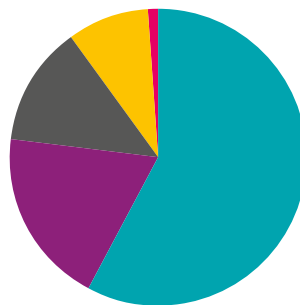
LDE UTC results shown in purple boxes. UTCs with fewer than 5 entries within the qualification category are not included in the above Level 3 percentile calculations.

**YEAR 12 & 13 Destinations**



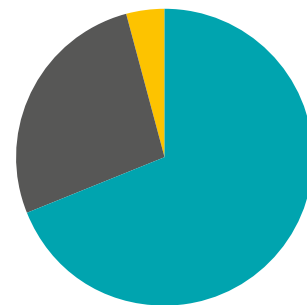
**Year 12: 20223 - 2024  
Graduate Destination Data**

- 89% Continued at LDE
- 08% Sixth Form & FE Colleges
- Apprenticeship
- Moved Abroad
- NEET
- Employment



**Year 13: 20223 - 2024  
Graduate Destination Data**

- 58% University
- 19% Apprenticeship
- 13% GAP Year
- Employment
- FE College



**Year 13: 20223 - 2024  
Graduate moving into STEM**

- 140 STEM
- 55 Other
- Creative & Design



**DIRECTORS REPORT** (continued)

**Key Stage 4 (KS4) Highlights**

The 2024 exam results at LDE UTC reflect continued progress, with learners demonstrating a positive progress score of +0.34 from their entry levels. The Achievement 8 (A8) score for 2024 was 43.5, which, although slightly below projections, aligns with national benchmarks, showing that learners are meeting academic expectations.

A standout achievement is the percentage of learners attaining 4+ in English and Maths, which stands at 67%, surpassing the 2023 national average of 65%. Additionally, 46.4% of learners achieved 5+, exceeding the national average of 45%.

These successes are attributed to the College's robust support systems, which include:

- Weekly curriculum reviews.
- Targeted intervention programmes.
- A strong focus on embedding reading, literacy, and numeracy skills across the curriculum.

Notably, the projected improvements in Maths marks highlight the effectiveness of tailored intervention programmes designed to address specific gaps in learners' understanding. These results underscore the impact of LDE UTC's commitment to academic excellence and personalised learner support.

**RESULTS 2023 - 2024**

Headline Figures						
	PROGRESS > 0			ATTAINMENT > GL PREDICTIONS		
	2023	2024	2025	2023	2024	2025
KS4	0.66	<b>0.34</b>	0.66	47.0	<b>43.4</b>	48.9

**KEY STAGE 4 2024**

**66% of learners achieved a standard pass in both English and Mathematics** (compared to 60% from the last national data)

**46% of learners achieved a strong pass in both English and Mathematics** (compared to 40% from the last national data)

**DIRECTORS REPORT** (continued)

**OVERVIEW OF EXAMINATION PERFORMANCE  
WITHIN THE UTC PROGRAMME - SUMMER 2024**

Based on the initial analysis by BDT, LDE UTC was above the 90th percentile for English - therefore putting our college top 10% across the UTC programme and top 25% for %5 for English and maths. Additionally, the LDE UTC is above the 50th percentile for Maths, Ebacc and the %4+.

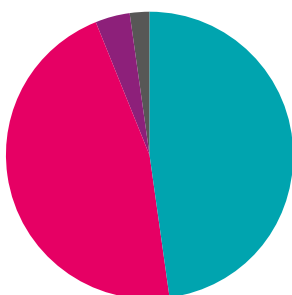
**Baker Dearing  
Educational Trust**

**UTC: London Design & Engineering UTC**

2024	KS4					
ALL UTCs*	Y11 Roll	Attainment 8 points			Basics	En &
		En	Maths	EBacc 3 Inc Sci	% 4+	% 5+
		10.2				
90th %ile	151	10.2	10.5	13.6	76	53
						46
75th %ile	123	9.2	9.7	13.0	68	44
			9.1	12.7	67	
50th %ile	99	8.7	8.2	10.4	54	34
	97					
25th %ile	71	7.7	7.6	8.8	44	23
10th %ile	65	6.9	7.1	7.8	34	16

LDE UTC results shown in purple boxes. \*Data for 41 UTCs. Ebacc3: as per A8 formula notes and NOT curriculum adjusted.

**YEAR 11 Destinations**



**Year 11 - 100 on roll**

**# of Learners**

46% LDE UTC	45
48% Sixth Form & FE Colleges	47
Apprenticeship	4
NEET	2

**Year 11: 20223 - 2024 Graduate Destination Data**

- 46% Continued at LDE
- 48% Sixth Form & FE Colleges

**DIRECTORS REPORT** (continued)

**STRATEGIC REPORT**

**Going concern**

The Trustees assess whether the use of going concern in the preparation of the accounts is appropriate and whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the UTC to continue as a going concern. The Trustees make assessment in respect of a period of at least one year from the date of authorisation for the issue of the financial statements.

The Trustees have considered the risks facing the UTC, the forecast of cashflows, pupil number growth and the level of reserves, both in the context of continued operational activities and the upcoming new build programme. The Trustees have concluded that the UTC has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the UTC's ability to continue as a going concern. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

**FINANCIAL REVIEW**

The UTC generated total operational revenue for the period of £ 7,706k (2022-23 £6,458k), and incurred expenditure of £ 7,062k (2022-23 £6,306k), resulting in a net income of £644 (2022-23: £152k) before actuarial adjustments to the pension scheme and the movement on the fixed asset reserve. This showed a continued increase in both revenue and surplus, reflecting the growth in student numbers.

Total funds therefore grew to £20.1m (2022-23 £19.3m), of which revenue reserves were £1,185 (2022-23 £579k). This comprises both restricted and unrestricted funds; the main source of income for the UTC is grant from the Department for Education for the education of students, which is based on student numbers. Under charities regulations, this revenue is recorded as restricted funds, reflecting the terms and conditions of the UTC's funding agreement.

In line with charity accounting requirements, the grant of £943,000 received for the purchase of specialist equipment for the future delivery of T Level provision is recorded as income, and this contributed to a net income of £206k to the fixed asst reserve. At the same time, the UTC has been awarded a grant of £4 million by the Department for Education to build a purpose-built building on the existing site. This will house the new provision from September 2025. Both grants will be spent in full in the 2024-25 academic year, with the new-build grant payable in arrears against claimed expenditure. At 31 August 2024, no contracts had been signed for this project, and so it is not shown as a capital commitment within the financial statements, and the project was still subject to favourable planning permission. This was granted in November 2024, with work commencing shortly afterwards.

**DIRECTORS REPORT** (continued)

In order to complete the proposed build, the UTC is investing £1.5 million of its reserves. The surplus achieved in 2023-24 provides the basis for this investment, with reserves available standing at £1,185k at 31 August 2024. In addition, the Board has set a budget for 2024-25 to deliver a further surplus, in the region of £450k, on operating activities, which provides the residual capital to complete the project at the end of the year. The outturn for 2023-24 demonstrates that this budgeted surplus is achievable, particularly with continued growth in student numbers. As further mitigation, the Board has agreed a fixed price contract with its procured contractors, Neilcott Construction Ltd. This includes a 9% retention, payable in two tranches in 2025-26 and 2026-27. These mitigations ensure the project will be affordable and deliverable for the UTC.

**RESERVES POLICY**

UTC reserves comprise:

- Fixed asset reserve, which represents past investment in assets, plus the unspent T level capital grant. These are restricted funds, and any funds realised from disposal of assets must be reinvested in UTC assets;
- Pension reserve of £nil. This is an actuarially determined representation of the UTC's share of the local government pension scheme's assets and liabilities at the balance sheet date. The pension administrators are entirely independent of the UTC, and the UTC Board has no control over contribution levels, investment decisions or distribution of funds. The scheme's deficit is underwritten by Government;
- Restricted and unrestricted general funds ("revenue reserves"), which represents the balance carried forward from historic performance, including unspent government grant and surpluses from other activities. These funds are available for future investment to fulfil the UTC's charitable objectives, but cannot be withdrawn from the UTC.

The Board has determined that the revenue reserves will be invested in developing the new T level centre adjacent to the current building, which will open in September 2025. Beyond that, Directors expect to deliver annual operating surpluses of 3% of revenue in order to maintain a minimum level of working capital to cover at least one month's staff costs and to cover unexpected cost pressures and uncertainties, including inflation and changes to the political and education landscape. Beyond this, surpluses will be reinvested in the development and delivery of education, including the renewal of specialist equipment and technology, with the aim of maintaining the UTC's position as one of the most technically advanced colleges in the UK.



**DIRECTORS REPORT** (continued)

**INVESTMENT POLICY**

Directors considered the investment of surplus funds of the academy trust as circumstances improved and have invested £1m in a deposit account, in accordance with the Academy Trust Handbook.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The academy has a formal risk management process in place to assess all risks and implements risk management strategies. The process, which is overseen and reviewed by the Directors on an annual basis, identifies the types of risk the academy trust faces. These risks are then assessed and prioritised in terms of their potential impact and the likelihood of occurrence. Where necessary, actions to mitigate the risks identified are put in place.

The principal risks for the academy trust are connected with:

- Continue to build the reputation of the trust for achieving positive outcomes for its learners. Mitigation includes working closely with the Department for Education (DfE), the Regional Directors team, maintaining a strong focus on setting targets and tracking learner progress through a dedicated Quality of Education and Curriculum Committee and recruiting high quality teaching and leadership personnel; and
- Learner recruitment levels remain the key driver behind the financial stability of the trust, and while learner numbers continue to be very strong, and LDE UTC continues to be heavily oversubscribed, this can never be taken for granted. Mitigations include, continued investment in marketing, events and parental liaison, rigorously following up every expression of interest and continuing the highly successful open evenings (both virtual and in person).
- The resources required to deliver the T-Level Building Project, which will require the Trust to contribute a significant proportion of its reserves towards the project to ensure it is financially viable and deliverable.
- The funding climate for academy trusts. Mitigation includes encouraging sponsors and partners to make donations in cash or in-kind to keep the UTC's offer differentiated from other providers; alternative revenue streams are being investigated and robust budget monitoring and forecasting procedures are in place.
- The Academy recognises the critical importance of maintaining a safe and compliant estate as a cornerstone of its educational offering. To manage these risks, the Academy implements a robust risk management framework, which includes regular risk assessments, the development of a strategic risk register and a committee to oversee risk management practices. Trustees have appointed a responsible person to undertake Health & Safety audits with actions points followed up by management. The trust estate is relatively new having been built in 2019 and confirmation has been received from the builders that RAAC was not used in its construction.

**DIRECTORS REPORT** (continued)

**INVESTMENT POLICY**

**FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES**

**Fundraising**

The UTC does not actively solicit donations and therefore is not registered with the Fundraising Regulator and does not subscribe to any fundraising codes of practice. When donations from individuals are received, the UTC aims to protect personal data and never sells data or swaps data with other organisations. During 2021/22, the UTC received no complaints about fundraising activities.

**Plans for future periods**

LDE UTC's strategic priorities for 2024/25 focus on five key areas: Assessment for Learning (AfL), Wider Reading, Digital Transformation, Employer Engagement, and Attendance. These priorities align with recommendations from Ofsted, the college's unique employer-led education model, and its goals to bridge the digital divide and enhance sustainability. Improving attendance is also a response to the national focus by the Department for Education.

A significant project for 2024/25 is the construction of a new standalone satellite building, funded through a £4 million T-Level Building Fund Improvement Grant, with planning approval already secured.

In addition to these operational goals, the Trust is committed to expanding its provision in response to overwhelming demand, evidenced by consistently high application numbers. The Trust will operate the growth through a brand extension known as the Technical Education Skills Trust (TEST). Plans include exploring partnerships with other schools or academies, expanding LDE's capacity, and leveraging opportunities arising from the closure of underutilised secondary school facilities. This strategy aims to provide greater access to high-quality technical education while maintaining the exceptional standards for which LDE is known.

Growth initiatives include pursuing Multi-Academy Trust (MAT) status, potentially via Trust Partnerships, and codifying LDE's success into a replicable framework to support future campuses. A robust research programme will underpin these efforts, assessing local demand, demographic trends, and facility availability. The Trust is confident in its expertise, resources, and networks to achieve its ambitious vision, benefiting both students and the wider community.

**AUDITOR**

In so far as the Directors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Directors 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 Directors' report, incorporating a strategic report, was approved by order of the Board of Directors, as the company directors, on 19th December 2024 and signed on its behalf by:

*anne heal*

A Heal

**Chair**



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**Learner recruitment levels remain the key driver behind the financial stability of the trust.**

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**GOVERNANCE STATEMENT**

**Scope of responsibility**

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

The Board of Directors 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 London Design And Engineering UTC and the Secretary of State for Education. The accounting officer is also responsible for reporting to the Board of Directors any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the Directors Report and in the Statement of Directors Responsibilities. The Board of Directors has formally met five times during the year. Attendance during the year at meetings of the Board of Directors was as follows:

<b>Director .....</b>	<b>Meetings Attended .....</b>	<b>Out of a possible</b>
Prof H Abdalla.....	2 .....	5
S Ahmad .....	2 .....	2
C Beales (Passed away 12 January 2024) .....	3 .....	6
S Duffy (Appointed 29/11/2023) .....	4 .....	4
G Fowler (CEO).....	5 .....	5
L Graham (Resigned 22 September 2023) .....	0 .....	1
A Heal (Chair).....	5 .....	5
G Lois (Staff Director) .....	4 .....	5
N Rathbone.....	3 .....	5
H Wain (Vice Chair) .....	4 .....	5
L Webster (Resigned 31 December 2023).....	1 .....	2
P Sheikh (Parent Director).....	5 .....	5
U Salman (Parent Director) .....	5 .....	5
C Kennett .....	4 .....	5
C Hunter .....	1 .....	5
S Moss .....	3 .....	5



**GOVERNANCE STATEMENT** (continued)

During the period, Lynne Graham resigned as a Director on 22 September 2023 and Lucy Webster resigned as a Director on 31 December 2023. Also, during the period Chris Beales, one of the founding and longest serving Directors passed away on 12 January 2024 after a short illness. Chris Beales' energy, enthusiasm and commitment to the LDE UTC will be greatly missed. The Trust is currently in the process of recruiting a replacement from the Diocesan Educational Trust.

A new Director from Thames Water (Sharon Duffy) was appointed on 29 November 2023.

After the period end, Sharon Duffy stepped down as the Thames Water Director on 30 September 2023. However, the Board decided to keep Sharon Duffy on the Board as an independent Director. The Trust is currently in the process of recruiting a replacement from Thames Water Utilities Ltd.

**Conflicts of interest**

All Directors and senior staff make an annual declaration of any pecuniary, personal and or related interests. The Directors' declarations are collated and published on the College's website for all to see.

Furthermore, at every Board and Committee meeting, all Directors and attendees are asked to declare any new or any interests in relation to any agenda item. If any declarations are made then these are recorded in the minutes of the meeting. Should any conflicts of interest arise at a governance meeting the Chair will take advice from the governance professional and will decide how best to manage that conflict of interest. This could include withdrawing from all or part of the meeting or abstaining from any decision-making that may be required.

The Board and its Committees as part of their work receive and scrutinise a range of data on key performance indicators for the College. These included learner progress data, examination outcomes, pupil premium data, behaviour, and attendance data, safeguarding and SEN data; management accounts; financial data and benchmarking data. The Board also receives information from external reviews to help challenge and hold the College leadership to account.

**Governance reviews**

Directors have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance. A governance review was conducted in 2021/22, which concluded that governance was outstanding and had contributed to the continuing success of the LDE UTC. There are plans to undertake an external governance review in 2024/25. Relationships between College Leaders and Directors are exemplary with mutual respect fostered in the shared ambition for all learners. Leaders and Directors are resolute in their determination to constantly improve and raise the bar in all aspects of the College's work. The Directors have established a Governance Working Group, which meets annually to review governance and to keep making improvements to ensure governance remains outstanding.

**GOVERNANCE STATEMENT** (continued)

**Finance, Operations & Audit Committee Meetings**

<b>Director .....</b>	<b>Meetings Attended .....</b>	<b>Out of a possible</b>
G Fowler (CEO).....	4 .....	4
L Graham .....	3 .....	4
(Resigned 22 September 2023 but remained as a Co-opted Director on the Committee)		
N Rathbone (Chair) .....	3 .....	4
U Salman (Parent Director) .....	3 .....	4
S Moss .....	3 .....	4
C Carlisle (Co-opted Director) .....	4 .....	4
R Jacob.....	3 .....	3
(Co-opted Director, appointed on 13 October 2023)		

*\*Geoffrey Fowler is an attendee only for the Audit Committee portions of these meetings.*

**Quality of Education & Curriculum Committee Meetings**

<b>Director .....</b>	<b>Meetings Attended .....</b>	<b>Out of a possible</b>
Shahina Ahmad (Chair) .....	2 .....	3
Harry Wain.....	2 .....	3
Lucy Webster.....	1 .....	1
Charlene Hunter.....	2 .....	3
Geoffrey Fowler (CEO).....	2 .....	3
Sharon Duffy.....	1 .....	1
Catherine Ritman-Smith (Co-opted Director) .....	2 .....	3
Ciro Genovese (Co-opted Director) .....	2 .....	3

**Personal Development & Community Committee Meetings**

<b>Director .....</b>	<b>Meetings Attended .....</b>	<b>Out of a possible</b>
Prof H Abdalla.....	2 .....	3
C Beales (Passed away 12 January 2024) .....	1 .....	1
G Fowler (CEO).....	3 .....	3
A Heal (Chair).....	3 .....	3
P Sheikh.....	2 .....	3
(Parent Director) (Appointed 9 March 2023)		
C Kennett .....	3 .....	3

**GOVERNANCE STATEMENT** (continued)

**Review of value for money**

As the 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 societal outcomes, as well as estates safety and management, achieved in return for the taxpayer resources received.

The accounting officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Directors where value for money can be improved, including the use of benchmarking data where appropriate.

The Trust has process in place for the reviewing procurement across the estate and has buildings which are just over 5 years old. The accounting officer is in charge of ensuring that the Trust utilises its funding effectively to ensure that the estate remains safe, well-maintained and compliant with relevant regulations through prudent financial management and prioritising key areas within the estate requiring urgent attention, thereby mitigating potential risks to its capital assets.

**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. The system of internal control has been in place in London Design And Engineering UTC for the period 1 september 2022 to 31 August 2023 and up to the date of approval of the annual report and accounts.

**Capacity to handle risk**

The Board of Directors 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 Directors 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 period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Board of Directors.

**The risk and control framework**

The academy trust has developed a system of internal financial control which 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 Directors;
- regular reviews by the Finance, Operation & Audit Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;

**GOVERNANCE STATEMENT** (continued)

- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties; and
- identification and management of risks.

The Board of Directors has considered the need for a specific internal audit function and has appointed Price Bailey LLP to carry out a programme of internal checks.

The role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular, the checks carried out in 2023/24 included a review of the Academy Trust Handbook requirements, payroll and cyber security. Results are reported to the board of trustees through the Finance, Operations & Audit Committee, with any recommendations considered and implemented in a timely manner. No significant internal control weaknesses have been identified during the 2023/24 reviews.

**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 internal auditor;
- the financial management and governance self-assessment process or the school resource management self-assessment tool;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework;
- the work of the external auditor.
- the use of a specialist financial management company to review practices, improve accounting and reporting functions, and to ensure compliance with the Academy Trust Handbook and grant conditions.

**Conclusion**

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance, Operations & Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place. Overall, the UTC has adequate and effective framework for governance, risk management and control.

Approved by order of the Board of Directors on 19th December 2024 and signed on its behalf by:

*Anne Heal*

.....  
**A Heal, Chair**

**STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE**

As accounting officer of London Design and Engineering UTC, I have considered my responsibility to notify the academy trust Board of Directors and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, under the funding agreement between academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2023, including responsibilities for estate safety and management.

I confirm that I and the academy trust's Board of Directors 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 Academy Trust Handbook 2023.

I confirm that no instances of material irregularity, 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 Directors and ESFA.

*Geoffrey Fowler*

.....

G Fowler

**G Fowler, Accounting Officer**



A person wearing a high-visibility orange safety vest over a black puffer jacket and black trousers is standing on a grassy area. They are operating a surveying instrument, likely a total station, which is mounted on a yellow tripod. The tripod has the brand name 'Leica' visible on its legs. The person is looking through the eyepiece of the instrument. In the background, there is a modern building with dark grey panels and a window. On the left side of the building, there is a logo consisting of a cluster of colorful dots (yellow, pink, blue, green) followed by the text 'London Design & Engineering UTC'.

London  
Design &  
Engineering  
UTC

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**At the heart of the  
LDE UTC is the vision  
to develop the next  
generation of tech  
savvy learners.**

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## STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors (who also act as Trustees for London Design and Engineering UTC) are responsible for preparing the Directors' report and the accounts in accordance with the Academies Accounts Direction 2023 to 2024 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Directors to prepare accounts for each financial year. Under company law, the Directors must not approve the accounts 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 accounts, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2023 to 2024;
- 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Directors 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 accounts 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 Directors 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 that grants received from ESFA/ DfE have been applied for the purposes intended.

The Directors 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Directors on 19th December 2024 and signed on its behalf by:

*Geoffrey Fowler*

G Fowler  
**CEO**

*anne heal*

A Heal  
**Chair**



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS  
OF LONDON DESIGN & ENGINEERING UTC**

**Opinion**

We have audited the accounts of London Design and Engineering UTC for the year ended 31 August 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the accounts, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2023 to 2024 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2024 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 Charities SORP 2019 and the Academies Accounts Direction 2023 to 2024.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
LONDON DESIGN & ENGINEERING UTC (continued)**

**Other information**

The other information comprises the information included in the annual report other than the accounts and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the accounts themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Directors report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Directors report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors report, including the incorporated strategic report.

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
LONDON DESIGN & ENGINEERING UTC (continued)**

**Responsibilities of Directors**

As explained more fully in the statement of Directors responsibilities, the Directors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error. In preparing the accounts, the Directors are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the charitable company, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the accounts**

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

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

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of senior leadership, Governors/Trustees and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
LONDON DESIGN & ENGINEERING UTC (continued)**

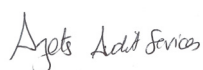
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations including compliance with the Academies Accounts Direction 2023 to 2024 issued by the Education and Skills Funding Agency;
- Performing audit work over the recognition of grant income and the allocation of expenditure to funds;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

**Use of our report**

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.



**Catherine Cooper FCCA (Senior Statutory Auditor)  
for and on behalf of Azets Audit Services**

**Chartered Accountants  
Statutory Auditor**

20th December 2024

Azets Audit Services  
First Floor  
River House  
1 Maidstone Road  
Sidcup  
Kent  
DA14 5RH  
United Kingdom

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON  
REGULARITY TO LONDON DESIGN & ENGINEERING UTC AND THE  
EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 15 July 2024 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2023 to 2024, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by London Design and Engineering UTC during the period 1 September 2023 to 31 August 2024 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 London Design and Engineering UTC and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the London Design and Engineering UTC and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than London Design and Engineering UTC and ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of London Design & Engineering UTC's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of London Design and Engineering UTC's funding agreement with the Secretary of State for Education dated 7 April 2016 and the Academy Trust Handbook, extant from 1 September 2023, 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 2023 to 2024. 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 2023 to 31 August 2024 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

# INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LONDON DESIGN & ENGINEERING UTC AND THE EDUCATION AND SKILLS FUNDING AGENCY

FOR THE YEAR ENDED  
31 AUGUST 2024

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LONDON DESIGN & ENGINEERING UTC AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)

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 as well as additional testing based on our assessment of risk of material irregularity.

### Conclusion

Expenditure disbursed and income received during the period 1 September 2023 to 31 August 2024 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant

20th December 2024

Azets Audit Services  
First Floor  
River House  
1 Maidstone Road  
Sidcup  
Kent  
DA14 5RH  
United Kingdom





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**On average our learners achieve a “Distinction” in their technical subjects in our Sixth Form.**

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**STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT**

	Notes	Unrestricted funds £'000	Restricted funds: General £'000    Fixed asset £'000		Total 2024 £'000	Total 2023 £'000
<b>Income and endowments from:</b>						
Donations and capital grants	3	2	-	853	855	806
Charitable activities:						
- Funding for educational operations	4	77	7,561	-	7,638	6,385
Other trading activities	5	2	10	-	12	51
Investments	6	54	-	-	54	2
<b>Total</b>		<u>135</u>	<u>7,571</u>	<u>853</u>	<u>8,559</u>	<u>7,244</u>
<b>Expenditure on:</b>						
Charitable activities:						
- Educational operations	8	76	6,986	647	7,709	6,994
<b>Total</b>	7	<u>76</u>	<u>6,986</u>	<u>647</u>	<u>7,709</u>	<u>6,994</u>
<b>Net income</b>		59	585	206	850	250
Transfers between funds	16	-	(2)	2	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial (losses)/gains on defined benefit pension schemes	18	-	(49)	-	(49)	762
Adjustment for restriction on pension assets	18	-	13	-	13	(111)
<b>Net movement in funds</b>		59	547	208	814	901
<b>Reconciliation of funds</b>						
Total funds brought forward		68	511	18,729	19,308	18,407
Total funds carried forward		<u>127</u>	<u>1,058</u>	<u>18,937</u>	<u>20,122</u>	<u>19,308</u>



**STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT**

Comparative year information Year ended 31 August 2023	Notes	Unrestricted	Restricted funds:		Total
		funds	General	Fixed asset	2023
		£'000	£'000	£'000	£'000
<b>Income and endowments from:</b>					
Donations and capital grants	3	20	-	786	806
Charitable activities:					
- Funding for educational operations	4	65	6,320	-	6,385
Other trading activities	5	18	33	-	51
Investments	6	2	-	-	2
<b>Total</b>		<u>105</u>	<u>6,353</u>	<u>786</u>	<u>7,244</u>
<b>Expenditure on:</b>					
Charitable activities:					
- Educational operations	8	85	6,241	668	6,994
<b>Total</b>	7	<u>85</u>	<u>6,241</u>	<u>668</u>	<u>6,994</u>
<b>Net income</b>		20	112	118	250
Transfers between funds	16	-	47	(47)	-
<b>Other recognised gains/(losses)</b>					
Actuarial gains on defined benefit pension schemes	18	-	762	-	762
Adjustment for restriction on pension assets	18	-	(111)	-	(111)
<b>Net movement in funds</b>		<u>20</u>	<u>810</u>	<u>71</u>	<u>901</u>
<b>Reconciliation of funds</b>					
Total funds brought forward		<u>48</u>	<u>(299)</u>	<u>18,658</u>	<u>18,407</u>
Total funds carried forward		<u>68</u>	<u>511</u>	<u>18,729</u>	<u>19,308</u>

**BALANCE SHEET**

	Notes	2024		2023	
		£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Tangible assets	12		18,066		18,078
<b>Current assets</b>					
Debtors	13	282		170	
Cash at bank and in hand		2,401		1,579	
		<u>2,683</u>		<u>1,749</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	14	(627)		(519)	
<b>Net current assets</b>			<u>2,056</u>		<u>1,230</u>
<b>Net assets excluding pension asset</b>			<u>20,122</u>		<u>19,308</u>
Defined benefit pension scheme asset	18		-		-
<b>Total net assets</b>			<u><u>20,122</u></u>		<u><u>19,308</u></u>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>	16				
- Fixed asset funds			18,937		18,729
- Restricted income funds			1,058		511
<b>Total restricted funds</b>			<u>19,995</u>		<u>19,240</u>
<b>Unrestricted income funds</b>	16		<u>127</u>		<u>68</u>
<b>Total funds</b>			<u><u>20,122</u></u>		<u><u>19,308</u></u>

The accounts on pages 33 to 54 were approved by the Directors and authorised for issue on 19th December 2024 and are signed on their behalf by:

*Geoffrey Fowler*

G Fowler

**CEO**

*anne heal*

A Heal

**Chair**

Company registration number 08283657 (England and Wales)

**STATEMENT OF CASH FLOWS**

	Notes	2024		2023	
		£'000	£'000	£'000	£'000
<b>Cash flows from operating activities</b>					
Net cash provided by operating activities	19		649		233
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		54		2	
Capital grants from DfE Group		749		771	
Purchase of tangible fixed assets		(630)		(73)	
<b>Net cash provided by investing activities</b>			173		700
<b>Net increase in cash and cash equivalents in the reporting period</b>			822		933
Cash and cash equivalents at beginning of the year			1,579		646
<b>Cash and cash equivalents at end of the year</b>			2,401		1,579
<b>Relating to:</b>					
Bank and cash balances			1,345		577
Short term deposits			1,056		1,002

## NOTES TO THE FINANCIAL STATEMENTS

### 1 Accounting policies

London Design and Engineering UTC is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the Directors report.

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

#### 1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2023 to 2024 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

#### 1.2 Going concern

The Directors assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The Directors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

#### 1.3 Income

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

##### Grants

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

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

##### 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 are no performance-related conditions), where the receipt is probable and it can be measured reliably.

##### Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

**NOTES TO THE FINANCIAL STATEMENTS** (continued)

**1 Accounting policies**

**(Continued)**

Other income

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

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the accounts until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

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

Interest receivable

Interest receivable is included within the statement of financial activities on a receivable basis.

**1.4 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities

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

**1.5 Tangible fixed assets and depreciation**

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

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



**NOTES TO THE FINANCIAL STATEMENTS** (continued)

**1 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 life, as follows:

Land and buildings	The lesser of 50 years or the remaining lease term
Assets under construction	
Computer equipment	3 years
Fixtures, fittings & equipment	5 years

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.

**1.6 Liabilities**

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods of services it must provide.

**1.7 Leased assets**

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

**1.8 Financial instruments**

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows.

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

**1.9 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.

**1.10 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 and the assets are held separately from those of the academy trust.

**NOTES TO THE FINANCIAL STATEMENTS** (continued)

**1 Accounting policies**

**(Continued)**

The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary based on quadrennial valuations using a prospective unit credit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

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

**1.11 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 Directors.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the [Department for Education Group].

**1.12 Agency Arrangements**

The Academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 24.

**2 Critical accounting estimates and areas of judgement**

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

Critical accounting estimates and assumptions

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

**NOTES TO THE FINANCIAL STATEMENTS** (continued)

**2 Critical accounting estimates and areas of judgement**

**(Continued)**

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18 will impact on the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 August 2024. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The pension value also includes an asset ceiling adjustment and the assumptions used to calculate this are:

- The scheme is open to new entrants;
- There is a minimum funding requirement in relation to the LGPS;
- There is the ability to recover a surplus through the ability to reduce future contributions (not refund)
- In calculating the surplus, the present value of current and past service costs is offset against the future contributions over the future period;
- The present value in the above calculations are calculated using an annuity representing participation into perpetuity.

Critical areas of judgement

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 12 for the carrying amount of the property plant and equipment, and note 1.5 for the useful economic lives for each class of assets.

Bad debts

Debtors are regularly reviewed for recoverability, any debts which in the opinion of management are not recoverable are provided for as a specific bad debt.

There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**3 Donations and capital grants**

	<b>Unrestricted funds £'000</b>	<b>Restricted funds £'000</b>	<b>Total 2024 £'000</b>	<b>Total 2023 £'000</b>
Donated fixed assets	-	5	5	15
Capital grants	-	848	848	771
Other donations	2	-	2	20
	<u>2</u>	<u>853</u>	<u>855</u>	<u>806</u>

**NOTES TO THE FINANCIAL STATEMENTS** (continued)

**4 Funding for the academy trust's educational operations**

	<b>Unrestricted funds £'000</b>	<b>Restricted funds £'000</b>	<b>Total 2024 £'000</b>	<b>Total 2023 £'000</b>
<b>DfE/ESFA grants</b>				
General annual grant (GAG)	-	2,501	2,501	2,334
16-19 core education funding		4,242	4,242	3,325
Other DfE/ESFA grants:				
- Pupil premium	-	143	143	126
- Teachers pay and pension grants	-	215	215	98
- Supplementary grant	-	-	-	81
- Apprenticeship levy	-	160	160	128
- Mainstream Schools Additional Grant	-	88	88	37
- Others	-	82	82	68
	-	7,431	7,431	6,197
<b>Other government grants</b>				
Local authority grants	-	130	130	123
<b>Other incoming resources</b>	77	-	77	65
<b>Total funding</b>	77	7,561	7,638	6,385

**5 Other trading activities**

	<b>Unrestricted funds £'000</b>	<b>Restricted funds £'000</b>	<b>Total 2024 £'000</b>	<b>Total 2023 £'000</b>
Hire of facilities	-	-	-	4
Other income	2	10	12	47
	2	10	12	51

**6 Investment income**

	<b>Unrestricted funds £'000</b>	<b>Restricted funds £'000</b>	<b>Total 2024 £'000</b>	<b>Total 2023 £'000</b>
Short term deposits	54	-	54	2

**NOTES TO THE FINANCIAL STATEMENTS** (continued)

**7 Expenditure**

	<b>Staff costs</b>	<b>Non-pay expenditure</b>		<b>Total</b>	<b>Total</b>
	<b>£'000</b>	<b>Premises</b>	<b>Other</b>	<b>2024</b>	<b>2023</b>
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Academy's educational operations					
- Direct costs	4,159	647	612	5,418	4,762
- Allocated support costs	1,149	440	702	2,291	2,232
	<u>5,308</u>	<u>1,087</u>	<u>1,314</u>	<u>7,709</u>	<u>6,994</u>

**Net income/(expenditure) for the year includes:**

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Operating lease rentals	70	70
Depreciation of tangible fixed assets	644	668
Loss on disposal of fixed assets	3	-
Fees payable to auditor for:		
- Audit	14	13
- Other services	5	4
Net interest on defined benefit pension liability	(11)	48
	<u>70</u>	<u>183</u>

**8 Charitable activities**

	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>	<b>Total</b>
	<b>funds</b>	<b>funds</b>	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Direct costs</b>				
Educational operations	-	5,418	5,418	4,762
<b>Support costs</b>				
Educational operations	76	2,215	2,291	2,232
	<u>76</u>	<u>7,633</u>	<u>7,709</u>	<u>6,994</u>

**Analysis of support costs**

Support staff costs	1,149	1,041
Technology costs	77	95
Premises costs	440	623
Legal costs	-	2
Other support costs	396	363
Governance costs	229	108
	<u>2,291</u>	<u>2,232</u>

**NOTES TO THE FINANCIAL STATEMENTS** (continued)

**9 Staff**

**Staff costs and employee benefits**

Staff costs during the year were:

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Wages and salaries	3,992	3,301
Social security costs	437	359
Pension costs	696	595
	<hr/>	<hr/>
Staff costs - employees	5,125	4,255
Agency staff costs	146	207
Staff restructuring costs	37	-
	<hr/>	<hr/>
	5,308	4,462
Staff development and other staff costs	34	40
	<hr/>	<hr/>
Total staff expenditure	5,342	4,502
	<hr/> <hr/>	<hr/> <hr/>
Staff restructuring costs comprise:		
Redundancy payments	27	-
Severance payments	10	-
	<hr/>	<hr/>
	37	-
	<hr/> <hr/>	<hr/> <hr/>

**Severance payments**

The academy trust paid 1 severance payments in the year, disclosed in the following bands:

£0 - £25,000	1
--------------	---

**Special staff severance payments**

During the year one non statutory payment was made for £10k

**Staff numbers**

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

	<b>2024</b>	<b>2023</b>
	<b>Number</b>	<b>Number</b>
Teachers	49	39
Administration and support	39	38
Management	5	5
	<hr/>	<hr/>
	93	82
	<hr/> <hr/>	<hr/> <hr/>



**NOTES TO THE FINANCIAL STATEMENTS** (continued)

**9 Staff**

(Continued)

**Higher paid staff**

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

	2024 Number	2023 Number
£60,001 - £70,000	6	5
£70,001 - £80,000	3	2
£80,001 - £90,000	4	2
£90,001 - £100,000	1	-
£140,001-£150,000	-	1
£150,001 - £160,000	1	-
	<u>        </u>	<u>        </u>

**Key management personnel**

The key management personnel of the academy trust comprise the Directors and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £669k (2023: £586k).

**10 Directors remuneration and expenses**

One or more of the Directors has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff Directors 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 Directors.

The value of Directors remuneration and other benefits was as follows:

G Fowler (principal and trustee):

- Remuneration £150,000 - £155,000 (2023: £140,000 - £145,000)
- Employer's pension contributions £35,000-£40,000 (2023: £30,000 - £35,000)

G Lois (staff trustee):

- Remuneration £40,000 - £45,000 (2023: £40,000 - £45,000 )
- Employer's pension contributions £5,000 - £10,000 (2023: £5,000 - £10,000)

During the year, no expenses were paid directly or reimbursed to the trustees. During the year ended 31 August 2024 no travel expenses were reimbursed to the trustees.

Other related party transactions involving the Directors are set out within the related parties note.

**11 Directors and officers' insurance**

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

**NOTES TO THE FINANCIAL STATEMENTS** (continued)

**12 Tangible fixed assets**

	Land and buildings	Assets under construction	Computer equipment	Fixtures, fittings & equipment	Total
	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>					
At 1 September 2023	19,860	-	1,051	1,900	22,811
Additions	-	534	82	19	635
Disposals	-	-	(24)	-	(24)
At 31 August 2024	19,860	534	1,109	1,919	23,422
<b>Depreciation</b>					
At 1 September 2023	2,099	-	998	1,636	4,733
On disposals	-	-	(21)	-	(21)
Charge for the year	450	-	54	140	644
At 31 August 2024	2,549	-	1,031	1,776	5,356
<b>Net book value</b>					
At 31 August 2024	17,311	534	78	143	18,066
At 31 August 2023	17,761	-	53	264	18,078

The additions for assets under construction are for planning and professional architect fees for T Level Provision building construction.

**13 Debtors**

	2024 £'000	2023 £'000
Trade debtors	-	2
VAT recoverable	66	42
Other debtors	1	6
Prepayments and accrued income	215	120
	282	170

**14 Creditors: amounts falling due within one year**

	2024 £'000	2023 £'000
Trade creditors	193	85
Other taxation and social security	103	93
Other creditors	224	171
Accruals and deferred income	107	170
	627	519

**NOTES TO THE FINANCIAL STATEMENTS** (continued)

**15 Deferred income**

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Deferred income is included within:		
Creditors due within one year	55	24
	<u>55</u>	<u>24</u>
Deferred income at 1 September 2023	24	57
Released from previous years	(24)	(57)
Resources deferred in the year	55	24
	<u>55</u>	<u>24</u>
Deferred income at 31 August 2024	<u>55</u>	<u>24</u>

At the balance sheet date, the Academy Trust was holding funds received in advance for T level placement funding and school trips

**16 Funds**

	<b>Balance at</b>			<b>Gains,</b>	<b>Balance at</b>
	<b>1 September</b>	<b>Income</b>	<b>Expenditure</b>	<b>losses and</b>	<b>31 August</b>
	<b>2023</b>	<b>£'000</b>	<b>£'000</b>	<b>transfers</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Restricted general funds</b>					
General Annual Grant (GAG)	511	6,743	(6,194)	(2)	1,058
Pupil premium	-	143	(143)	-	-
Other DfE/ESFA grants	-	545	(545)	-	-
Other government grants	-	130	(130)	-	-
Other restricted funds	-	10	(10)	-	-
Pension reserve	-	-	36	(36)	-
	<u>511</u>	<u>7,571</u>	<u>(6,986)</u>	<u>(38)</u>	<u>1,058</u>
	<u>511</u>	<u>7,571</u>	<u>(6,986)</u>	<u>(38)</u>	<u>1,058</u>
<b>Restricted fixed asset funds</b>					
DfE group capital grants	651	848	-	(628)	871
General fixed assets	18,078	5	(647)	630	18,066
	<u>18,729</u>	<u>853</u>	<u>(647)</u>	<u>2</u>	<u>18,937</u>
	<u>18,729</u>	<u>853</u>	<u>(647)</u>	<u>2</u>	<u>18,937</u>
<b>Total restricted funds</b>	<u>19,240</u>	<u>8,424</u>	<u>(7,633)</u>	<u>(36)</u>	<u>19,995</u>
	<u>19,240</u>	<u>8,424</u>	<u>(7,633)</u>	<u>(36)</u>	<u>19,995</u>
<b>Unrestricted funds</b>					
General funds	68	135	(76)	-	127
	<u>68</u>	<u>135</u>	<u>(76)</u>	<u>-</u>	<u>127</u>
	<u>68</u>	<u>135</u>	<u>(76)</u>	<u>-</u>	<u>127</u>
<b>Total funds</b>	<u>19,308</u>	<u>8,559</u>	<u>(7,709)</u>	<u>(36)</u>	<u>20,122</u>
	<u>19,308</u>	<u>8,559</u>	<u>(7,709)</u>	<u>(36)</u>	<u>20,122</u>

**NOTES TO THE FINANCIAL STATEMENTS** (continued)

**16 Funds**

**(Continued)**

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

General Annual Grant: Income received from the ESFA to cover the normal running costs 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 31st August 2024.

Pupil Premium : Income received from the ESFA as described.

Other DfE/ESFA grants: This includes Teachers Pension and Pay Grants, Recovery Grant, Mainstream Schools Additional Grant, Rates and apprenticeship funding.

Other government grants: This includes SEN funding, growth funding and additional pupil premium.

The transfer of funds relate capital expenditure funded by GAG.

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

	<b>Balance at 1 September 2022 £'000</b>	<b>Income £'000</b>	<b>Expenditure £'000</b>	<b>Gains, losses and transfers £'000</b>	<b>Balance at 31 August 2023 £'000</b>
<b>Restricted general funds</b>					
General Annual Grant (GAG)	223	5,659	(5,418)	47	511
Pupil premium	-	126	(126)	-	-
Other DfE/ESFA grants	-	412	(412)	-	-
Other government grants	-	123	(123)	-	-
Other restricted funds	-	33	(33)	-	-
Pension reserve	(522)	-	(129)	651	-
	<u>(299)</u>	<u>6,353</u>	<u>(6,241)</u>	<u>698</u>	<u>511</u>
<b>Restricted fixed asset funds</b>					
DfE group capital grants	-	771	-	(120)	651
General fixed assets	18,658	15	(668)	73	18,078
	<u>18,658</u>	<u>786</u>	<u>(668)</u>	<u>(47)</u>	<u>18,729</u>
<b>Total restricted funds</b>	<u>18,359</u>	<u>7,139</u>	<u>(6,909)</u>	<u>651</u>	<u>19,240</u>
<b>Unrestricted funds</b>					
General funds	48	105	(85)	-	68
<b>Total funds</b>	<u>18,407</u>	<u>7,244</u>	<u>(6,994)</u>	<u>651</u>	<u>19,308</u>

**NOTES TO THE FINANCIAL STATEMENTS** (continued)

**17 Analysis of net assets between funds**

	Unrestricted	Restricted funds:		Total
	Funds	General	Fixed asset	Funds
	£'000	£'000	£'000	£'000
<b>Fund balances at 31 August 2024 are represented by:</b>				
Tangible fixed assets	-	-	18,066	18,066
Current assets	127	1,685	871	2,683
Current liabilities	-	(627)	-	(627)
<b>Total net assets</b>	<b>127</b>	<b>1,058</b>	<b>18,937</b>	<b>20,122</b>
<b>Fund balances at 31 August 2023 are represented by:</b>				
Tangible fixed assets	-	-	18,078	18,078
Current assets	68	1,030	651	1,749
Current liabilities	-	(519)	-	(519)
<b>Total net assets</b>	<b>68</b>	<b>511</b>	<b>18,729</b>	<b>19,308</b>

**18 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 London Borough of Newham. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2020, and that of the LGPS related to the period ended 31 March 2022.

Contributions amounting to £103,696 were payable to the schemes at 31 August 2024 (2023: £65,247) and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to ensure scheme costs are recognised and managed appropriately and the review specifies the level of future contributions.

**NOTES TO THE FINANCIAL STATEMENTS** (continued)

**18 Pension and similar obligations**

**(Continued)**

Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 27 October 2023, with the SCAPE rate, set by HMT, applying a notional investment return based on 1.7% above the rate of CPI. The key elements of the valuation outcome are:

- Employer contribution rates set at 28.68% of pensionable pay (including a 0.08% administration levy). This is an increase of 5% in employer contributions and the cost control result is such that no change in member benefits is needed.
- Total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million.

The result of this valuation will be implemented from 1 April 2024. The next valuation result is due to be implemented from 1 April 2028.

The employer's pension costs paid to the TPS in the period amounted to £564,119 (2023: £369,192).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy trust is unable to identify its share of the underlying assets and liabilities of the plan. Accordingly, the academy trust has taken advantage of the exemption in FRS 102 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.

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 17.3% for employers and 5.5% and 12.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

<b>Total contributions made</b>	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Employer's contributions	194	144
Employees' contributions	81	67
Total contributions	<u>275</u>	<u>211</u>
<b>Principal actuarial assumptions</b>	<b>2024</b>	<b>2023</b>
	<b>%</b>	<b>%</b>
Rate of increase in salaries	3.8	3.9
Rate of increase for pensions in payment/inflation	2.8	2.9
Discount rate for scheme liabilities	<u>5.1</u>	<u>5.3</u>



**NOTES TO THE FINANCIAL STATEMENTS** (continued)

**18 Pension and similar obligations**

(Continued)

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

	<b>2024</b>	<b>2023</b>
	<b>Years</b>	<b>Years</b>
Retiring today		
- Males	19.2	19.6
- Females	22.7	23
Retiring in 20 years		
- Males	20.6	21
- Females	24.2	24.5
	<u>          </u>	<u>          </u>

**Sensitivity analysis**

Scheme liabilities would have been affected by changes in assumptions as follows:

	<b>2024</b>	<b>2023</b>
Discount rate + 0.1%	-51	-39
Discount rate - 0.1%	54	40
Mortality assumption + 1 year	57	42
Mortality assumption - 1 year	-55	-41
Salary rate + 0.1%	1	1
Salary rate - 0.1%	-1	-1
	<u>          </u>	<u>          </u>

**The academy trust's share of the assets in the scheme**

	<b>2024</b>	<b>2023</b>
	<b>Fair value</b>	<b>Fair value</b>
	<b>£'000</b>	<b>£'000</b>
Equities	1,453	1,006
cash and liquid assets	57	51
Property	289	166
Other assets	325	419
	<u>          </u>	<u>          </u>
Total market value of assets	2,124	1,642
Restriction on scheme assets	(98)	(111)
	<u>          </u>	<u>          </u>
Net assets recognised	2,026	1,531
	<u>          </u>	<u>          </u>

The actual return on scheme assets was £223,000 (2023: £609,000).

**18 Pension and similar obligations**

**(Continued)**

<b>Amount recognised in the statement of financial activities</b>	<b>2024 £'000</b>	<b>2023 £'000</b>
Current service cost	168	225
Interest income	(93)	(10)
Interest cost	82	58
Administratiion charges	1	-
<b>Total amount recognised</b>	<b>158</b>	<b>273</b>
<b>Changes in the present value of defined benefit obligations</b>	<b>2024 £'000</b>	<b>2023 £'000</b>
At 1 September 2023	1,531	1,352
Current service cost	168	225
Interest cost	82	58
Employee contributions	81	67
Actuarial loss/(gain)	179	(163)
Benefits paid	(15)	(8)
<b>At 31 August 2024</b>	<b>2,026</b>	<b>1,531</b>
<b>Changes in the fair value of the academy trust's share of scheme assets</b>	<b>2024 £'000</b>	<b>2023 £'000</b>
At 1 September 2023	1,642	830
Interest income	93	10
Actuarial gain	130	599
Employer contributions	194	144
Employee contributions	81	67
Benefits paid	(15)	(8)
Effect of non-routine settlements and administration expenses	(1)	-
<b>At 31 August 2024</b>	<b>2,124</b>	<b>1,642</b>
Restriction on scheme assets	(98)	(111)
<b>Net assets recognised</b>	<b>2,026</b>	<b>1,531</b>

The net gain recognised on scheme assets has been restricted because the full pension surplus is not expected to be recovered through refunds or reduced contributions in the future.

**19 Reconciliation of net income to net cash flow from operating activities**

	Notes	2024 £'000	2023 £'000
Net income for the reporting period (as per the statement of financial activities)		850	250
Adjusted for:			
Capital grants from DfE and other capital income		(853)	(786)
Investment income receivable	6	(54)	(2)
Defined benefit pension costs less contributions payable	18	(25)	81
Defined benefit pension scheme finance (income)/cost	18	(11)	48
Depreciation of tangible fixed assets		644	668
Loss on disposal of fixed assets		3	-
(Increase) in debtors		(13)	(53)
Increase in creditors		108	27
<b>Net cash provided by operating activities</b>		<u>649</u>	<u>233</u>

**20 Analysis of changes in net funds**

	1 September 2023 £'000	Cash flows	31 August 2024 £'000
Cash	577	768	1,345
Cash equivalents	1,002	54	1,056
	<u>1,579</u>	<u>822</u>	<u>2,401</u>

**21 Long-term commitments**

**Operating leases**

At 31 August 2024 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2024 £'000	2023 £'000
Amounts due within one year	89	91
Amounts due in two and five years	111	114
	<u>200</u>	<u>205</u>

**22 Related party transactions**

Owing to the nature of the academy trust and the composition of the Board of Directors being drawn from local public and private sector organisations, transactions may take place with organisations in which the Directors have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations, the requirement of the Academy Trust Handbook and normal procurement procedures.

**22 Related party transactions**

**(Continued)**

Expenditure related party transactions

Purchases of £46,509 (2023: £23,159) were made from the University of East London during the financial year at an arm's length basis.

Income related party transactions

The Chelmsford Diocese Educational Trust has provided chaplaincy services to the UTC throughout the year in question, The value of this service has been assessed as a gift in kind of £nil (2023: £18,000).

During the year Costain donated £nil (2023: £1,500) to the academy to sponsor awards.

**23 Post balance sheet events**

The Trust has been awarded a grant of £4 million by the Department for Education to build a purpose-built building on the existing site. No contracts had been signed for this project, and so it is not shown as a capital commitment within the financial statements, and the project was still subject to favourable planning permission. This was granted in November 2024, with work commencing shortly afterwards

**24 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

**25 Agency arrangements**

The Academy Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2024 the trust received £70k (2023: £63k) and disbursed £70k (2023: £45k) from the fund. An amount of £18k (2023: £18k) is included in other creditors relating to undistributed funds that is repayable to ESFA.



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