

# Creative Industries UTC

(A Company Limited by Guarantee)

Annual Report and Financial Statements  
For the year ended 31 August 2015

# Creative Industries UTC

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# Creative Industries UTC

## Reference and Administrative Details

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Members	Sir Rod Aldridge Julia Fawcett Honor Wilson-Fletcher
Trustees	Julia Fawcett Honor Wilson-Fletcher Geoff Muirhead (appointed 21 July 2015) Professor Helen Marshall (appointed 21 July 2015) Ian Bent (appointed 21 July 2015) Jon Corner (appointed 21 July 2015) Graham Cowley (appointed 21 July 2015) Phillip Duffy (appointed 21 July 2015) Iris Lanny (appointed 21 July 2015) Kevin Massey (appointed 21 July 2015) Collete McKune (appointed 21 July 2015) Kevin Price (appointed 21 July 2015) Elizabeth Vega (appointed 21 July 2015) Stephen Wild (appointed 21 July 2015)
Company Secretary	Jayshree Shah (resigned 30 September 2015)
Senior Management Team:	
Principal	Anne Casey
Deputy principal	Sharon Gardner
Deputy principal	Andrew Clarke
Director of finance and administration	Elaine Turner
Principal and Registered Office	100–102 Broadway Salford M50 2UW
Company Registration Number	7893811
Independent Auditor	Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD
Bankers	Lloyds Bank 25 Gresham Street London EC2V 7HN
Solicitors	Anthony Collins 134 Edmund Street Birmingham B3 2ES

# Creative Industries UTC

## Trustees' Report for the year ended 31 August 2015

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The trustees present their annual report together with the financial statements and auditors' report of the company for the year ended 31 August 2015. The annual report serves the purpose of both a trustees' report and a directors' report under company law.

### **Structure, Governance and Management**

#### ***Constitution***

Creative Industries University Technical College ("UTC") is a company limited by guarantee and an exempt charity. The company's memorandum and articles of association are the primary governing documents of the UTC.

The trustees act as the governors for the charitable activities of the UTC and are also the directors of the company for the purposes of company law. Details of the governors who served throughout the year, except as noted, are included in the Reference and Administrative Details on page 2.

#### ***Members' Liability***

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

#### ***Method of Recruitment and Appointment or Election of Governors***

The management of the UTC is the responsibility of the trustees who are elected or co-opted under the terms of the Articles of Association.

#### ***Selection***

An introductory session for potential governors was held on 30 September 2014. Skills audits were carried out in October and November 2014 to identify strengths and gaps from those who put themselves forward as governors, particularly in terms of sectoral skills relevant to the specialisms of the UTC, and in the skills to enable effective challenge and scrutiny to help steer a successful organisation. 12 appointments to the governing body were made in May and June 2015. The first meeting of the governing body was in July 2015.

A recruitment agency was engaged by the Aldridge Foundation on behalf of the UTC to secure a Chair. Geoff Muirhead was the successful candidate, taking the governing body to 13 members. Geoff has a career in civil engineering. Geoff was the Chief Executive of Manchester Airports Group PLC from 2001 – 2010 and Chief Executive of Manchester Airport from 1994. His external appointments include Chairman of IPPR Commission for Northern Economic Futures, Atlantic Gateways Board, past Chair of NW CBI and past President of Manchester Chamber of commerce and industry, and past Chairman of NW Rail Campaign. In these roles Geoff has been involved in promoting opportunities for the North West region to prosper.

In addition he has a particular interest in education as he believes that fully developing the talent of young people is a key to the future success of the economy. Geoff is a past Board Member of Manchester Metropolitan University and Chair of the Wythenshawe Education Action Zone.

#### ***Policies and Procedures Adopted for the Induction and Training of Governors***

As the UTC was in its pre-opening year the induction process for governors is still to be determined.

Training needs for governing body members will be identified and a programme of bespoke training designed to meet the needs of the individual during the first meetings of the governing body. All new governing body members will be required to attend safeguarding training. All new governors will be given an induction to the academy vision and values which will include a tour of the academy and the chance to meet staff and students. They will also be provided with copies of documentation needed for them to fulfil their role as governors.

#### ***Principal Activities***

Creative Industries UTC's object is to advance, for the public benefit, education in the United Kingdom, in particular by establishing, maintaining, managing and developing an academy offering a broad and balanced curriculum.

#### ***Organisational Structure***

The managerial structure of the academy consists of two levels: Trustees and Members.

The trustees are responsible for ratifying the policies and processes adopted in the pre-opening year, monitoring the use of pre-opening budgets and making major decisions about the direction of the academy, capital expenditure and senior staff appointments.

In addition to their oversight of the project, the members support the development of the UTC through making the knowledge, skills and staff of their own institutions available to the project.

# Creative Industries UTC

## Trustees' Report for the year ended 31 August 2015

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### ***Risk Management***

The trustees are responsible for the management of risks to which Creative Industries UTC is exposed. The key controls used to mitigate these risks are:

- Formal agendas for all meetings
- A development plan which identifies key strategic planning objectives and the resources required to achieve them.
- Budget planning, monitoring and reviews
- Financial authorisation and approval levels
- Written policies reviewed regularly

The trustees have reviewed the major risks, focusing on operational, financial, governance, compliance and reputational risk, and are satisfied that steps have been taken to mitigate the risks. The trustees recognise that systems can only provide reasonable assurance that major risks are adequately managed.

After the year end, the trustees have appointed Kingston Smith LLP to undertake a range of checks on the academy's Financial Management System (FMS) in order to provide assurance to the governors on financial matters.

There is no credit risk as the amounts generally owed to the academy are by the Department for Education.

### ***Connected Organisations, including Related Party Relationships***

The Rodney Aldridge Charitable Trust ('Aldridge Foundation') provide technical and project management support on the construction of the new building and financial management, and offers governance, education and policy support on an ongoing basis.

The University of Salford are supporting the technical content of the curriculum with input from specialists in media and digital production providing progression opportunities for students, and provide further support through their knowledge as a major stakeholder and employer in the area.

The Lowry is sharing their strong expertise on community engagement and their knowledge as a cornerstone organisation, key stakeholder and employer in the area.

### **Objectives and Activities**

#### ***Objects and Aims***

The UTC has committed itself to preparing young people with a well-grounded academic curriculum, but with a pedagogy that equips students to thrive in an evolving work environment. Supported by the University of Salford, the UTC's students will learn through research, design and problem solving in purpose designed physical, digital and specialist media spaces.

The UTC will work collaboratively with business and industry to ensure that the students experience a real world context relevant to their learning.

Working with the University of Salford and industry partners, the UTC has committed itself to ensuring the career success of every student through innovative learning and personal development support.

#### ***Principal Activities***

The UTC's main activity during the year under review was to successfully set up the UTC during pre-opening. This included the following priorities;

- Recruitment of a high quality and experienced Principal to guide and direct the UTC's pre-opening activities.
- Recruiting a sufficient number of students to start in Year 10 and Year 12 for the academic year 2015/16 for the academy to be financially viable.
- Development of key educational and organisational policies and procedures.

#### ***Public Benefit***

Creative Industries UTC will receive the majority of its income from the Department for Education to provide educational services to children and to ensure a broad and balanced curriculum. The trustees of Creative Industries UTC are satisfied that they will meet the public benefit criteria as required by the section 17 of the Charities Act 2011.

# Creative Industries UTC

## Trustees' Report for the year ended 31 August 2015

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### Strategic Report

#### **Achievements and Performance**

The UTC's main objective in the year was to identify the activities to be undertaken to prepare the UTC for a successful opening. These included recruiting an outstanding Principal and identifying a suitable site for the new school.

Unfortunately, due to delays in construction related to site and contract negotiations, the Department for Education, the trustees and the Aldridge Foundation agreed to defer opening until September 2015. A highly advantageous site on the MediaCity development in Salford, in keeping with the original vision of the trustees was secured and the building completed by April 2015, ahead of opening in September 2015..

#### **Key Financial Performance Indicators**

The set-up of the UTC was within the budget agreed with the Department for Education for lead-in costs.

#### **Going Concern**

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

#### **Financial Review**

During this year under review the main source of income was from the Project Development Grant provided by the Department for Education. These funds have been used for setting up the UTC in advance of its opening in September 2015.

#### **Investment Policy**

Trustees of Creative Industries UTC are firmly committed to ensuring that all funds under their control are administered in such a way as to maximise return while minimising risk. Trustees do not consider the investment of surplus funds as a primary activity, but rather a requirement for the effective management of the various funds.

Trustees' management of cash flow should ensure that there are always sufficient funds in the main bank account to cover operational costs. Banks must be selected from the FCA Approved List included in the Financial Services Compensation Scheme.

#### **Principal Risks and Uncertainties**

Trustees have identified the following areas affecting the UTC:

- Recruitment of sufficient student numbers for Year 10 and Year 12
- Completion of building works

#### **Financial Risk**

The academy development plan is followed closely to ensure that a continuing maintenance plan of the site is followed and that staffing levels are sustainable.

#### **Failure in governance/management**

Trustees continue to review and ensure that measures are in place to mitigate this risk.

#### **Reputational Risk**

The success of the UTC depends on maintaining high educational standards in order to attract sufficient number of students to the academy. Trustees are focused in monitoring and reviewing the achievement and success of the children once the UTC has opened.

#### **Safeguarding and Child Protection Risks**

Governors continue to ensure that high standards are maintained in selecting staff. The UTC has a child protection policy and will provide training and support in order to protect the vulnerable young children in its care.

#### **Plans for Future Years**

Anne Casey, the Principal of the UTC, is developing a 3 and 5 year strategic plan for the UTC which will be signed off by governors and detailed in time for the first DfE advisor's visit in the Autumn term of 2015. The plan will encompass the academic aspirations, quality assurance frameworks, growth trajectories for student recruitment, curriculum design, industry engagement and entrepreneurial approaches which will ensure that the UTC remains true to the original vision of trustees and delivers outstanding educational provision and employment opportunities for the young people it serves. The plan will be regularly reviewed by governors, to

## Creative Industries UTC Trustees' Report for the year ended 31 August 2015

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ensure that it aligns with performance measures for the Principal, and with school improvement planning overall.

### Auditors

Creative Industries UTC has appointed Kingston Smith LLP as auditors.

In so far as the trustees are aware:

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

Approved by order of the members of the Governing Body on <sup>29</sup>~~XX~~ January 2016 and signed on its behalf by:

Trustee



# Creative Industries UTC

## Governance Statement for the year ended 31 August 2015

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### Governance Statement

#### **Scope of Responsibility**

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

The governing body has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform to the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Creative Industries UTC and the Secretary of State for Education. They are also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

#### **Governance**

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities.

The board of trustees held formal meetings for the period under review and will continue to meet on a regular basis.

#### **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 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 Creative Industries UTC for the year ended 31 August 2015 and up to the date of approval of the annual report and financial statements.

#### **Capacity to Handle Risk**

The governing body has reviewed the key risks to which Creative Industries UTC is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The governing body is of the view that there is a formal on-going process for identifying, evaluating and managing Creative Industries UTC's significant risks that has been in place for the year ending 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governing body.

#### **The Risk and Control Framework**

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

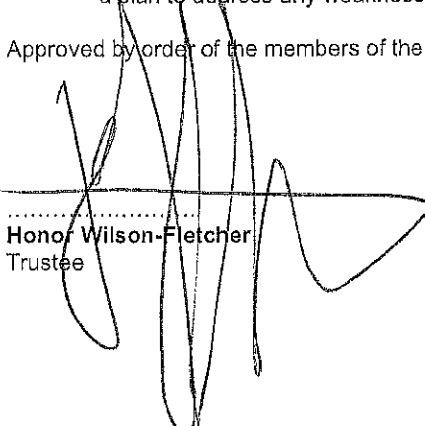
- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the governing body;
- Regular reviews of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- Delegation of authority and segregation of duties;
- Identification and management of risks.

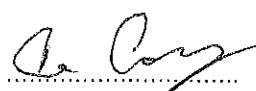
#### **Review of Effectiveness**

As accounting officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- The financial management and governance self-assessment process;
- The work of the executive managers within Creative Industries UTC who have responsibility for the development and maintenance of the internal control framework;
- The accounting officer has been advised of the system of internal control in place during the period and a plan to address any weakness and ensure continuous improvement of the system is in place.

Approved by order of the members of the governing body on [xx January 2016] and signed on its behalf by:

  
Honor Wilson-Fletcher  
Trustee

  
Anne Casey  
Accounting Officer



# Creative Industries UTC

## Statement on Regularity, Propriety and Compliance

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As Accounting officer of Creative Industries UTC I have considered my responsibility to notify the academy board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2004).

I confirm that I and the academy board of trustees are able to identify any material, irregular or improper use of funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial handbook (2014).

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 trustees and EFA.

**Accounting Officer**

Date: 18<sup>th</sup> January 2016

## Creative Industries UTC Statement of Trustees' Responsibilities

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

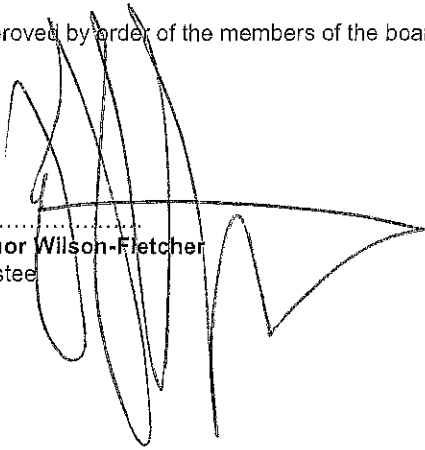
The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements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

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

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

Approved by order of the members of the board of trustees on <sup>17</sup>~~XX~~ January 2016] and signed on its behalf by:

.....  
**Honor Wilson-Fletcher**  
Trustee



# Creative Industries UTC

## Independent Auditor's Report on the Financial Statements to the Board of Trustees of Creative Industries UTC

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We have audited the financial statements of Creative Industries UTC for the year ended 31 August 2015 which comprise the Statement of Financial Activities, the Balance Sheet, Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice.)

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 and trustees those matters which we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditor**

As explained more fully in the Statement of Directors' Responsibilities, the Governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on the financial statements**

In our opinion the financial statements:

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

### **Opinion on other matter prescribed by the Companies Act 2006**

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

# Creative Industries UTC

## Independent Auditor's Report on the Financial Statements to the Board of Trustees of Creative Industries UTC (continued)

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

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

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

*Kingston Smith LLP*

Date: 20 January 2016

**James Cross (Senior Statutory Auditor)**  
for and on behalf of Kingston Smith LLP, Statutory Auditor

Devonshire House  
60 Goswell Road  
London  
EC1M 7AD

# Creative Industries UTC

## Independent Reporting Accountant's Assurance Report on Regularity to Creative Industries UTC and the Education Funding Agency

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In accordance with the terms of our engagement letter dated 4th December 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Creative Industries UTC during the period 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Creative Industries UTC and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Creative Industries UTC and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Creative Industries UTC and the EFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Creative Industries UTC's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Creative Industries UTC's funding agreement with the Secretary of State for Education dated 5th November 2013 and the Academies Financial Handbook, extant from 1 September 2013, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Enquiry
- Inspection and review
- Observation and reperformance

# Creative Industries UTC

## Independent Reporting Accountant's Assurance Report on Regularity to Creative Industries UTC and the Education Funding Agency (continued)

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### Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Kingston Smith LLP*

Date: *20 January 2016*

**James Cross (Senior Statutory Auditor)**  
for and on behalf of Kingston Smith LLP, Statutory Auditor

Devonshire House  
60 Goswell Road  
London  
EC1M 7AD

## Creative Industries UTC

Statement of Financial Activities for the year ended 31 August 2015  
(including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2015 £	Total 2014 £
<b>Incoming resources</b>						
<i>Incoming resources from generated funds:</i>						
Voluntary income	2	-	79,152	-	79,152	-
<i>Incoming resources from charitable activities:</i>						
Funding for the academy trust's educational operations	3	-	177,398	5,700,158	5,877,556	5,673,604
<b>Total incoming resources</b>		-	256,550	5,700,158	5,956,708	5,673,604
<b>Resources expended</b>						
<i>Charitable activities:</i>						
Academy trust educational operations	5	-	213,005	-	213,005	232,976
<i>Governance costs</i>	6	-	4,200	-	4,200	2,000
<b>Total resources expended</b>	4	-	217,205	-	217,205	234,976
<b>Net incoming resources before transfers</b>		-	39,345	5,700,158	5,739,503	5,438,628
Gross transfers between funds	10	-	-	-	-	-
<b>Net income for the year</b>			39,345	5,700,158	5,739,503	5,438,628
<b>Net movement in funds</b>		-	39,345	5,700,158	5,739,503	5,438,628
<b>Reconciliation of funds</b>						
Total funds brought forward at 1 September	10	-	(39,345)	5,553,604	5,514,259	75,631
<b>Total funds carried forward at 31 August</b>		-	-	11,253,762	11,253,762	5,514,259

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

# Creative Industries UTC

Balance Sheet  
as at 31 August 2015

	Notes	2015 £	2015 £	2014 £	2014 £
<b>Fixed assets</b>					
Tangible assets	7		11,253,762		5,553,604
<b>Current assets</b>					
Debtors	8	1,206,508		769,340	
Cash at bank and in hand		<u>308,700</u>		<u>900,106</u>	
		1,515,208		1,669,446	
<b>Liabilities</b>					
Creditors : Amounts falling due within one year	9	<u>(1,515,208)</u>		<u>(1,708,791)</u>	
<b>Net current (liabilities)/assets</b>			<u>0</u>		<u>(39,345)</u>
<b>Total assets less current liabilities</b>			11,253,762		5,514,259
<b>Net assets including pension liability</b>			<u>11,253,762</u>		<u>5,514,259</u>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>					
Fixed asset fund	10	11,253,762		5,553,604	
General fund	10	<u>-</u>		<u>(39,345)</u>	
<b>Total restricted funds</b>			11,253,762		5,514,259
<b>Unrestricted income funds</b>					
General fund	10	<u>-</u>		<u>-</u>	
<b>Total unrestricted funds</b>			-		-
<b>Total funds</b>			<u>11,253,762</u>		<u>5,514,259</u>

The financial statements on pages 13 to 22 were approved by the trustees, and authorised for issue on <sup>19</sup>~~XX~~ January 2016 and are signed on their behalf by:

  
Honor Wilson-Fletcher

Trustee

Company registration number: 7893811



# Creative Industries UTC

## Cash Flow Statement for the year ended 31 August 2015

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	Notes	2015 £	2014 £
Net cash inflow from operating activities	13	(591,406)	774,878
Capital expenditure	14	-	-
<b>(Decrease)/Increase in cash in the year</b>	<b>15</b>	<b><u>(591,406)</u></b>	<b><u>774,878</u></b>
<b>Reconciliation of net cash flow to movement in net funds</b>			
Net funds at 1 September 2014	15	900,106	125,228
<b>Net funds at 31 August 2015</b>		<b><u>308,700</u></b>	<b><u>900,106</u></b>

# Creative Industries UTC

## Notes to the Financial Statements for the year ended 31 August 2015

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### 1 Statement of Accounting Policies

#### Basis of Preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2014 to 2015 issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

#### Going Concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

#### Incoming Resources

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

#### Grants Receivable

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

#### Resources Expended

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

#### Costs of Generating Funds

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

#### Charitable Activities

These are costs incurred on the academy trust's educational operations.

#### Governance Costs

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

All resources expended are inclusive of irrecoverable VAT.

#### Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restructured fixed asset fund in the statement of financial activities and are carried forward in the Balance Sheet. Depreciation on such assets is charged to the restructured fixed asset fund in the SOFA so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy's depreciation policy. Where tangible fixed assets have been acquired with unstructured funds, depreciation on such assets is charged to the unstructured fund.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	Straight line over 50 years
Furniture and equipment	-	Straight line over 4 years
Computer equipment	-	Straight line over 4 years

# Creative Industries UTC

Notes to the Financial Statements (continued)  
for the year ended 31 August 2015

## 1 Statement of Accounting Policies (continued)

### 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.

### Fund Accounting

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

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

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

## 2 Voluntary Income

	Unrestricted Funds £000	Restricted General Funds £000	Total 2015 £000	Total 2014 £000
Other donations	-	79,152	79,152	-
	-	79,152	79,152	-

## 3 Funding for the Academy Trust's Educational Operations

	Restricted Fixed Asset Funds £	Restricted General Funds £	Total 2015 £	Total 2014 £
DfE / EFA revenue grants				
Start Up Grants	-	177,398	177,398	120,000
Capital Grants	5,700,158	-	5,700,158	5,553,604
	5,700,158	177,398	5,877,556	5,673,604

## 4 Resources Expended

	Staff Costs £	Non Pay Expenditure		Total 2015 £	Total 2014 £
		Premises £	Other £		
Academy's educational operations:					
Direct costs	133,984	-	-	133,984	58,272
Allocated support costs	12,120	-	66,901	79,021	174,704
	146,104	-	66,901	213,005	232,976
Governance costs including allocated support costs	-	-	4,200	4,200	2,000
	146,104	-	71,101	217,205	234,976

# Creative Industries UTC

Notes to the Financial Statements (continued)  
for the year ended 31 August 2015

## 5 Charitable Activities

	Unrestricted Funds £	Restricted General Funds £	Total 2015 £	Total 2014 £
<b>Direct costs - educational operations</b>				
Teaching and educational support staff costs	-	133,984	133,984	58,272
	-	133,984	133,984	58,272
<b>Support costs - educational operations</b>				
Support staff costs	-	12,120	12,120	-
Technology costs	-	5,814	5,814	6,000
Recruitment and support	-	687	687	11,235
Insurance	-	640	640	-
Catering	-	-	-	146
Bank interest and charges	-	50	50	2
Other support costs	-	59,710	59,710	157,321
	-	79,021	79,021	174,704
<b>Total direct and support costs</b>	-	213,005	213,005	232,976

## 6 Governance Costs

	Unrestricted Funds £	Restricted General Funds £	Total 2015 £	Total 2014 £
Legal and professional fees	-	-	-	-
Auditor's remuneration:	-	4,200	4,200	2,000
Support staff costs	-	-	-	-
	-	4,200	4,200	2,000

## 7 Staff

### a. Staff costs

Staff costs during the period were:	2015 £	2014 £
Wages and salaries	119,381	47,411
Social security costs	12,933	5,414
Pension costs (note 17)	13,790	5,447
	<u>146,104</u>	<u>58,272</u>

### b Staff numbers

The average number of persons employed by the academy during the year expressed as full time equivalents was as follows:

	2015 No.	2014 No.
<b>Charitable Activities</b>		
Administration and support	-	-
Management	1	1
	<u>1</u>	<u>1</u>

During the year, 1 employee earned £110,000 to £120,000 (2014: No Employees). Pension contributions in the year for this employee were £11,190 (2014: £nil)

Directors remuneration and expenses were £nil (2014: £nil).

# Creative Industries UTC

Notes to the Financial Statements (continued)  
for the year ended 31 August 2015

## 7 Tangible Fixed Assets

	Assets Under Construction £	Furniture and Equipment £	Computer Equipment £	Total £
<b>Cost</b>				
At 1 September 2014	5,553,604	-	-	5,553,604
Additions	4,790,761	110,030	799,367	5,700,158
At 31 August 2015	<u>10,344,365</u>	<u>110,030</u>	<u>799,367</u>	<u>11,253,762</u>
<b>Depreciation</b>				
At 1 September 2014	-	-	-	-
Charged in year	-	-	-	-
At 31 August 2015	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net book values</b>				
At 31 August 2015	<u>10,344,365</u>	<u>110,030</u>	<u>799,367</u>	<u>11,253,762</u>
At 31 August 2014	<u>5,553,604</u>	<u>-</u>	<u>-</u>	<u>5,553,604</u>

The trust's transactions relating to land and buildings included the building of the new UTC building which completed in February 2015

## 8 Debtors

	2015 £	2014 £
VAT recoverable	675,082	769,340
Prepayments and accrued income	<u>531,426</u>	<u>-</u>
	<u>1,206,508</u>	<u>769,340</u>

## 9 Creditors: Amounts falling due within one year

	2015 £	2014 £
Trade creditors	561,517	810,423
EFA creditor	666,697	769,341
Other creditors	282,794	125,527
Accruals and deferred income	<u>4,200</u>	<u>3,500</u>
	<u>1,515,208</u>	<u>1,708,791</u>

## 10 Funds

	Balance at 1 September 2014 £	Incoming Resources £	Resources Expended £	Gains, Losses and Transfers £	Balance at 31 August 2015 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	-	-	-	-
Start Up Grant	(39,345)	177,399	(138,054)	-	-
Donations	-	79,152	(79,152)	-	-
	<u>(39,345)</u>	<u>256,551</u>	<u>(217,206)</u>	<u>-</u>	<u>-</u>
<b>Restricted fixed asset funds</b>					
DfE/YPLA capital grants	5,553,604	5,700,158	-	-	11,253,762
<b>Total restricted funds</b>	<u>5,514,259</u>	<u>5,956,709</u>	<u>(217,206)</u>	<u>-</u>	<u>11,253,762</u>
<b>Total funds</b>	<u>5,514,259</u>	<u>5,956,709</u>	<u>(217,206)</u>	<u>-</u>	<u>11,253,762</u>

The specific purposes for which the funds are to be applied are as follows:  
Project Lead In Funding - funding to implement the UTC  
Capital Funding - funding for the new UTC building, ICT and fixtures and fittings

# Creative Industries UTC

Notes to the Financial Statements (continued)  
for the year ended 31 August 2015

## 11 Analysis of Net Assets between Funds

Fund balances at 31 August 2015 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds 2015 £
Tangible fixed assets	-	-	11,253,762	11,253,762
Current assets	-	(293,301)	1,808,509	1,515,208
Current liabilities	-	293,301	(1,808,509)	(1,515,208)
Pension scheme liability	-	-	-	-
<b>Total net assets</b>	<b>-</b>	<b>-</b>	<b>11,253,762</b>	<b>11,253,762</b>

## 12 Capital Commitments

	2015 £	2014 £
Contracted for, but not provided in the financial statements	252,157	4,889,695

## 13 Reconciliation of Net Income to Net Cash Inflow from Operating Activities

	2015 £	2014 £
Net income	5,739,503	5,438,628
Capital grant from EFA/DfE	(5,700,158)	(5,553,604)
(Increase)/decrease in debtors	(437,168)	(769,341)
Increase/(decrease) in creditors	(193,584)	1,659,193
<b>Net Cash Inflow from Operating Activities</b>	<b>(591,406)</b>	<b>774,878</b>

## 14 Capital Expenditure and Financial Investment

	2015 £	2014 £
Purchase of tangible fixed assets	5,700,158	5,553,604
Capital grants from DfE/EFA	(5,700,158)	(5,553,604)
<b>Net cash outflow from capital expenditure and financial investment</b>	<b>-</b>	<b>-</b>

## 15 Analysis of Changes in Net Funds

	At 1 September 2014 £	Cash Flows £	At 31 August 2015 £
Cash in hand and at bank	900,106	(591,406)	308,700
	<u>900,106</u>	<u>(591,406)</u>	<u>308,700</u>

# Creative Industries UTC

Notes to the Financial Statements (continued)  
for the year ended 31 August 2015

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## 16 Members' Liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

## 17 Pension and Similar Obligations

The academy's employees belong to the Teachers' Pension Scheme England and Wales (TPS). It is a multi-employer defined-benefit schemes.

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

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

### Teachers' Pension Scheme

#### Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a "pay as you go" basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

#### Valuation of the Teachers' Pension Scheme

Not less than every four years 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. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effect date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million.
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.
- the assumed real rate of return of 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed normal rate of return is 5.06%.

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

# Creative Industries UTC

Notes to the Financial Statements (continued)  
for the year ended 31 August 2015

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## **17 Pension and Similar Obligations (continued)**

### **Teachers' Pension Scheme Changes**

A pension cost paid to TPS in the period amounted to £11,190 (2014: £5,447).

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

## **18 Related Party Transactions**

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures.

The following related party transactions took place in the period of account:

During the accounting period, the Aldridge Foundation incurred expenditure on behalf of Creative Industries UTC. At 31st August 2015, the Aldridge Foundation was owed £78,418. (2014: £125,528)



## **17 Pension and Similar Obligations (continued)**

### **Teachers' Pension Scheme Changes**

A pension cost paid to TPS in the period amounted to £11,190 (2014: £5,447).

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

## **18 Related Party Transactions**

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures.

The following related party transactions took place in the period of account:

During the accounting period, the Aldridge Foundation undertook spend of £4,639,247 on behalf of Creative Industries UTC, mostly for the property construction. At 31st August 2015, £78,417 was owing to the the Aldridge Foundation was due £78,418. (2014: £125,528)

