

Company Registration Number: 02414699 (England & Wales)

TELFORD CITY TECHNOLOGY COLLEGE TRUST LIMITED
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

TELFORD CITY TECHNOLOGY COLLEGE TRUST LIMITED
(A Company Limited by Guarantee)

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TELFORD CITY TECHNOLOGY COLLEGE TRUST LIMITED
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REFERENCE AND ADMINISTRATIVE DETAILS

Members

The Mercers' Company
Tarmac Holdings Limited
FKJ Jackson (resigned 3 March 2021)
TR Last (resigned 3 March 2021)
JF Bowater (appointed 3 March 2021)
RJ Doody (appointed 3 March 2021)

Governors

JF Bowater, Chairman
NOF Aston (appointed 22 June 2021)
HV Clark
RJ Doody
MG Dudgeon OBE DL (retired 22 June 2021)
T Eastwood
RJ Harrison OBE
B Jones
M Lawer
T Littlefield
SB Roberts
AC Smith
R Taylor (deceased 7 April 2021)
H Goodall

Company registered number

02414699

Company name

Telford City Technology College Trust Limited

Principal and registered office

Thomas Telford School
Old Park
Telford
Shropshire
TF3 4NW

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Senior management team

Sir Kevin Satchwell, Executive Head
R Furlong, Senior Deputy Head
I Rawlings, Senior Deputy Head
S Turton FCA, Director of Finance

Independent auditor

Crowe U.K. LLP
Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Bankers

HSBC Bank plc
Town Centre
Telford
Shropshire
TF3 4BW

Solicitors

Stone King LLP
Boundary House
91 Charterhouse Street
London
EC1M 6HR

Investment manager

Brewin Dolphin Limited
4th Floor
9 Colmore Row
Birmingham
B3 2BJ

TELFORD CITY TECHNOLOGY COLLEGE TRUST LIMITED
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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Governors present their annual report together with the financial statements and auditor's report of the Charitable Company for the year 1 September 2020 to 31 August 2021. The Annual report serves the purposes of both a Governors' report and a Directors' report under company law.

The Charitable Company operates a school for pupils aged 11 to 18 serving catchment areas in Telford and Wolverhampton. It has a pupil capacity of 1,550 and had a roll of 1,496 in the school census on 21 January 2021 comprising of 946 students under 16 years of age and 550 sixth form students.

Structure, governance and management

a. Constitution

The Charitable Company is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum of Association is the primary governing document of the school. The Governors of Telford City Technology College Trust Limited are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Thomas Telford School.

Details of the Governors who served during the year are included in the reference and administrative details on page 1. The principal object of the Charitable Company is the operation of Thomas Telford School to provide education for students of varying abilities with an emphasis on Science and Technology.

b. 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 £1, for the debts and liabilities contracted before they ceased to be a member.

c. Governors' indemnities

In accordance with normal commercial practice the Charitable Company has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on school business. The cost for the year ended 31 August 2021 was £270 (2020 - £270).

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Governors

The management of the Charitable Company is the responsibility of the Governors who are elected and co opted under the terms of the Articles of Association.

The Governors who served during the year, and subsequently up to the date of this report except where indicated, were:

JF Bowater, Chairman
NOF Aston (appointed 22.06.2021)
HV Clark
RJ Doody
MG Dudgeon OBE DL (retired 22.06.2021)
T Eastwood
H Goodall
RJ Harrison OBE
B Jones
M Lawer
T Littlefield
SB Roberts
AC Smith
R Taylor (deceased 07.04.2021)

The Governors of the Charitable Company comprise the Board of Governors of the school and are nominated by the two sponsors of the Charitable Company, which are Tarmac Holdings Limited and The Mercers' Company, or are co-opted by the Governors themselves.

Governors retire by rotation in accordance with the company's Articles of Association, which provide that at each annual general meeting one third of the Governors must retire, being the longest in office since their last election, such Governors being eligible for re-election.

Governors record with regret the death of Robert (Bob) Taylor who served on the governing board for more than thirty years and whose commercial and industrial experience was of enormous value and greatly appreciated throughout his long period of contribution.

The day to day running of the Charitable Company is carried out by the Headmaster, Sir Kevin Satchwell, and the senior management team.

e. Policies adopted for the induction and training of Governors

The training and induction provided for new Governors will depend on their existing experience. Where necessary, induction will provide training on charity and educational, legal and financial matters. All new Governors will be given a tour of the school and have regular opportunities to meet with staff and students. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. As changes in the composition of the board are infrequent, induction tends to be done informally and is tailored specifically to the individual.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

f. Organisational structure

The management structure consists of two levels: the Governors and the Senior Managers. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the school by the use of budgets and making major decisions about the direction of the school, capital expenditure and senior staff appointments.

The senior management team consists of the Executive Headmaster, the Deputy Heads and the Director of Finance. These managers control the school at an executive level, implementing the policies laid down by the Governors and reporting back to them. As a group, the Senior Managers are responsible for the authorisation of spending within agreed budgets and the appointment of staff.

g. Pay Policy For Key Management Personnel

It is the responsibility of the governing board to consider any annual pay increases recommended by the remuneration committee of the board. Teachers will be paid at a rate that is comparable to other employers of teachers in the state sector. The Headmaster will carry out individual pay reviews each year and discuss these with the remuneration committee. Prior to the start of each academic year, teachers will receive notification in writing of their pay including any increases and a copy of their post description.

At the discretion of the Headmaster additional payments may be made to teachers for the following principal reasons:

- Covering lessons for absent colleagues;
- Timetabled teaching commitments above 80%;
- Exceptional time commitments to extra curricular activities in sport, performing arts and outdoor activities etc.; and
- Performance related pay (subject to approval by the remuneration committee and the full governing board.)

Annual pay reviews are linked to performance, with appropriate incremental progression and 'cost of living' increases. In very rare cases, increases will be withheld where the performance of a teacher in terms of standards of teaching and student progress and attainment are unsatisfactory.

h. Connected Organisations, Including Related Party Relationships

The Company owns 100% of the issued ordinary shares of Thomas Telford School Online Limited.

The Mercers' Company and Tarmac Holdings Limited, the school's main sponsors, are committed to the aims and objectives of the school. They continue to offer generous financial support to the students in a wide variety of ways. Each Sponsor nominates four Governors to serve on the governing board and this provides the Sponsors with ongoing information regarding the achievements of the school. The Headmaster is also able to seek advice from Sponsors when needed.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities

a. Objects and aims

The principal activity of the Charitable Company is the operation of Thomas Telford School to provide education for students of varying abilities between the ages of 11 and 18 with an emphasis on Science and Technology.

The main objectives of the Charitable Company are summarised below:

- to raise the standard of educational achievement of all students;
- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- to improve the effectiveness of the Charitable Company by keeping the curriculum and organisational structure under continual review;
- to provide value for money for the funds expended;
- to comply with all the statutory and national curriculum requirements; and
- to maintain close links with industry and commerce.

b. Objectives, strategies and activities

The school's main strategy is encompassed in its mission statement which is 'The general aim of Thomas Telford School is to maximise students' performance'. To this end the activities provided include:

- tuition and learning opportunities for all students to attain appropriate academic qualifications;
- training opportunities for all staff, and especially teaching staff;
- secondments and placing of students with industrial and commercial partners;
- a programme of sporting and after school leisure activities for all students; and
- a careers advisory service to help students obtain employment or move on to higher education.

To ensure that standards are continually raised both in the short term and long term, the school operates a programme of observation of lessons, is visited by inspectors and undertakes a comparison of results from entry to Key Stage 3, from thence to GCSE examinations; and from GCSE to A level, to assess the added value.

Employee Involvement and Employment of the Disabled

All employees have regular team meetings where management disseminate relevant information and provide feedback on any issues raised. One-to-one staff appraisals are used to answer any concerns employees may have.

Governors recognise that equal opportunities should be an integral part of good practice within the workplace and that a working environment which fosters the contribution and needs of all people is essential.

The school has external ramps for those not able to use steps and the main entrance to the building is large enough to provide wheelchair access to lifts and routes to all the main areas of the school, including accessible toilet and other facilities. The school supports the employment of disabled persons both in recruitment and retention of employees who may become disabled whilst employed, as well as through training and career progression. There are a number of policies which the school has adopted in relation to aspects of human resource management including: Equal Opportunities, Pay & Performance, Volunteers and Health & Safety policies.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities (continued)

c. Public benefit

In setting objectives and planning activities, the Governors have given careful consideration to the Charity Commission's guidance on public benefit.

In accordance with the Articles of Association the Charitable Company has adopted a "Scheme of Government" approved by the Department for Education ("DfE"). The Scheme of Government specifies, amongst other things, the basis for admitting students to the school, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum with an emphasis on Science and Technology and their practical applications.

Strategic report

Achievements and performance

The Covid-19 pandemic situation continued to cause disruption throughout the year, involving periods of full school closure and also some students and staff being required to home-isolate at times when the school was otherwise open. Distance learning arrangements were in place during these closures and enforced absences, through which students had access to virtual lessons and other remote learning support. School staff members maintained direct contact with students and parents/guardians to address individual concerns, progress and resource issues, and students' general wellbeing.

In accordance with government directions, conventional external examinations did not take place for GCSE, A Level, vocational and other qualifications in 2021. Instead, qualifications were awarded on the basis of teacher assessed grades, formulated using various evidence sources, including internal mock examinations and course work, to establish fair and objective grades. These processes were open to question and authentication by external examination boards. The resulting qualification awards were considered to be a fair reflection of students' capabilities, proficiencies and preparedness for the next stage in their education or career development and represented a satisfactory outcome overall. It is anticipated that conventional examinations will resume in 2022.

a. Key performance indicators

The most recent inspection of the school by Ofsted took place in January 2009. The school was assessed as "outstanding" in every category of inspection.

The Charitable Company is also fostering outreach projects with other local schools as part of its programme of dissemination of good practice in the sphere of education. In addition, the Charitable Company has sponsored the establishment of three academies in the West Midlands and Shropshire regions. These academies are now part of the core activities of Thomas Telford Multi Academy Trust ("TTMAT") which the Charitable Company continues to support by way of a Services Agreement. This sets out the school's continuing commitment to provide a broad range of practical assistance to the West Midlands academies and to other constituent members who have subsequently joined or will become part of TTMAT as its expansion plans develop. The long-established vision that all students should be well positioned to enter the world of employment and ably equipped to cope with the demands of modern society is the driving force behind the school's ongoing commitment to support TTMAT and ensure its students receive the same educational opportunities as those attending Thomas Telford School.

For the foreseeable future, the school intends to continue to improve its examination results record and maintain its high standards whilst continuing to support education through its sponsorship and outreach work.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Achievements and performance (continued)

The school has a rigorous maintenance programme to ensure that the buildings and facilities are kept in excellent condition.

b. Going concern

After making appropriate enquiries, the governing board has a reasonable expectation that the Charitable Company 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 Accounting Policies.

c. Fundraising

The Charitable Company had no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

Financial Review

a. Financial Review

Most of the Charitable Company's income is obtained from the Department for Education ("DfE") in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2020 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The school also receives grants for fixed assets from the DfE. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2019), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful lives of the assets concerned.

During the year ended 31 August 2021, total expenditure (including depreciation) of £ 11,386,287 (2020: £11,478,675) was not fully covered by recurrent grant funding from the DfE together with other incoming resources. The excess of expenditure over income for the year was £296,106 (2020: £751,248) before gains/(losses) on investments.

At 31 August 2021 the net book value of fixed assets was £ 11,715,916 (2020: £11,980,548) and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the school.

As a result of Covid-19 the Charitable Company suffered from a loss of income especially in catering and additional expense in areas such as cleaning both in human resource costs and consumables. These were offset by savings made in expenses such as transport, exams and capitation with the overall effect on reserves being neutral.

The Charitable Company received two additional grants from the DfE to cover costs associated with Covid-19, the first being a catch up grant which enabled the Charitable Company to provide extra teaching sessions and tuition to students in key stages 3 and 4. The second grant covered the costs of the Covid-19 testing that took place at various times during the year.

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b. Reserves Policy

The Governors continually monitor the reserves of the Charitable Company. This process encompasses the nature of income and expenditure streams and the need to match commitments with income and the nature of reserves. The Governors have determined that the level of reserves, which are not invested in fixed assets at the year end, of £ 10,347,403 (2020: £9,441,259), is adequate for its immediate needs. The ultimate needs of the Charitable Company are considered to be 9 to 12 months of reserves in order to cover operating expenditure to complete an academic year. Operating expenditure for this purpose is defined as total resources expended excluding depreciation. The investment funds retained by the school are also intended to ensure its ability to maintain and develop the fabric of the school buildings and to continue to provide students with state of the art facilities in the longer term.

As reported last year, the reserves have been used to expand the capacity of the school by constructing the new Business Centre which officially opened in June 2021 and which is now in full use. In addition, the increased floorspace has enabled other internal structural reorganisation to take place to provide two fully-equipped science laboratories, again financed entirely from the school's own resources.

c. Material Investments Policy

Excess funds are invested in a manner commensurate with the perceived need. Short term investments are made in interest bearing cash accounts and other liquid forms. Funds set aside to meet longer term needs are invested in a portfolio managed by Brewin Dolphin Limited.

The investments have generally performed in line with the Governors' expectations.

d. Principal Risks and Uncertainties

The Governors have a comprehensive risk management process in place to identify and monitor the risks faced by the school. The principal risks identified include governance, statutory compliance, finance, insurance, student attainment and progress, attendance, behaviour, health and safety, organisation, operations, safeguarding, reputation, HR and ICT. A risk rating mechanism is in place with greater emphasis directed towards identified higher risk areas.

e. Risk Management

The Governors confirm that all material risks to which the Charitable Company is exposed are continually reviewed and systems have been established to manage and mitigate the risks identified. Further details can be found within the governance statement.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Plans for future periods

The school will continue to strive to improve the levels of performance of its students at all levels and will continue its efforts to ensure that students secure employment or places in higher education when they leave.

Looking forward to 2021/22 and beyond, the school will continue to ensure consistently high standards in education for the students. In furtherance of the school's strategy and in order to aid the delivery of the charitable objectives, the school will continue to:

- review the operational and governance structures to ensure that it operates in the most efficient and cost effective way; and
- invest in facilities and equipment to improve the fabric of the building and to provide an environment conducive to learning.

Thomas Telford School is assisting TTMAT in practical and financial terms, although with the DfE confirming that it was unable to accommodate the school's own key conditions for its transition into TTMAT, it will continue to operate as a separate legal entity.

It is the intention of the Governors to expand the number of pupils in the school in the medium term.

Funds held as custodian

The Charitable Company acts as an agent in distributing bursary funds and grants from the ESFA. Payments received 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. In some instances the trust can use a proportion of the allocation towards its own administration costs and, where applicable, this is recognised in the statement of financial activities.

Disclosure of information to auditor

Insofar as the Governors are aware:

- there is no relevant audit information of which the Charitable Company's auditor is unaware, and
- each Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any relevant audit information and to establish that the Charitable Company's auditor is aware of that information.

The Governors' Report, incorporating a strategic report, was approved by order of the Board of Governors, as the company directors, on 2 November 2021 and signed on its behalf by:



JF Bowater
Chairman

TELFORD CITY TECHNOLOGY COLLEGE TRUST LIMITED
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GOVERNANCE STATEMENT

Scope of responsibility

As Governors, we acknowledge that we have overall responsibility for ensuring that Telford City Technology College Trust Limited 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.

As Governors, we have reviewed and taken account of the guidance in DFE's Governance handbook and competency framework.

The governing board has delegated the day to day responsibility to the Headmaster, Sir Kevin Satchwell, 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 Telford City Technology College Trust Limited and the Secretary of State for Education. The Accounting Officer is also responsible for reporting to the governing board any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' report and in the Statement of Governors' responsibilities.

The governing board has formally met three times during the year, with participation in the meeting programme recorded as follows:

Governor	Meetings attended	Out of a possible
JF Bowater, Chairman	3	3
NOF Aston	0	0
HV Clark	3	3
RJ Doody	0	3
MG Dudgeon OBE DL	3	3
T Eastwood	3	3
RJ Harrison OBE	2	3
B Jones	2	3
M Lawer	2	3
T Littlefield	2	3
SB Roberts	3	3
AC Smith	3	3
R Taylor	0	2
H Goodall	3	3

In response to government advice regarding the spread of COVID-19, the governing board convened via "Zoom" conferencing facilities for all meetings.

Regardless of the circumstances affecting the meetings programme, the governing board was able to continue to maintain effective oversight during the year, particularly as the Chair of the Board has been in routine regular contact with the Headmaster to monitor progress and to be informed of any pertinent issues associated with the situation and other routine matters at the school. Governors also continued to receive monthly reports on the financial position of the school, in accordance with the normal protocol relating to the same.

There have been changes to the governing board membership. Mr NOF Aston was appointed to the governing board on 22 June 2021 as a sponsor Governor to replace Mr MG Dudgeon and, as reported earlier, the death of long-serving governor, Mr R Taylor, on 7 April 2021.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Maintaining effective governance during the prevailing pandemic conditions has presented challenges but these have been predominantly overcome by the effective use of technology facilitated by the school. The governing board, during the course of the year, has therefore been able to continue to oversee the principal aspects of running the school, the students' progress and achievements being its main priority, especially given the unprecedented national emergency situation. Alongside this, other issues such as student mental health, improving the performance of individual curriculum departments where required, examining the physical security of the site, including cyber security, consideration of expansion plans, and balancing annual income with expenditure have provided challenges during the course of the year.

Evaluation of the actions taken in relation to the challenges, and the general wellbeing, positivity and performance results of the students coupled with the general ethos within the school, bear testament to the fact that the actions encouraged and taken by the governing board have been effective.

Governance review

Governors continue to be satisfied that the overall expertise of the board was strong and the level of governance ability exhibited by members continued to be appropriate and sufficient to enable Governors to execute their responsibilities effectively. There remains some scope to further develop local links, particularly with local businesses, in order to improve knowledge of the local and regional economic conditions and needs.

Review of value for money

As Accounting Officer, the Headmaster, Sir Kevin Satchwell, has responsibility for ensuring that the Charitable Company delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Charitable Company's use of its resources has provided good value for money during each academic year, and reports to the governing board where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Charitable Company has delivered improved value for money during the year by:

- Maintained educational results. The Governors believe that the most effective demonstration of value for money is in the educational achievements of the school's students.
- Governance and oversight of school finances. In addition to the statutory audit process, the school benefits from the provision of a further suitably qualified and independent audit check which reviews key financial policies, systems and procedures, including the use of tenders, and presents reports on compliance to the governing board termly.
- The governing board reviews and challenges the budget each year and is mindful of the need to balance expenditure against income to ensure that the school remains a 'going concern', when assessed by reference to strict accounting standards. The governing board reviews the Annual Accounts and the External Auditors' Management Report in detail each year.

The governing board also receives monthly and termly budget monitoring reports and investigates any deviations from the plan to ensure that the school demonstrates good value for money and efficient or effective use of resources. The school takes a prudent approach to expenditure generally. As nearly 70% of the school's income is expended on staffing, the staffing structure and composition is reviewed regularly by the governing board to

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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (continued)

ensure that it is fit for purpose and can adapt and respond as necessary to support the successful attainment of the objectives agreed in the school's Development Plan.

The senior management team monitor and review as necessary expenditure within each budget category and make adjustments based on the effectiveness of strategies introduced in previous years, changes in the curriculum offer and any new strategies identified in the school's Development Plan.

The school regularly benchmarks its financial performance against other schools and academy trusts to demonstrate comparatively that the school provides good value for money.

Tender exercises are periodically undertaken to ensure that high value contracts in particular are assessed against the marketplace on a regular basis to ensure that long term contracts remain competitive. From 2020 this notably applied to the renegotiated gas and electricity contracts.

The school collaborates with a number of other schools and academy trusts to achieve best value, notably by way of bulk purchasing economies, again as demonstrated with the gas and electricity contracts for 2020. Departmental budget holders are continuously looking for the most competitive deals using various procurement tools such as internet shopping, advice from other academies and economies of scale. They ensure that suppliers compete on the grounds of cost, quality, suitability, product and after sales support.

The Governors and senior management team apply principles of best value when making decisions about:

- the allocation of resources to best promote the aims and values of the school
- the targeting of resources to best improve standards and the quality of education provision
- the use of resources to best support the various educational needs of all pupils; and
- long term planning for future maintenance and capital spend requirements

The school has developed procedures for assessing priority of need, and obtaining goods and services which provide "best value" in terms of suitability, efficiency, time, and cost. Measures in place include:

- competitive tendering procedures
- procedures for accepting "best value" quotes, which may not necessarily be the cheapest (e.g. suitability for purpose and quality and durability of product)
- internal project management of major new buildings and equipment installations; and
- reviewing controls and managing risks. The school'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.

Monthly budget monitoring reports are produced and reviewed by the Director of Finance, the Accounting Officer and the full governing board. Any necessary remedial actions are taken to address any significant variances that may have an impact on the financial performance for the year or in the longer term. The school ensures that all surplus cash balances are invested in interest bearing accounts to maximise interest earning potential.

A separate investment fund for longer term needs is managed by specialist advisors at Brewin Dolphin Limited. Targets are set for capital growth and income generation and performance is regularly reviewed by the Governors, including through meetings with the managers.

Insurance levels are reviewed annually and used cost effectively to manage risks.

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GOVERNANCE STATEMENT (CONTINUED)

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Charitable Company 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 Telford City Technology College Trust Limited for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The governing board has reviewed the key risks to which the Charitable Company is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The governing board is satisfied that there is a formal ongoing process for identifying, evaluating and managing the Charitable Company's significant risks that has been in place for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governing board.

The risk and control framework

The Charitable Company'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 board;
- regular reviews by the Audit and Risk Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The governing board has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed an independent external firm of Chartered Accountants for this purpose.

The service provides advice on financial matters and performs a range of checks on the Charitable Company's financial systems. In particular the checks carried out in the current period included:

- Review of journal entries.
- Review of payroll.
- Review of bank reconciliations.
- Review of controls over standing data.
- Sample testing of purchase transactions.

On a termly basis, reports are provided to the governing board on the operation of the systems of control and on the discharge of the governing board's financial responsibilities.

These arrangements can provide only reasonable and not absolute assurance that assets are safeguarded,

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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

The Governors can report that the internal audit function has been fully exercised during the year under review. No material control deficiencies were found and therefore no remedial action has been required.


Review of effectiveness

As Accounting Officer, the Headmaster, Sir Kevin Satchwell 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 work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Charitable Company who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Governors and signed on their behalf by:



JF Bowater
Chairman
Date: 2 November 2021



Sir Kevin Satchwell
Accounting Officer

TELFORD CITY TECHNOLOGY COLLEGE TRUST LIMITED
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Telford City Technology College Trust Limited I have considered my responsibility to notify the Charitable Company board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non compliance with ESFA terms and conditions of all funding, under the funding agreement in place between the Charitable Company and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the Charitable Company board of trustees are able to identify any material irregular or improper use of funds by the Charitable Company, or material non compliance with the terms and conditions of funding under the Charitable Company's funding agreement and the Academies Financial Handbook 2020.

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 ESFA.



Sir Kevin Satchwell
Accounting Officer
Date: 2 November 2021

TELFORD CITY TECHNOLOGY COLLEGE TRUST LIMITED
(A Company Limited by Guarantee)

STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021

The Governors (who are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with the Academies Accounts Direction 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 Governors to prepare financial statements for each financial year. Under company law, the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Governors are required to:


- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company's transactions and disclose with reasonable accuracy at 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 Governors 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 ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board of Governors and signed on its behalf by:



JF Bowater
Chairman
Date: 2 November 2021

TELFORD CITY TECHNOLOGY COLLEGE TRUST LIMITED
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
TELFORD CITY TECHNOLOGY COLLEGE TRUST LIMITED**

Opinion

We have audited the financial statements of Telford City Technology College Trust Limited (the 'Charitable Company') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

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 2021 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charitable Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Governors' 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 Charitable Company'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 Governors with respect to going concern are described in the relevant sections of this report.

TELFORD CITY TECHNOLOGY COLLEGE TRUST LIMITED
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
TELFORD CITY TECHNOLOGY COLLEGE TRUST LIMITED (CONTINUED)**

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's Report thereon. The Governors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements 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 financial statements 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 financial statements 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.

Opinion 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 Governors' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report including the 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 financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

TELFORD CITY TECHNOLOGY COLLEGE TRUST LIMITED
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
TELFORD CITY TECHNOLOGY COLLEGE TRUST LIMITED (CONTINUED)**

Responsibilities of trustees

As explained more fully in the Governors' Responsibilities Statement, 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, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Governors are responsible for assessing the Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the Charitable Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue 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 financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the Charitable Company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 together with the Charities SORP (FRS 102) and the Academy Accounts Direction 2020. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Charitable Company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the Charitable Company for fraud. The key laws and regulations we considered in this context were General Data Protection Regulation, health and safety legislation and employee legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquire of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing and completeness of income recognition and the override of controls by management.

Our audit procedures to respond to these risks included enquiries of management and the Board about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the ESFA, and reading minutes of meetings of those charged with governance.

TELFORD CITY TECHNOLOGY COLLEGE TRUST LIMITED
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
TELFORD CITY TECHNOLOGY COLLEGE TRUST LIMITED (CONTINUED)**

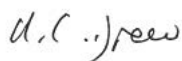
Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

We are not responsible for preventing noncompliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Helen Drew (Senior Statutory Auditor)

for and on behalf of

Crowe U.K. LLP

Statutory Auditor

Black Country House

Rounds Green Road

Oldbury

West Midlands

B69 2DG

Date: 2 November 2021

TELFORD CITY TECHNOLOGY COLLEGE TRUST LIMITED
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO TELFORD CITY TECHNOLOGY COLLEGE TRUST LIMITED AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 4 May 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Telford City Technology College Trust Limited during the year 1 September 2020 to 31 August 2021 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 Telford City Technology College Trust Limited and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Telford City Technology College Trust Limited 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 Telford City Technology College Trust Limited and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Telford City Technology College Trust Limited's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Telford City Technology College Trust Limited's funding agreement with the Secretary of State for Education dated 19 November 1990 and the Academies Financial Handbook, extant from 1 September 2020, 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 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 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 Framework and Guide for External Auditors and Reporting 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 Charitable Company's income and expenditure.

The work undertaken to draw our conclusion includes a review of the design and implementation of the Charitable Company's internal controls and review processes on regularity, supported by detailed tests on samples of costs incurred by the Charitable Company and specific transactions identified from our review.

TELFORD CITY TECHNOLOGY COLLEGE TRUST LIMITED
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO TELFORD
CITY TECHNOLOGY COLLEGE TRUST LIMITED AND THE EDUCATION & SKILLS FUNDING AGENCY
(CONTINUED)**

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Crowe U.K. LLP

Reporting Accountant
Crowe U.K. LLP

Statutory Auditor

Date: 2 November 2021

TELFORD CITY TECHNOLOGY COLLEGE TRUST LIMITED
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021**

Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations and capital grants	4	-	25,000	65,172	90,172
Investments	5	247,284	-	-	247,284
Charitable activities	6	451,109	9,612,686	-	10,063,795
Teacher training	29	416,414	272,516	-	688,930
Total income		1,114,807	9,910,202	65,172	11,090,181
Expenditure on:					
Raising funds		37,653	-	-	37,653
Charitable activities		463,933	9,491,552	710,509	10,665,994
Teacher training	29	387,824	294,816	-	682,640
Total expenditure	7	889,410	9,786,368	710,509	11,386,287
Net income/(expenditure) before net gains/(losses) on investments		225,397	123,834	(645,337)	(296,106)
Net gains/(losses) on investments		937,618	-	-	937,618
Net income/(expenditure)		1,163,015	123,834	(645,337)	641,512
Transfers between funds	17	(256,871)	(123,834)	380,705	-
Total transfers		(256,871)	(123,834)	380,705	-
Net movement in funds		906,144	-	(264,632)	641,512
Reconciliation of funds:					
Total funds brought forward		9,441,259	-	11,980,548	21,421,807
Net movement in funds		906,144	-	(264,632)	641,512
Total funds carried forward		10,347,403	-	11,715,916	22,063,319

TELFORD CITY TECHNOLOGY COLLEGE TRUST LIMITED
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 28 to 53 form part of these financial statements.

TELFORD CITY TECHNOLOGY COLLEGE TRUST LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: 02414699

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	13	11,715,916	11,980,548
Investments	14	11,181,584	10,641,865
		<u>22,897,500</u>	<u>22,622,413</u>
Current assets			
Debtors	15	200,007	226,863
Cash at bank and in hand		1,160,148	240,934
		<u>1,360,155</u>	<u>467,797</u>
Creditors: amounts falling due within one year	16	(2,194,336)	(1,668,403)
Net current liabilities		(834,181)	(1,200,606)
Total assets less current liabilities		<u>22,063,319</u>	<u>21,421,807</u>
Net assets excluding pension asset		<u>22,063,319</u>	<u>21,421,807</u>
Total net assets		<u><u>22,063,319</u></u>	<u><u>21,421,807</u></u>
Funds of the Charitable Company			
Restricted funds	17	11,715,916	11,980,548
Unrestricted income funds	17	10,347,403	9,441,259
Total funds		<u><u>22,063,319</u></u>	<u><u>21,421,807</u></u>

The financial statements on pages 24 to 53 were approved and authorised for issue by the Governors and are signed on their behalf, by

JF Bowater

Chairman

Date: 2 November 2021

The notes on pages 28 to 53 form part of these financial statements.

TELFORD CITY TECHNOLOGY COLLEGE TRUST LIMITED
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	19	819,095	<i>(500,666)</i>
Cash flows from investing activities	20	(908,675)	<i>1,032,124</i>
Change in cash and cash equivalents in the year		(89,580)	<i>531,458</i>
Cash and cash equivalents at the beginning of the year		1,407,474	<i>876,016</i>
Cash and cash equivalents at the end of the year	21, 22	1,317,894	<i>1,407,474</i>

The notes on pages 28 to 53 form part of these financial statements

TELFORD CITY TECHNOLOGY COLLEGE TRUST LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Charitable Company, which is a public benefit entity under FRS 102, have been prepared under the historic 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 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Company status

The Charitable Company is a company limited by guarantee, incorporated in England & Wales, registered number 02414699. The registered office is Old Park, Telford, Shropshire, TF3 4NW. In the event of the Charitable Company being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charitable Company.

1.3 Going concern

The Governors 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 Charitable Company to continue as a going concern. The Governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Charitable Company has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Charitable Company's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Income

All incoming resources are recognised when the Charitable Company 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 year for which it is receivable and any abatement in respect of the year 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.

TELFORD CITY TECHNOLOGY COLLEGE TRUST LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.4 Income (continued)

- **Sponsorship income**

Sponsorship income provided to the Charitable Company which amounts to a donation is recognised in the Statement of Financial Activities in the year in which it is receivable (where there are no performance-related conditions) where 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.

- **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the Charitable Company has provided the goods or services.

1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charitable Company; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.6 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of Financial Activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of Financial Activities as the related expenditure is incurred.

TELFORD CITY TECHNOLOGY COLLEGE TRUST LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.7 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 allocated on the portion of the asset's use.

- **Expenditure on raising funds**

This includes all expenditure incurred by the Charitable Company 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 Charitable Company's educational operations, including support costs and costs relating to the governance of the Charitable Company apportioned to charitable activities.

1.8 Tangible fixed assets

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 requiring 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.

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

TELFORD CITY TECHNOLOGY COLLEGE TRUST LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.8 Tangible fixed assets (continued)

Depreciation is provided on the following bases:

Long leasehold site	- 125 years
Buildings	- 50 years
All-weather pitch	- 10 years
Furniture & Fixtures	- 7 years
Computer equipment	- 4 years
Motor Vehicles	- 4 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.

1.9 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of Financial Activities.

Investments in subsidiaries are valued at cost less provision for impairment.

Investments held as fixed assets are shown at cost less provision for impairment.

1.10 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.11 Taxation

The Charitable Company 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 Charitable Company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 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.

1.12 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

TELFORD CITY TECHNOLOGY COLLEGE TRUST LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.13 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.14 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 Charitable Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.15 Financial instruments

The Charitable Company only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Charitable Company and their measurement bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

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 as detailed in note 16. 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. Amounts due to the Charitable Company's wholly owned subsidiary are held at face value less any impairment.

1.16 Pensions

Retirement benefits to employees of the Charitable Company are provided by the Teachers' Pension Scheme ("TPS"), the Thomas Telford Group Pension Plan, and the National Employment Savings Trust ("NEST"). The TPS is a defined benefit scheme and the assets are held separately from those of the Charitable Company. The other schemes are defined contribution schemes and the pension costs for those schemes represent contributions payable by the Charitable Company in the year.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Charitable Company in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. 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 recognised in the period to which they relate.

TELFORD CITY TECHNOLOGY COLLEGE TRUST LIMITED
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FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.17 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Charitable Company at the discretion of the Governors.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the 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.

Investment income, gains and losses are allocated to the appropriate fund.

1.18 Agency arrangements

The school acts as an agent in distributing bursary funds and grants from the ESFA and other government bodies. Payments received and subsequent disbursements to students are excluded from the statement of financial activities as the school does not have control over the charitable application of the funds. In some instances the school can use a proportion 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 28.

1.19 Donated fixed assets

Where the donated good is a fixed asset, it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be 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 school's accounting policies.

2. Critical accounting estimates and areas of judgment

Estimates and judgments 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 Charitable Company 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.

During the year the Charitable Company received laptops to support disadvantaged children to access remote learning. These assets have been measured at the fair value of the donated items and recognised in Tangible Fixed Asset additions (Note 13). The donation has been recognised in full in Donated Fixed Assets (Note 4) of these financial statements.

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3. General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the Charitable Company was subject to limits at 31 August 2021 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The Charitable Company has not exceeded these limits during the year ended 31 August 2021.

4. Income from donations and capital grants

	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Donations			
The Mercers' Company	25,000	-	25,000
Donated fixed assets	-	33,950	33,950
Subtotal	25,000	33,950	58,950
Capital grants	-	31,222	31,222
	25,000	65,172	90,172
	<i>Restricted funds 2020 £</i>	<i>Restricted fixed asset funds 2020 £</i>	<i>Total funds 2020 £</i>
Donations	87,160	-	87,160
Government grants	-	29,639	29,639
	87,160	29,639	116,799

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

5. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £
Investment income	247,284	247,284
	<hr/>	<hr/>
	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Investment income	388,933	388,933
Investment income - Bank interest receivable	1,245	1,245
	<hr/>	<hr/>
	390,178	390,178
	<hr/>	<hr/>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

6. Funding for the Charitable Company's educational operations

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
DfE/ESFA grants			
General annual grant (GAG)	-	8,276,727	8,276,727
Other DfE/ESFA grants			
Pupil Premium	-	119,080	119,080
Other DfE Group grants	-	1,078,988	1,078,988
	-	9,474,795	9,474,795
Other Government grants			
Local authority grants	-	18,497	18,497
	-	18,497	18,497
Other income from the Charitable Company's educational operations	451,109	-	451,109
COVID-19 additional funding (DfE/ESFA)			
Catch-up Premium	-	74,400	74,400
Other DfE/ESFA COVID-19 funding	-	44,994	44,994
	-	119,394	119,394
	451,109	9,612,686	10,063,795

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6. Funding for the Charitable Company's educational operations (continued)

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
DfE/ESFA grants			
General annual grant (GAG)	-	8,087,082	8,087,082
Other DfE/ESFA grants			
Pupil Premium	-	123,436	123,436
Other DfE Group grants	-	948,767	948,767
	-	9,159,285	9,159,285
Other Government grants			
Local authority grants	-	10,097	10,097
	-	10,097	10,097
Other income from the Charitable Company's educational operations	404,157	-	404,157
	404,157	9,169,382	9,573,539

During the year, the Charitable Company received amounts of £74,400 (2020: £Nil) in regards to a catch-up premium. In addition, a total of £44,994 (2020: £Nil) was received in respect of other (DfE/ESFA) COVID-19 funding. All COVID-19 related funding had been spent by the year-end.

7. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £
Expenditure on investment management	-	-	37,653	37,653
Provision of education:				
Direct costs	6,193,209	1,048,384	1,257,374	8,498,967
Allocated support costs	1,716,710	282,822	167,495	2,167,027
Teacher training	220,653	-	461,987	682,640
	8,130,572	1,331,206	1,924,509	11,386,287

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7. Expenditure (continued)

	<i>Staff Costs 2020 £</i>	<i>Premises 2020 £</i>	<i>Other 2020 £</i>	<i>Total 2020 £</i>
Provision of education:	-	-	40,020	40,020
Direct costs	5,821,537	1,064,326	1,866,340	8,752,203
Allocated support costs	1,642,090	296,550	144,129	2,082,769
Teacher training	192,031	624	411,028	603,683
	<u>7,655,658</u>	<u>1,361,500</u>	<u>2,461,517</u>	<u>11,478,675</u>

8. Analysis of expenditure by activities

	<i>Activities undertaken directly 2021 £</i>	<i>Support costs 2021 £</i>	<i>Total funds 2021 £</i>
Educational operations	<u>8,498,967</u>	<u>2,167,027</u>	<u>10,665,994</u>

	<i>Activities undertaken directly 2020 £</i>	<i>Support costs 2020 £</i>	<i>Total funds 2020 £</i>
Educational operations	<u>8,752,203</u>	<u>2,082,769</u>	<u>10,834,972</u>

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8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2021 £	<i>Total funds 2020 £</i>
Wages and salaries	1,716,710	1,642,091
Depreciation	150,951	159,344
Premises costs	131,871	137,206
Legal costs	5,925	3,317
Other support costs	143,147	123,331
Governance costs	18,423	17,480
	<u>2,167,027</u>	<u>2,082,769</u>

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021 £	<i>2020 £</i>
Operating lease rentals	52,964	15,647
Depreciation of tangible fixed assets	710,509	731,859
Fees paid to auditor for:		
- audit	13,260	13,000
- other services	2,975	2,915
	<u>729,748</u>	<u>753,421</u>

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NOTES TO THE FINANCIAL STATEMENTS
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10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	6,537,989	6,170,197
Social security costs	632,952	571,480
Pension costs	1,061,559	981,424
	<u>8,232,500</u>	<u>7,723,101</u>
Invoiced staff costs	3,850	6,970
Recharged staff costs	(105,778)	(74,413)
	<u><u>8,130,572</u></u>	<u><u>7,655,658</u></u>

b. Staff numbers

The average number of persons employed by the Charitable Company during the year was as follows:

	2021 No.	2020 No.
Teachers	116	115
Administration and support	88	82
Management	4	4
	<u><u>208</u></u>	<u><u>201</u></u>

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10. Staff (continued)

c. Higher paid staff

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

	2021 No.	2020 No.
In the band £60,001 - £70,000	5	2
In the band £70,001 - £80,000	3	3
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	1	-
In the band £180,001 - £190,000	-	1
In the band £190,001 - £200,000	1	-
In the band £290,001 - £300,000	-	1
In the band £300,001 - £310,000	1	-

d. Key management personnel

The key management personnel of the Charitable Company comprise the Governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Charitable Company was £737,302 (2020: £721,347).

Two of the above employees included in the bandings also work for Thomas Telford Multi Academy Trust.

One other employee undertakes a wider role in relation to a group of Academies and an executive role in relation to major projects and teacher training for which the school also receives reimbursement.

11. Governors' remuneration and expenses

During the year, no Governors received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 August 2021, expenses totalling £NIL were reimbursed or paid directly to Governors (2020 - £587 to 2 Governors). The nature of these expenses reimbursed were accommodation and travel costs.

12. Governors' and Officers' insurance

In accordance with normal commercial practice, the Charitable Company has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on school business. The cost for the year ended 31 August 2021 was £270 (2020 - £270). The cost of this insurance is included in the total insurance cost.

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13. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Assets Under Construction £	Total £
Cost or valuation						
At 1 September 2020	16,373,913	1,423,315	1,926,314	156,743	2,773,171	22,653,456
Additions	-	334,719	112,460	-	-	447,179
Disposals	-	(58,469)	(161,191)	(126,024)	-	(345,684)
Transfers between classes	2,773,171	-	-	-	(2,773,171)	-
At 31 August 2021	19,147,084	1,699,565	1,877,583	30,719	-	22,754,951
Depreciation						
At 1 September 2020	7,788,613	1,222,925	1,517,400	143,970	-	10,672,908
Charge for the year	454,126	68,935	177,435	10,013	-	710,509
On disposals	-	(58,469)	(161,191)	(124,722)	-	(344,382)
At 31 August 2021	8,242,739	1,233,391	1,533,644	29,261	-	11,039,035
Net book value						
At 31 August 2021	10,904,345	466,174	343,939	1,458	-	11,715,916
At 31 August 2020	8,585,300	200,390	408,914	12,773	2,773,171	11,980,548

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**NOTES TO THE FINANCIAL STATEMENTS
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14. Fixed asset investments

	Investments in subsidiary companies £	Listed investments £	Other asset investments £	Total £
Cost or valuation				
At 1 September 2020	2	9,475,323	1,166,540	10,641,865
Additions	-	3,144,082	(3,144,082)	-
Disposals	-	(2,533,187)	2,533,187	-
Unrealised gain	-	805,436	-	805,436
Investment manager's fees	-	-	(45,183)	(45,183)
Transfers out	-	-	(600,000)	(600,000)
Realised gain	-	132,182	-	132,182
Investment income	-	-	247,284	247,284
At 31 August 2021	2	11,023,836	157,746	11,181,584
Net book value				
At 31 August 2021	2	11,023,836	157,746	11,181,584
At 31 August 2020	2	9,475,323	1,166,540	10,641,865

Principal subsidiaries

The following was a subsidiary undertaking of the Charitable Company:

Name	Holding
Thomas Telford School Online Limited	100%

The financial results of the subsidiary for the year were:

Name	Net assets £
Thomas Telford School Online Limited	2

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**NOTES TO THE FINANCIAL STATEMENTS
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15. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	37,633	6,523
Other debtors	59,733	111,095
Prepayments and accrued income	102,641	109,245
	<u>200,007</u>	<u>226,863</u>

16. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	166,728	200,329
Other taxation and social security	156,616	149,333
Other creditors	346,980	372,979
Accruals and deferred income	1,524,012	945,762
	<u>2,194,336</u>	<u>1,668,403</u>

Deferred income

	2021 £	2020 £
Deferred income at 1 September 2020	77,476	218,570
Resources deferred during year	117,576	77,476
Amounts released from previous periods	(77,476)	(218,570)
	<u>117,576</u>	<u>77,476</u>

At the balance sheet date the Charitable Company was holding funds of £117,576 relating to monies received in advance for school trips, grants received in advance and the STEM grant issued by the Mercers' Company which has been deferred pending delivery of grant objectives.

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**NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
General Funds	9,390,731	698,393	(479,286)	(200,053)	937,618	10,347,403
Teacher training	50,528	416,414	(410,124)	(56,818)	-	-
	<u>9,441,259</u>	<u>1,114,807</u>	<u>(889,410)</u>	<u>(256,871)</u>	<u>937,618</u>	<u>10,347,403</u>
Restricted general funds						
General Annual Grant	-	8,276,727	(8,152,893)	(123,834)	-	-
Other government grants	-	1,198,068	(1,198,068)	-	-	-
Local authority grants	-	18,497	(18,497)	-	-	-
Teacher training	-	272,516	(272,516)	-	-	-
Other	-	25,000	(25,000)	-	-	-
Catch-up premium	-	74,400	(74,400)	-	-	-
Other DfE/ESFA COVID-19 funding	-	44,994	(44,994)	-	-	-
	<u>-</u>	<u>9,910,202</u>	<u>(9,786,368)</u>	<u>(123,834)</u>	<u>-</u>	<u>-</u>
Restricted fixed asset funds						
EFA Capital grants	5,030,905	31,222	(193,076)	20,484	-	4,889,535
Capital expenditure from GAG	2,861,060	-	(294,271)	292,213	-	2,859,002
Private sector	4,088,583	33,950	(223,162)	68,008	-	3,967,379
	<u>11,980,548</u>	<u>65,172</u>	<u>(710,509)</u>	<u>380,705</u>	<u>-</u>	<u>11,715,916</u>

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17. Statement of funds (continued)

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Total Restricted funds	11,980,548	9,975,374	(10,496,877)	256,871	-	11,715,916
Total funds	21,421,807	11,090,181	(11,386,287)	-	937,618	22,063,319

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

The restricted fixed asset funds are provided by the Government and the private sector for specific capital projects. Such funds continue to be treated as restricted due to ongoing restrictions imposed by the DfE and sponsors over the use or disposal of the related assets.

Transfers represent expenditure on fixed assets from other government grants.

Unrestricted funds are available to be spent at the discretion of the Governors.

The restricted income fund relates to Government funding for the provision of education by the Charitable Company. Funding is repayable if the Charitable Company does not meet all of the funding requirements.

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**NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds (continued)

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

	<i>Balance at 1 September 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2020 £</i>
Unrestricted funds						
General Funds	11,850,626	794,335	(513,925)	(2,691,425)	(48,880)	9,390,731
Teacher training	7,300	374,955	(331,727)	-	-	50,528
	<u>11,857,926</u>	<u>1,169,290</u>	<u>(845,652)</u>	<u>(2,691,425)</u>	<u>(48,880)</u>	<u>9,441,259</u>
Restricted general funds						
General Annual Grant	-	8,087,082	(8,459,748)	372,666	-	-
Other government grants	-	1,072,203	(1,072,203)	-	-	-
Local authority grants	-	10,097	(10,097)	-	-	-
Teacher training	-	271,956	(271,956)	-	-	-
Other	-	87,160	(87,160)	-	-	-
	<u>-</u>	<u>9,528,498</u>	<u>(9,901,164)</u>	<u>372,666</u>	<u>-</u>	<u>-</u>
Restricted fixed asset funds						
EFA Capital grants	6,220,957	29,639	(307,324)	(912,367)	-	5,030,905
Capital expenditure from GAG	3,884,793	-	(174,775)	(848,958)	-	2,861,060
Private sector	258,259	-	(249,760)	4,080,084	-	4,088,583
	<u>10,364,009</u>	<u>29,639</u>	<u>(731,859)</u>	<u>2,318,759</u>	<u>-</u>	<u>11,980,548</u>
Total Restricted funds	<u>10,364,009</u>	<u>9,558,137</u>	<u>(10,633,023)</u>	<u>2,691,425</u>	<u>-</u>	<u>11,980,548</u>

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17. Statement of funds (continued)

Total funds	22,221,935	10,727,427	(11,478,675)	-	(48,880)	21,421,807
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18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	11,715,916	11,715,916
Fixed asset investments	10,347,403	834,181	-	11,181,584
Current assets	-	1,360,155	-	1,360,155
Creditors due within one year	-	(2,194,336)	-	(2,194,336)
Total	10,347,403	-	11,715,916	22,063,319

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	11,980,548	11,980,548
Fixed asset investments	10,641,865	-	-	10,641,865
Current assets	(1,200,606)	1,668,403	-	467,797
Creditors due within one year	-	(1,668,403)	-	(1,668,403)
Total	9,441,259	-	11,980,548	21,421,807

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19. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2021 £	2020 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	641,512	(800,128)
Adjustments for:		
Depreciation	710,509	731,859
Capital grants from DfE and other capital income	(31,222)	(29,639)
Dividends and interest from investments	(247,285)	(390,178)
Decrease in debtors	25,401	82,527
Increase/(decrease) in creditors	708,495	(143,987)
Profit from the sale of fixed assets	(50,697)	-
Net gains on investments	(937,618)	48,880
Net cash provided by/(used in) operating activities	819,095	(500,666)

20. Cash flows from investing activities

	2021 £	2020 £
Dividends, interest and rents from investments	247,285	390,178
Purchase of tangible fixed assets	(628,287)	(2,089,714)
Proceeds from the sale of tangible fixed assets	52,000	-
Purchase of investments	(3,144,082)	(1,759,025)
Proceeds from the sale of investments	2,533,187	4,461,046
Capital grants from DfE	31,222	29,639
Net cash (used in)/provided by investing activities	(908,675)	1,032,124

21. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	1,160,148	240,934
Notice deposits (less than 3 months)	157,746	1,166,540
Total cash and cash equivalents	1,317,894	1,407,474

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**NOTES TO THE FINANCIAL STATEMENTS
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22. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	240,934	919,214	1,160,148
	<u>240,934</u>	<u>919,214</u>	<u>1,160,148</u>

23. Capital commitments

	2021 £	2020 £
Contracted for but not provided in these financial statements		
Contracted for but not provided in these financial statements	-	312,425
	<u>-</u>	<u>312,425</u>

24. Pension commitments

The Charitable Company's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Thomas Telford School Group Pension Plan with Scottish Equitable, or the National Employment Savings Trust ("NEST") for its non-teaching staff. The last two referred to are defined contribution schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016.

Contributions amounting to £123,950 were payable to the schemes at 31 August 2021 (2020 - £120,701) and are included within creditors.

Teachers' Pension Scheme

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

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

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24. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £996,554 (2020 - £916,775).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Charitable Company has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Charitable Company has set out above the information available on the scheme.

25. Operating lease commitments

At 31 August 2021 the Charitable Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Amounts payable:		
Within 1 year	45,893	32,543
Between 1 and 5 years	90,543	63,495
	<u>136,436</u>	<u>96,038</u>

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26. 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 £1 for the debts and liabilities contracted before he/she ceases to be a member.

27. Related party transactions

Owing to the nature of the Charitable Company and the composition of the Board of Governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the Governors have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Charitable Company's financial regulations and normal procurement procedures relating to connected and related party transactions.

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

MG Dudgeon OBE DL, H Goodall and T M Littlefield are members of The Mercers' Company which provided sponsorship of £65,000 (2020: £67,160) to the Charitable Company in the year. An amount of £40,000 is held in deferred income on the balance sheet pending delivery of grant objectives (2020: £Nil).

No other related party transactions took place in the period of account, other than certain Governors' prior year expenses already disclosed in note 11.

28. Agency arrangements

The school distributes bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2021 the school received £43,715 (2020: £36,472) and disbursed £43,895 (2020: £37,310) from the fund. An amount of £2,708 (2020: £2,888) is included in other creditors relating to undistributed funds.

The school distributes SD training bursaries to students as an agent for the DFE. In the accounting period ending 31 August 2021 the school received £193,516 (2020: £204,700) and disbursed £197,897 (2020: £205,288) from the fund. An amount of £Nil (2020: £4,471) is included within other creditors relating to undistributed funds that is repayable to the DFE.

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29. Teacher training trading account

	2021 £	2021 £	2020 £	2020 £
Income				
Direct income				
Fee Income	387,750		355,813	
Grants	272,516		271,956	
Other income	28,664		19,142	
Total direct income	<u>688,930</u>		<u>646,911</u>	
Total income		688,930		646,911
Expenditure				
Direct expenditure				
Direct staff costs	220,653		192,031	
Direct depreciation	-		624	
Other direct costs	385,654		342,348	
Staff development	2,170		980	
Total direct expenditure	<u>608,477</u>		<u>535,983</u>	
Other expenditure				
Other support costs	74,163		67,700	
Total expenditure		682,640		603,683
Transfers between funds excluding depreciation		(56,818)		-
(Deficit)/surplus from all sources		(50,528)		43,228
Teacher training balances at 1 September		50,528		7,300
Teaching training balances at 31 August		<u><u>-</u></u>		<u><u>50,528</u></u>

