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**LINCOLN UTC**  
(A company limited by guarantee)

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

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**LINCOLN UTC**  
**(A company limited by guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS**

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**Members**

Prof A Hunter (resigned 25 January 2024)

P Birt

A Watson

N Juster

M Locking

**Trustees**

P Birt, Chair (Until 16 July 2024) (resigned 16 July 2024)

S Hamer, Principal and Accounting Officer (appointed 1 September 2024)

N Main

J Morrison, Principal and Accounting Officer (resigned 31 August 2024)

A Ogg, Chair (From 16 July 2024)

J Smith (resigned 3 February 2024)

F Carchedi (resigned 26 June 2024)

J Hallett

M Fielding, Staff Trustee

M Mura (resigned 8 November 2023)

G Gibbs

P Hatherley, Vice Chair (From 16 September 2024)

T Lawton (resigned 23 September 2024)

J Green

H Brierton

A Moriarty (appointed 24 June 2024)

**Company registered number**

07898536

**Company name**

Lincoln UTC

**Principal and registered office**

Lindum Road, Lincoln, LN2 1PF

**Company secretary**

H Hardiman-Crust

**Accounting officer**

S Hamer

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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

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**Senior leadership team**

S Hamer, Principal  
M Newton, Vice-Principal  
D Chung, Assistant Principal

**Independent auditor**

Streets Audit LLP, Tower House, Lucy Tower Street, Lincoln, LN1 1XW

**Bankers**

Lloyds Bank, 202 High Street, Lincoln, LN5 7AP

**Solicitors**

Browne Jacobson LLP, Mowbray House, Castle Meadow Road, Nottingham, NG2 1BJ

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**LINCOLN UTC**  
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

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The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period from 1 September 2023 to 31 August 2024. The annual report serves the purposes of both a trustees' report, and a directors' report including a strategic report under company law.

The academic year 2023 / 24 was a very successful year for Lincoln UTC. Behaviour, attendance and results were, throughout the year, excellent. We are more popular than ever in our locality. Once again in 2023 / 24 we were oversubscribed with over 60 students on our waiting list (we are already full for Sept 2025). We now have 395 students on roll.

Pass rates in English and maths (grade 4 or better) were 79% and 86%, respectively, with 64% and 67% achieving grade 5 or better, significantly above the national average. In maths nearly a third of our students achieved a grade 7 or better.

We performed well when considering our 'basics' measure (year 11 students passing either English language or literature and maths). Grade 4 or better was 72%, with 54% achieving a grade 5 or better in both.

The majority of year 13 students at Lincoln UTC achieved A\* to C grades but, similarly with the previous year, the exam boards warned that the number of A\* to B grades would fall. This was not the case at Lincoln UTC. Our A\* to B grades rose 34%. This resulted in a predicted Average Point Score (APS) of 28.8, our highest ever.

Approximately half of Lincoln UTC's key stage 5 students specialise in engineering, either on the extended BTEC or the new T-Level qualification. Students on these pathways achieved exceptionally well yet again. 100% of BTEC students passed, with 29% of students not dropping below distinction grades.

Of our seven T-Level students, all passed with at least merit grades. One student achieved a distinction. Importantly they all moved onto either university or degree level apprenticeship.

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

#### **Constitution**

The UTC is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the UTC.

The Trustees of Lincoln UTC are also the directors of the charitable company for the purposes of company law. The charitable company is known as Lincoln UTC.

Details of the Trustees who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

#### **Members' Liability**

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

#### **Trustees' Indemnities**

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

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

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

The Trustees for Lincoln UTC are secured using a skills matrix which identifies the skills current Trustees hold against the required skills for the effective and efficient strategic running of the college. Approaches are made to suitably qualified and trained individuals within the business sector who can potentially provide the missing skills.

Members of the UTC must approve all appointments to the Board of Trustees with an agreement of 75%. There must be a minimum of three Members with no maximum stated in the Articles. All future appointments, after the initial Members, are subject to resolution by the Members.

**Policies and Procedures Adopted for the Induction and Training of Trustees**

Upon commencement in the role all new Trustees and members receive time with the Principal and Clerk to familiarise themselves with the articles and policies in which the board operates. All appointments are welcomed into the committee structure and supported by the Chair and Vice Chair of the Board.

**Organisational Structure**

The Principal is new in post but has been part of the journey that Lincoln UTC has seen since January 2016. There are currently 30 members of the teaching staff (including the Principal) and 19 non-teaching members of staff.

The Principal is responsible for all operational aspects of the college with significant strategic aspects being referred to the Board of Trustees. The Board are responsible for approval of the annual budget, appointment of the Principal and members of the Senior Leadership Team. The Principal is the Accounting Officer who works closely with the CFO to ensure strategic financial oversight as we move forward.

The Principal is supported by one Vice Principal, (new into post – April 2024) and one Assistant Principal. The UTC does not operate separate senior and middle leadership teams. All subject leaders are members of the leadership team who meet weekly. Subject leaders are fully involved in strategic planning and in decisions that go further than their own subject areas.

Staff morale is high, and staff turnover is exceptionally low. Last year 1 member of senior leadership team retired; 1 teacher left the profession to pursue their passion for working in the wine industry; 1 teacher and 1 member of the support staff moved to other educational settings, which were closer to their home location and supported their family commitments. Overall, staff commitment to the college, its vision and its students is high, with new appointments complementing the skillsets already possessed by the various departments.

The staff has grown appreciably (but steadily) since the last Ofsted inspection in 2019. The number of students has more than doubled (from 183 to 390+). Staffing has kept pace but there has been very little change in the leadership team.

**Arrangements for Setting Pay and Remuneration of Key Management Personnel**

Lincoln UTC has operated with its own pay scales which are sympathetic to the National Teachers Pay and Conditions but do not mirror or align with them. Employees are paid in line with their experience in the current role and the college uses bursary payments for additional responsibilities. All salaries paid are in line with the pay scales for 2023/2024 as approved by the Board of Trustees at the start of the financial year. Any salary decisions are made by the Principal and the Pay Committee unless they relate to the Principal, in which case the decision is made solely by the Pay Committee.

**Related Parties and Other Connected Charities and Organisations**

Lincoln UTC is not involved in any soft federations or Multi Academy Trusts and there are no significant related party transactions in place with our supporting members (University of Lincoln, Siemens and Lincoln College) or employer relationships. All services are secured independently of our employer and member contacts and secured in line with the Financial Regulations agreed by the Finance and Audit Committee and the full Board of Trustees annually.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

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## **Objectives and Activities**

### **Objects and Aims**

The principal object and activity of the charitable company is to advance, for the public benefit, education in the United Kingdom by establishing, maintaining, carrying on, managing and developing a UTC which provides a specialist education and offers a wider, balanced curriculum. This includes the specialist delivery of science and engineering, supported by excellent provision in mathematics and computer science.

In accordance with the articles of association, the charitable company has entered into a relevant funding agreement with the Secretary of State on 30 September 2013. The funding agreements specify, amongst other things, the basis for admitting students to the academy, the catchment area from which the students are drawn, and that the UTC provides a specialist education whilst offering a wider, balanced curriculum.

### **Objectives, Strategies and Activities**

Lincoln UTC recognises that education is a basic right of every individual. Every member of Lincoln UTC will pursue the highest academic and behavioural standards. Lincoln UTC holds a clear vision:

- We offer specialist education in science, engineering and maths.
- We are industry and employer led, delivering a curriculum and developing the skills needed for future success within employment.
- We work closely with the University to raise aspirations and provide the challenge and the opportunity to excel.

### **Public Benefit**

Our vision is for students to be inspired by the relevance and challenge of working alongside local industry and solving real life problems, helping students to understand the pathway their educational studies can take them along in their future careers. Our students will be professional, respectful and articulate and benefit from strong working relationships with peers and staff. They will rapidly gain confidence and both the technical and personal skills to become creative contributors on whom our businesses and public services can rely on to shape and drive the future of our society. In setting our objectives and planning our activities, the trustees have carefully considered the Charity Commission's general guidance on public benefit.

## **Strategic report**

### **Achievements and Performance**

GCSE results were above regional and national average for the second year in a row. Pass rates in English and maths (grade 4 or better) were 79% and 86%, respectively, with 64% and 67% achieving grade 5 or better, significantly above the national average. In maths nearly a third of our students achieved a grade 7 or better.

We performed well when considering our 'basics' measure (year 11 students passing either English language or literature and maths). Grade 4 or better was 72%, with 54% achieving a grade 5 or better in both.

The majority of year 13 students at Lincoln UTC achieved A\* to C grades but, similarly with the previous year, the exam boards warned that the number of A\* to B grades would fall. This was not the case at Lincoln UTC. Our A\* to B grades rose 34%. This resulted in a predicted Average Point Score (APS) of 28.8, our highest ever.

Approximately half of Lincoln UTC's key stage 5 students specialise in engineering, either on the extended BTEC or the new T-Level qualification. Students on these pathways achieved exceptionally well yet again. 100% of BTEC students passed, with 29% of students not dropping below distinction grades.

Of our seven T-Level students, all passed with at least merit grades. One student achieved a distinction. Importantly they all moved onto either university or degree level apprenticeship.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

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**Key Performance Indicators**

Key Performance Indicators are: to achieve student recruitment targets; to deliver good or better teaching; to achieve annual student attainment targets; to achieve above national average student attendance; to ensure 100% of students enter employment, education or training.

All key performance measures were achieved.

**Going Concern**

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

**Financial Review**

Lincoln UTC has successfully managed the financial resources available throughout 2023/24. The College set a budget showing a small surplus and has delivered slightly above expectations, due to some additional funding and small savings across some resources. At the end of last year all lights throughout the UTC were switched to LED, this has created a saving in energy costs for 2023/24. Further savings are expected in 2024/25 from the installation of solar panels. The remaining T-level grant was utilised during the year on engineering equipment, including a laser cutter that is a fantastic addition to the department. The 3 to 5 year plan is under continuous review and updated regularly to reflect any significant changes to ensure the UTC constantly has an accurate current and forecast position. The brought forward surplus reserves are still robust, we aim to maintain reserves of between 10% and 15% of annual revenue. We are part way through our 5 year IT renewal plan and for the last 4 years we have managed this through our in year surplus, we expect to be able to continue to do so over the coming years. We plan to use some of our current reserves on the investment in solar panels in the year 2024/25 in order to further strengthen our energy efficiency as a school.

The pension liability is in surplus for the second year in the latest actuarial valuation, however contributions have remained high in response to the current economic uncertainty, this continues to be managed by the actuary. We finished the year with an overall in year surplus of just over 1% of revenue, this has further bolstered our reserves to protect us from major uncertainties. We intend to use some of our reserves to invest in solar panels to increase our energy efficiency and protect us from dramatic changes in energy prices in the future. The budget set for 2024/25 forecasts a small in year surplus and despite all the current economic uncertainties we still anticipate having healthy reserves at the end of 2024/25.

The majority of the UTC's income is obtained from the ESFA (Education and Skills Funding Agency) in the form of General Annual Grant ("GAG"), the use of which is restricted to particular purposes. The grants received from the ESFA during the period reported on and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the period ended 31 August 2024, total expenditure was £3,458,371 which resulted in net income of £88,524. As at 31 August 2024, the net book value of fixed assets was £9,475,173. The assets were used for providing education and the associated support services to the students of the trust.

The UTC held fund balances at 31 August 2024 of £9,999,642 comprising of £515,690 restricted funds (Net of fixed assets); a pension reserve of £nil, restricted fixed asset reserve of £9,483,952 and £nil unrestricted general funds.



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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

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**Reserves Policy**

The Trustees have discussed the level of reserves and set a reserves policy indicating the level that the UTC would ordinarily seek to maintain to cover any unexpected shortfalls. At the year end the UTC is holding reserves in line with this policy. Reserves are at the higher side of the preferred range, this is due to the planned investment in solar panels to be funded by the reserves in 2024/25. The UTC is also holding an additional contingency due to the current uncertain political and economic conditions and continued inflationary pressures.

Funds that can only be realised through the disposal of fixed assets amounts to £9,475,173.

**Investment Policy**

During the year cash reserves have been invested in a 32 day notice call account. This offers a higher interest rate but also allows us to be able to respond to any unforeseen emergencies and withdraw funds in a timely manner. Funds in the current account are continually monitored to ensure they are sufficient.

**Principal Risks and Uncertainties**

The principal risks are student recruitment and public perception. Outcomes for students have improved steadily and significantly over the past few years. Satisfaction levels amongst students and their parents / carers continue to be exceptionally high. The positive Ofsted report (July 2019) continues to support our recruitment as confidence in the UTC provision is high in the local community. Numbers on roll (383 as of the 2022 October census, 380 in October 2023, and 395 in October 2024) have shown steady and sustained growth. The college has doubled in size since 2018. Lincoln UTC was oversubscribed for September 2023 entry and for entry in 2024. The college already has a sizeable waiting list for September 2025.

In common with all schools, colleges, and universities we are still facing additional risks due to the state of the economy and inflationary pressures, particularly in relation to the prolonged 'high' energy costs. The college invested in low energy LED lighting 12 months ago and has reduced energy consumption significantly as a result. We have just completed the installation of a 5MW solar panel system to offset our energy expenditure.

**Plans for Future Periods**

Lincoln UTC is committed to educating and training the next generation of scientists and engineers. This will be achieved by drawing on the skills and knowledge of UTC staff, of industry partners and academic partners, and closely monitoring our curriculum offer to ensure it is line with requirements for the future workforce.

Our vision is for students to be inspired by the relevance and challenge of working alongside local industry and solving real life problems, helping students to understand the pathway their educational studies can take them along in their future careers. Our students will be professional, respectful, and articulate and benefit from strong working relationships with peers and staff. They will rapidly gain confidence and both the technical and personal skills to become creative contributors on whom our businesses and public services can rely on to shape and drive the future of our society.

This will be achieved by:

- Continuing to develop and consistently delivering high quality specialist core education in Science and Engineering across both key stages;
- Delivering high quality careers information, advice and guidance to ensure students make informed choices about the next steps in their career pathways;
- Collaborating with specialist industry partners to enhance curriculum delivery and provide clear pathways into industry;
- Collaboration with further and higher education partners to enhance curriculum delivery and provide clear pathways into education;
- Consistently promoting and developing professional, respectful relationships built upon mutual respect and an unconditional positive regard.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

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There are three strands to the UTC's growth, long term success and sustainability:

- The UTC must continue to build on recent improvements in student outcomes and examination success to the point where we are the highest performing UTC in the country - presently in the top 4.
- The UTC must further develop its unique provision with a curriculum, a timetable and an approach to learning which offers students a daily experience that is highly distinctive from ordinary schools. The UTC's long-term future depends on it being different from other schools and being seen to be different.
- The UTC must further raise public awareness of its distinctive offer and its strengths.

**Funds held as Custodian Trustee on behalf of others**

There are no funds held on behalf of others within Lincoln UTC.

**Auditor**

In so far as the trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 11 December 2024 and signed on its behalf by:



**A Ogg**  
Chair

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**LINCOLN UTC**  
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**GOVERNANCE STATEMENT**

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**Scope of responsibility**

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

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

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

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**GOVERNANCE STATEMENT (CONTINUED)**

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**Governance**

The information on governance included here supplements that described in the Trustees' report and in the Statement of trustees' responsibilities. The Board of Trustees has formally met 4 times during the year. Throughout the year the board were kept up to date regularly via emails, telephone discussions and smaller online meetings. The Trustees believe there has been sufficient oversight.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
P Birt, Chair (Until 16 July 2024)	2	4
S Hamer, Principal and Accounting Officer	0	0
N Main	4	4
J Morrison, Principal and Accounting Officer	4	4
A Ogg, Chair (From 16 July 2024)	3	4
J Smith	2	3
F Carchedi	3	4
J Hallett	3	4
M Fielding, Staff Trustee	2	4
M Mura	0	0
G Gibbs	3	4
P Hatherley	2	4
T Lawton, Vice Chair (From 16 September 2024)	1	4
H Brierton	3	4
J Green	2	4
A Moriarty	1	1

Governance reviews:

The strength of the governing body has been recognised by Ofsted (June 2019):

- The governance of the school is strong and highly effective. Relationships between governors and senior leaders are very positive and constructive.
- Governors are kept well informed by senior leaders and have a good understanding of the college's strengths and areas for development. Governors are proactive in their role and visit the college frequently to support its development priorities.
- Governors are highly skilled and knowledgeable. They use their expertise to hold senior leaders stringently to account.

The governing body includes senior managers and leaders from the University and from the UTC's leading industrial partners and sponsors. A high proportion of the governors have highly relevant qualifications and experience in industrial contexts directly relevant to the UTC's joint specialisms of science and engineering.

During the academic year 2023/24 the Chair of Governors, Paul Birt, stepped down. This vital role was subsequently filled by the Vice Chair, Andrew Ogg. One of the existing governors, Phil Hatherly – Siemens, has stepped into the Vice Chair role. We have had two other governors step down from their positions. We are currently exploring options to recruit new members to the board from a range of backgrounds that would add to the experience and expertise that we already have. The governing body still has a strength in the skill set and experience of its members that link with our specialisms.

The Governance structure has two sub committees which aim to meet four times per year in addition to the full board meetings. This is considered to be sufficient for the trust to maintain effective oversight of funds.

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**LINCOLN UTC**  
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**GOVERNANCE STATEMENT (CONTINUED)**

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**Governance (continued)**

The academy maintains a Register of Business Interests which is held by the finance team and maintained on the academy's website. This is referred to as appropriate. In addition at the start of each committee and board meeting, declarations of interest are raised and recorded, to avoid any potential conflict of interest.

The Finance and Audit Committee is a sub-committee of the main Board of Trustees. Its purpose is:

1. To assist the decision making of the Board of Trustees, by enabling more detailed consideration to be given to the best means of fulfilling the Board of Trustees responsibility to ensure sound management of the UTC's finances and resources, including proper planning, monitoring and probity. To make appropriate comments and recommendations on such matters to the Board of Trustees on a regular basis.
2. To ensure that robust internal control exists within the UTC by providing the primary interface between the Board of Trustees and the UTC's external auditors and internal auditors.
3. The Committee will work closely with the UTC's CFO on the preparation and finalisation of the UTC's Annual Report and Financial Statements and will make recommendations to the Board of Trustees for the acceptance, or otherwise, of such draft Financial Statements.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
A Ogg	3	3
P Birt	2	3
N Main	3	3
J Hallett	1	3
P Hatherley	2	3
J Green	1	3

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**LINCOLN UTC**  
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**GOVERNANCE STATEMENT (CONTINUED)**

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**Governance (continued)**

The Quality and Standards Committee is a sub committee of the main Board of Trustees. Its purpose is:

1. To hold college leaders to account for maintaining and improving the quality of education, for teaching and learning standards and for supporting students in all year groups in achieving examination success.
2. Overview and monitoring of the college's progress on all initiatives within the agreed Development Plan.
3. Contribution to and quality assurance of the college leaders' Self-Evaluation processes.
4. Ensuring that all students, especially those who are disadvantaged or have special educational needs are properly supported and given access to the same ambitious curriculum as their peers.
5. To oversee the work of college leaders in safeguarding and to hold leaders to account for safeguarding practice including safer recruitment.
6. Ensuring that all staff, especially early career teachers have access to high quality continuing professional development.

**Review of value for money**

As Accounting Officer, the Principal has responsibility for ensuring that the UTC 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 UTC's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the UTC has delivered improved value for money during the year by:

- Regularly reviewing services and functions of the school to identify any potential areas for improvement;
- Monitoring outcomes and comparing performance with other UTCs;
- Promoting fair competition through quotations and tenders to ensure goods and services are secured in the most economic, efficient and effective way;
- Ensuring strong controls are in place in all areas of purchasing to ensure the best value for money is achieved;
- Restructuring the leadership team to ensure performance and outcomes can be maximised;
- Curriculum-led staff planning in order to deliver the best possible curriculum in the most efficient way.

**The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of UTC 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 Lincoln UTC for the year 1 September 2023 to 31 August 2024 and up to the date of approval of the annual report and financial statements.

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**GOVERNANCE STATEMENT (CONTINUED)**

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**Capacity to handle risk**

The Board of Trustees has reviewed the key risks to which the UTC is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the UTC's significant risks that has been in place for the year 1 September 2023 to 31 August 2024 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

**The risk and control framework**

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- Regular reviews by the Finance and Audit Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (asset purchase or capital investment) guidelines;
- Identification and management of risks.

The Board of Trustees has decided to employ Stephen Dolman, Consultant with Baker Dearing Trust as internal auditor.

It was considered that this would provide the highest level of assurance compared to alternative options.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the UTC's financial systems. In particular the checks carried out in the current period included:

- Testing of payroll systems
- Testing of purchase systems
- Testing of control account/ bank reconciliations
- Testing of the budgeting process
- Testing of the cash flow processes
- Testing of the income procedures.

On an annual basis, the internal auditor reports to the Board of Trustees through the Finance and Audit Committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

The schedule of work has been delivered as planned and no material issues were identified.

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**GOVERNANCE STATEMENT (CONTINUED)**

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**Review of effectiveness**

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

- the work of the internal auditor;
- the work of the executive managers within the UTC who have responsibility for the development and maintenance of the internal control framework;
- the work of the external auditor.

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

**Conclusion**

Based on the advice of the audit and risk committee and the accounting officer, the board of trustees is of the opinion that the academy trust has an adequate and effective framework for governance, risk management and control.

Approved by order of the members of the Board of Trustees on 11 December 2024 and signed on their behalf by:



**A Ogg**  
Chair



**S Hamer**  
Accounting Officer



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**STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE**

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

I confirm that I and the UTC Board of Trustees are able to identify any material irregular or improper use of all funds by the UTC, or material non-compliance with the terms and conditions of funding under the UTC's funding agreement and the Academy Trust Handbook 2023.

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



**S Hamer**  
Accounting Officer  
Date: 11 December 2024

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**(A company limited by guarantee)**

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2023 to 2024;
- 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 Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by order of the members of the Board of Trustees on 11 December 2024 and signed on its behalf by:



**A Ogg**  
Chair

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**LINCOLN UTC**  
**(A company limited by guarantee)**

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

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**Opinion**

We have audited the financial statements of Lincoln UTC (the 'UTC') for the year ended 31 August 2024 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 2023 to 2024 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 UTC's affairs as at 31 August 2024 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2023 to 2024 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 UTC 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 Trustees' 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 UTC'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 Trustees with respect to going concern are described in the relevant sections of this report.

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**LINCOLN UTC**  
**(A company limited by guarantee)**

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

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**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 Trustees 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 Trustees' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' 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 UTC and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' 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 Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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**LINCOLN UTC**  
**(A company limited by guarantee)**

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

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**Responsibilities of trustees**

As explained more fully in the Statement of trustees' responsibilities, the Trustees (who are also the directors of the UTC 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 Trustees 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 Trustees are responsible for assessing the UTC'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 Trustees either intend to liquidate the UTC or to cease operations, or have no realistic alternative but to do so.

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**LINCOLN UTC**  
**(A company limited by guarantee)**

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

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**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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the UTC through discussions with management, and from our knowledge and experience of the sector in which it operates;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the UTC, including relevant DfE and ESFA guidance, the Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the UTC's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

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**LINCOLN UTC**  
**(A company limited by guarantee)**

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

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Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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](http://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.



**Robert Anderson (Senior statutory auditor)**

for and on behalf of

**Streets Audit LLP**

Chartered Accountants and Statutory Auditor

Tower House

Lucy Tower Street

Lincoln

LN1 1XW

Date: 12 December 2024

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**LINCOLN UTC**  
**(A company limited by guarantee)**

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LINCOLN  
UTC AND THE EDUCATION AND SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 16 May 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2023 to 2024, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Lincoln UTC during the year 1 September 2023 to 31 August 2024 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Lincoln UTC's funding agreement with the Secretary of State for Education dated September 2013 and the Academy Trust Handbook, extant from 1 September 2023, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2023 to 2024. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2023 to 31 August 2024 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

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 UTC's income and expenditure.

The work undertaken to draw to our conclusion includes:

- a review of the UTC's systems and controls and confirmation of their operation and effectiveness during the year;
- a detailed review of purchase transactions confirming the purpose, value for money and that appropriate tendering / quotation procedures had been followed in line with the UTC finance policy; and
- a review of the Internal Audit reports.

In line with the Framework and guide for external auditors and reporting accountants of academy trusts issued March 2024, we have not performed any additional procedures regarding the Trust's compliance with safeguarding, health and safety and estates management.



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**LINCOLN UTC**  
**(A company limited by guarantee)**

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LINCOLN  
UTC AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

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**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 2023 to 31 August 2024 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Robert Anderson  
**Streets Audit LLP**  
Chartered Accountants and Statutory Auditor

Tower House  
Lucy Tower Street  
Lincoln  
LN1 1XW

Date: 12 December 2024

**LINCOLN UTC**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2024**

	Note	Unrestricted funds 2024 £	Restricted funds 2024 £	Restricted fixed asset funds 2024 £	Total funds 2024 £	Total funds 2023 £
<b>Income from:</b>						
Donations and capital grants	3	2,820	-	81,404	84,224	246,465
Investments	5	9,711	7,000	-	16,711	104
Charitable activities		45,459	3,400,501	-	3,445,960	3,037,166
<b>Total income</b>		<b>57,990</b>	<b>3,407,501</b>	<b>81,404</b>	<b>3,546,895</b>	<b>3,283,735</b>
<b>Expenditure on:</b>						
Charitable activities	7	57,990	3,289,260	111,121	3,458,371	3,061,596
<b>Total expenditure</b>		<b>57,990</b>	<b>3,289,260</b>	<b>111,121</b>	<b>3,458,371</b>	<b>3,061,596</b>
<b>Net movement in funds before other recognised gains/(losses)</b>		-	118,241	(29,717)	88,524	222,139
<b>Other recognised gains/(losses):</b>						
Actuarial gains on defined benefit pension schemes	23	-	55,000	-	55,000	204,000
Defined benefit pension scheme asset not recognised	23	-	(112,000)	-	(112,000)	(83,000)
<b>Net movement in funds</b>		-	61,241	(29,717)	31,524	343,139
<b>Reconciliation of funds:</b>						
Total funds brought forward	16	-	454,449	9,513,669	9,968,118	9,624,979
Net movement in funds	16	-	61,241	(29,717)	31,524	343,139
<b>Total funds carried forward</b>		-	<b>515,690</b>	<b>9,483,952</b>	<b>9,999,642</b>	<b>9,968,118</b>

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 28 to 55 form part of these financial statements.

**LINCOLN UTC**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 07898536**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2024**

	Note	2024 £	2023 £
<b>Fixed assets</b>			
Tangible assets	13	9,475,173	9,503,082
		<u>9,475,173</u>	<u>9,503,082</u>
<b>Current assets</b>			
Debtors	14	110,029	95,100
Cash at bank and in hand		786,872	764,564
		<u>896,901</u>	<u>859,664</u>
Creditors: amounts falling due within one year	15	(372,432)	(394,628)
<b>Net current assets</b>		<b>524,469</b>	<b>465,036</b>
<b>Total assets less current liabilities</b>		<b>9,999,642</b>	<b>9,968,118</b>
<b>Net assets excluding pension asset</b>		<b>9,999,642</b>	<b>9,968,118</b>
<b>Total net assets</b>		<b>9,999,642</b>	<b>9,968,118</b>

**LINCOLN UTC**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 07898536**

**BALANCE SHEET (CONTINUED)**  
**AS AT 31 AUGUST 2024**

	Note	2024 £	2023 £
<b>Funds of the UTC</b>			
<b>Restricted funds:</b>			
Fixed asset funds	16	9,483,952	9,513,669
Restricted income funds	16	515,690	454,449
<b>Total restricted funds</b>	16	<b>9,999,642</b>	<b>9,968,118</b>
<b>Unrestricted income funds</b>	16	-	-
<b>Total funds</b>		<b>9,999,642</b>	<b>9,968,118</b>

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements on pages 24 to 55 were approved by the Trustees, and authorised for issue on 11 December 2024 and are signed on their behalf, by:



**A Ogg**  
Chair

The notes on pages 28 to 55 form part of these financial statements.

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**LINCOLN UTC**  
**(A company limited by guarantee)**

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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

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	<b>Note</b>	<b>2024</b> £	<i>2023</i> £
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	18	<b>35,712</b>	<i>(102,786)</i>
<b>Cash flows from investing activities</b>	19	<b>(13,404)</b>	<i>(86,357)</i>
<b>Change in cash and cash equivalents in the year</b>		<b>22,308</b>	<i>(189,143)</i>
Cash and cash equivalents at the beginning of the year		<b>764,564</b>	<i>953,707</i>
<b>Cash and cash equivalents at the end of the year</b>	20, 21	<b>786,872</b>	<i>764,564</i>

The notes on pages 28 to 55 form part of these financial statements

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**LINCOLN UTC**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

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**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 UTC, 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 2023 to 2024 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Lincoln UTC meets the definition of a public benefit entity under FRS 102.

**1.2 Going concern**

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the UTC to continue as a going concern. The Trustees 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 UTC has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the UTC's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

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**LINCOLN UTC**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

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**1. Accounting policies (continued)**

**1.3 Income**

All incoming resources are recognised when the UTC 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.

- **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 UTC has provided the goods or services.

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**LINCOLN UTC**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

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**1. Accounting policies (continued)**

**1.4 Expenditure**

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

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

**1.5 Taxation**

The UTC 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 UTC 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.

**1.6 Tangible fixed assets**

Assets costing £2,000 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.

Freehold property and improvements are not depreciated on grounds of immateriality. Improvements are subject to regular maintenance and repair such that in the trustees opinion the residual value is not materially different from the value in the financial statements and has a long economic life. The Trustees consider the need for impairment at each period end.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold land & improvements	- No depreciation
Furniture and equipment	- 20% straight line
Computer equipment	- 20% straight line
Motor vehicles	- 20% straight line



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**LINCOLN UTC**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

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**1. Accounting policies (continued)**

**1.7 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.

**1.8 Cash at bank and in hand**

Cash at bank and in hand represents amounts held in current bank account facilities only and cash held at the UTC.

**1.9 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 UTC 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. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**1.10 Financial instruments**

The UTC only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the UTC 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 14. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

**1.11 Operating leases**

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

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**LINCOLN UTC**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

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**1. Accounting policies (continued)**

**1.12 Pensions**

Retirement benefits to employees of the UTC are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the UTC 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.

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

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

**1.13 Fund accounting**

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

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.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

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**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 UTC 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.

Tangible fixed assets are recognised at cost or valuation, less accumulated depreciation and any impairments. Depreciation takes place over the estimated useful life, down to the assessed residual value. The carrying amount of the UTC's fixed assets is tested as soon as changed conditions show that a need for impairment has arisen.

The present value of the Local Government Pension Scheme defined benefit asset/liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension asset/liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions asset/liability at 31 August 2024. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension asset/liability.

The judgement applied and assumptions used, on whether an asset is recognised or restricted, are also set out in the notes.

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**3. Income from donations and capital grants**

	<b>Unrestricted funds 2024 £</b>	<b>Restricted fixed asset funds 2024 £</b>	<b>Total funds 2024 £</b>
Donations	2,820	4,300	<b>7,120</b>
Capital Grants	-	77,104	<b>77,104</b>
	2,820	81,404	<b>84,224</b>
	2,820	81,404	<b>84,224</b>
	<i>Unrestricted funds 2023 £</i>	<i>Restricted fixed asset funds 2023 £</i>	<i>Total funds 2023 £</i>
Donations	500	7,150	7,650
Capital Grants	-	238,815	238,815
	500	245,965	246,465
	500	245,965	246,465

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**4. Funding for the UTC's educational operations**

	<b>Unrestricted funds 2024 £</b>	<b>Restricted funds 2024 £</b>	<b>Total funds 2024 £</b>
<b>DfE/ESFA grants</b>			
General Annual Grant (GAG)	-	3,008,140	<b>3,008,140</b>
Other DfE/ESFA grants			
Pupil Premium	-	71,812	<b>71,812</b>
Mainstream Grant	-	60,142	<b>60,142</b>
Teachers Pay Grant	-	30,620	<b>30,620</b>
Teachers Pension Grant	-	53,369	<b>53,369</b>
Other DfE/ESFA Group grants	-	58,386	<b>58,386</b>
	-	3,282,469	<b>3,282,469</b>
<b>Other Government grants</b>			
SEN Funding	-	79,526	<b>79,526</b>
	-	79,526	<b>79,526</b>
<b>Other income from the UTC's direct costs</b>	45,459	38,506	<b>83,965</b>
	45,459	3,400,501	<b>3,445,960</b>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**4. Funding for the UTC's educational operations (continued)**

	<i>Unrestricted funds 2023 £</i>	<i>Restricted funds 2023 £</i>	<i>Total funds 2023 £</i>
<b>DfE/ESFA grants</b>			
General Annual Grant (GAG)	-	2,646,851	2,646,851
Other DfE/ESFA grants			
Pupil Premium	-	67,928	67,928
Supplementary	-	53,709	53,709
Teachers Pension Grant	-	25,953	25,953
Other DfE/ESFA Group grants	-	82,500	82,500
	-	2,876,941	2,876,941
<b>Other Government grants</b>			
SEN Funding	-	101,072	101,072
	-	101,072	101,072
<b>Other income from the UTC's direct costs</b>	16,774	25,543	42,317
<b>COVID-19 additional funding (DfE/ESFA)</b>			
Other DfE/ESFA COVID-19 funding	-	16,836	16,836
	-	16,836	16,836
	16,774	3,020,392	3,037,166

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2024**

**5. Investment income**

	<b>Unrestricted funds 2024 £</b>	<b>Restricted funds 2024 £</b>	<b>Total funds 2024 £</b>
Investment income	9,711	-	<b>9,711</b>
Pension income	-	7,000	<b>7,000</b>
	9,711	7,000	<b>16,711</b>
	9,711	7,000	<b>16,711</b>
		<i>Unrestricted funds 2023 £</i>	<i>Total funds 2023 £</i>
Investment income		104	104
		104	104

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2024**

**6. Expenditure**

	<b>Staff Costs 2024 £</b>	<b>Premises 2024 £</b>	<b>Other 2024 £</b>	<b>Total 2024 £</b>
Direct costs	2,043,376	-	356,391	<b>2,399,767</b>
Allocated support costs	444,333	285,368	328,903	<b>1,058,604</b>
<b>Total 2024</b>	<b>2,487,709</b>	<b>285,368</b>	<b>685,294</b>	<b>3,458,371</b>
	<i>Staff Costs 2023 £</i>	<i>Premises 2023 £</i>	<i>Other 2023 £</i>	<i>Total 2023 £</i>
Direct costs	1,802,150	-	308,590	2,110,740
Allocated support costs	376,253	340,981	233,622	950,856
<i>Total 2023</i>	<i>2,178,403</i>	<i>340,981</i>	<i>542,212</i>	<i>3,061,596</i>

**7. Analysis of expenditure on charitable activities**

**Summary by fund type**

	<b>Unrestricted funds 2024 £</b>	<b>Restricted funds 2024 £</b>	<b>Total 2024 £</b>
Educational Operations	57,990	3,400,381	<b>3,458,371</b>
	<i>Unrestricted funds 2023 £</i>	<i>Restricted funds 2023 £</i>	<i>Total 2023 £</i>
Educational Operations	17,378	3,044,218	3,061,596



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**NOTES TO THE FINANCIAL STATEMENTS  
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**8. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2024 £</b>	<b>Support costs 2024 £</b>	<b>Total funds 2024 £</b>
Educational Operations	2,399,767	1,058,604	<b>3,458,371</b>

	<i>Activities undertaken directly 2023 £</i>	<i>Support costs 2023 £</i>	<i>Total funds 2023 £</i>
Educational Operations	2,110,740	950,856	3,061,596

**Analysis of direct costs**

	<b>Activities 2024 £</b>	<b>Total funds 2024 £</b>	<i>Total funds 2023 £</i>
Pension finance costs	-	-	3,000
Staff costs	2,004,912	<b>2,004,912</b>	1,772,008
Depreciation	111,121	<b>111,121</b>	71,990
Educational supplies	232,353	<b>232,353</b>	219,607
Staff development	12,917	<b>12,917</b>	13,993
Other staff costs	38,464	<b>38,464</b>	30,142
	<u>2,399,767</u>	<u><b>2,399,767</b></u>	<u>2,110,740</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2024**

**8. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

	<b>Total funds 2024 £</b>	<i>Total funds 2023 £</i>
Staff costs	444,333	376,253
ICT costs	122,394	79,856
Staff recruitment	7,349	6,999
Transport	46,508	12,368
Heat and light	79,903	119,552
Rent and rates	30,015	26,997
Postage and stationery	17,306	18,369
Telephone costs	14,623	7,781
Insurance	8,809	7,665
Other support costs	63,125	51,981
Maintenance	175,450	194,432
Marketing costs	34,251	32,516
Legal and professional	5,986	5,745
Governance	8,552	9,342
Pension administration costs	-	1,000
	<b>1,058,604</b>	<b>950,856</b>

**9. Net income/(expenditure)**

Net income/(expenditure) for the year includes:

	<b>2024 £</b>	<i>2023 £</i>
Operating lease rentals	2,292	2,292
Depreciation of tangible fixed assets	111,121	71,990
Fees paid to auditor for:		
- audit	6,950	6,950
- other services	1,100	1,100

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

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**10. Staff**

**a. Staff costs and employee benefits**

Staff costs during the year were as follows:

	<b>2024</b>	<i>2023</i>
	£	£
Wages and salaries	<b>1,848,515</b>	<i>1,617,806</i>
Social security costs	<b>194,120</b>	<i>167,031</i>
Pension costs	<b>406,610</b>	<i>363,424</i>
	<hr/>	<hr/>
	<b>2,449,245</b>	<i>2,148,261</i>
Agency staff costs	<b>38,464</b>	<i>30,142</i>
	<hr/>	<hr/>
	<b>2,487,709</b>	<i>2,178,403</i>
	<hr/> <hr/>	<hr/> <hr/>

**b. Staff numbers**

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

	<b>2024</b>	<i>2023</i>
	No.	No.
Teachers	<b>27</b>	<i>25</i>
Management	<b>3</b>	<i>3</i>
Support	<b>19</b>	<i>21</i>
	<hr/>	<hr/>
	<b>49</b>	<i>49</i>
	<hr/> <hr/>	<hr/> <hr/>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2024**

**10. Staff (continued)**

**c. Higher paid staff**

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

	<b>2024</b>	<i>2023</i>
	<b>No.</b>	<i>No.</i>
In the band £60,001 - £70,000	<b>2</b>	<i>1</i>
In the band £70,001 - £80,000	-	<i>1</i>
In the band £80,001 - £90,000	<b>1</b>	-
In the band £120,001 - £130,000	-	<i>1</i>
In the band £130,001 - £140,000	<b>1</b>	-
	<b>1</b>	<i>-</i>

**d. Key management personnel**

The key management personnel of the UTC comprise the Trustees 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 UTC was £432,047 (*2023 - £367,212*).

**11. Trustees' remuneration and expenses**

One or more Trustees has been paid remuneration or has received other benefits from an employment with the UTC. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		<b>2024</b>	<i>2023</i>
		<b>£</b>	<i>£</i>
J Morrison, Principal	Remuneration	<b>130,000 -</b>	<i>125,000 -</i>
		<b>135,000</b>	<i>130,000</i>
	Pension contributions paid	<b>30,000 -</b>	<i>30,000 -</i>
		<b>35,000</b>	<i>35,000</i>
M Fielding, Staff Trustee	Remuneration	<b>50,000 -</b>	<i>45,000 -</i>
		<b>55,000</b>	<i>50,000</i>
	Pension contributions paid	<b>10,000 -</b>	<i>10,000 -</i>
		<b>15,000</b>	<i>15,000</i>

During the year ended 31 August 2024, no Trustee expenses have been incurred (*2023 - £NIL*).

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**NOTES TO THE FINANCIAL STATEMENTS  
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**12. Trustees' and Officers' insurance**

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

**13. Tangible fixed assets**

	Freehold land and property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>					
At 1 September 2023	9,115,743	371,064	109,861	29,215	9,625,883
Additions	-	75,832	11,476	3,200	90,508
Disposals	-	-	(9,120)	-	(9,120)
At 31 August 2024	<u>9,115,743</u>	<u>446,896</u>	<u>112,217</u>	<u>32,415</u>	<u>9,707,271</u>
<b>Depreciation</b>					
At 1 September 2023	-	62,546	42,239	18,016	122,801
Charge for the year	-	85,080	20,091	5,950	111,121
On disposals	-	-	(1,824)	-	(1,824)
At 31 August 2024	<u>-</u>	<u>147,626</u>	<u>60,506</u>	<u>23,966</u>	<u>232,098</u>
<b>Net book value</b>					
At 31 August 2024	<u>9,115,743</u>	<u>299,270</u>	<u>51,711</u>	<u>8,449</u>	<u>9,475,173</u>
At 31 August 2023	<u>9,115,743</u>	<u>308,518</u>	<u>67,622</u>	<u>11,199</u>	<u>9,503,082</u>

Freehold land & property includes freehold land of £1,350,000 (2023 - £1,350,000). The valuation of freehold property is the cost of refurbishment of the UTC buildings.

Additions in the year relate to various equipment and machinery which has been purchased through T-Level grant funding and academy reserves.

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FOR THE YEAR ENDED 31 AUGUST 2024**

**14. Debtors**

	2024 £	2023 £
<b>Due within one year</b>		
VAT recoverable	21,926	22,540
Prepayments and accrued income	88,103	72,560
	<b>110,029</b>	<b>95,100</b>
	<b>110,029</b>	<b>95,100</b>

**15. Creditors: Amounts falling due within one year**

	2024 £	2023 £
Trade creditors	65,203	45,482
Other taxation and social security	46,064	41,269
Other creditors	165,465	128,975
Accruals and deferred income	95,700	178,902
	<b>372,432</b>	<b>394,628</b>
	<b>372,432</b>	<b>394,628</b>
	2024 £	2023 £
<b>Deferred income</b>		
Deferred income at 1 September	95,463	343,303
Resources deferred during the year	30,427	29,350
Amounts released from previous periods	(95,463)	(277,190)
	<b>30,427</b>	<b>95,463</b>
<b>Deferred income at 31 August</b>	<b>30,427</b>	<b>95,463</b>

Deferred income includes grant and trip income received in the year, to be deferred to the 2024/25 academic year. £107 (2023 - £66,113) of the deferred balance for 2024 relates to T Level Grant funding received during the prior year from the ESFA for expenditure in the following period.

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

	Balance at 1 September 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2024 £
<b>Unrestricted funds</b>						
General Funds	-	57,990	(57,990)	-	-	-
<b>Restricted general funds</b>						
General Annual Grant (GAG)	442,866	3,008,140	(2,947,824)	-	-	503,182
Other ESFA/DfE grants	11,583	274,329	(273,404)	-	-	12,508
Other LA revenue grants	-	79,526	(79,526)	-	-	-
Other restricted funds	-	38,506	(38,506)	-	-	-
Pension reserve	-	7,000	50,000	-	(57,000)	-
	<u>454,449</u>	<u>3,407,501</u>	<u>(3,289,260)</u>	<u>-</u>	<u>(57,000)</u>	<u>515,690</u>
<b>Restricted fixed asset funds</b>						
Assets transferred from LA	1,350,000	-	-	-	-	1,350,000
Assets acquired from ESFA grants	8,153,082	70,305	(111,121)	12,907	-	8,125,173
ESFA grant funding	10,587	11,099	-	(12,907)	-	8,779
	<u>9,513,669</u>	<u>81,404</u>	<u>(111,121)</u>	<u>-</u>	<u>-</u>	<u>9,483,952</u>
<b>Total Restricted funds</b>	<u>9,968,118</u>	<u>3,488,905</u>	<u>(3,400,381)</u>	<u>-</u>	<u>(57,000)</u>	<u>9,999,642</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

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**16. Statement of funds (continued)**

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

**Unrestricted funds**

General Funds represent those resources which may be used towards meeting any of the objects of the UTC at the discretion of the Trustees.

**Restricted funds**

General Annual Grant (GAG) must be used for the normal running costs of the UTC.

Other DfE/ESFA Grants comprise of various grants awarded for specific projects, in particular to boost standards of attainment. Grants include Pupil Premium funding which is intended to support education from pupils from a disadvantaged background.

Other LA revenue grants include funding provided for pupils with Statements of Special Educational Needs and is used by the UTC to assist with pupils education.

The pension reserve arises from the actuarial measurement of the UTC's share of the Local Government Pension Schemet. The actuarial cost of employing staff during the year is initially reflected in the normal running costs of the school in the restricted pension fund. The amount included in resources expended represents the pension costs for the year charged to income and expenditure that arises from actuarial calculations of service cost rather than employer contributions paid. Actuarial gains and losses that arise from changes in assumptions by the actuary or wider influences are shown in the restricted pension fund.

**Restricted fixed asset funds**

Assets transferred from LA comprise the valuation of the UTC land and buildings at the time of transfer from the Local Authority.

Assets Acquired from ESFA Grants represents the net book value of assets acquired using the ESFA grant for the UTC project covering construction, ICT and FFE.

ESFA grant funding represents grants fom the funder received for the specific purpose if capital expenditure.

Under the funding agreement with the Secretary of State, the UTC was not subject to a limit on the amount of GAG it could carry forward at 31 August 2024.



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

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

	<i>Balance at 1 September 2022</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2023</i>
	£	£	£	£	£	£
<b>Unrestricted funds</b>						
General Funds	-	17,378	(17,378)	-	-	-
<b>Restricted general funds</b>						
General Annual Grant (GAG)	476,162	2,646,851	(2,600,136)	(80,011)	-	442,866
Other ESFA/DfE grants	11,134	246,926	(246,477)	-	-	11,583
Other LA revenue grants	-	101,072	(101,072)	-	-	-
Other restricted funds	-	25,543	(25,543)	-	-	-
Pension reserve	(122,000)	-	1,000	-	121,000	-
	<u>365,296</u>	<u>3,020,392</u>	<u>(2,972,228)</u>	<u>(80,011)</u>	<u>121,000</u>	<u>454,449</u>
<b>Restricted fixed asset funds</b>						
Assets transferred from LA	1,350,000	-	-	-	-	1,350,000
Assets acquired from ESFA grants	7,899,900	235,378	(71,990)	89,794	-	8,153,082
ESFA grant funding	9,783	10,587	-	(9,783)	-	10,587
	<u>9,259,683</u>	<u>245,965</u>	<u>(71,990)</u>	<u>80,011</u>	<u>-</u>	<u>9,513,669</u>
<b>Total Restricted funds</b>	<u>9,624,979</u>	<u>3,266,357</u>	<u>(3,044,218)</u>	<u>-</u>	<u>121,000</u>	<u>9,968,118</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

**17. Analysis of net assets between funds**

**Analysis of net assets between funds - current period**

	<b>Restricted funds 2024 £</b>	<b>Restricted fixed asset funds 2024 £</b>	<b>Total funds 2024 £</b>
Tangible fixed assets	-	9,475,173	<b>9,475,173</b>
Current assets	888,122	8,779	<b>896,901</b>
Creditors due within one year	(372,432)	-	<b>(372,432)</b>
<b>Total</b>	<b>515,690</b>	<b>9,483,952</b>	<b>9,999,642</b>

**Analysis of net assets between funds - prior period**

	<i>Restricted funds 2023 £</i>	<i>Restricted fixed asset funds 2023 £</i>	<i>Total funds 2023 £</i>
Tangible fixed assets	-	9,503,082	9,503,082
Current assets	849,077	10,587	859,664
Creditors due within one year	(394,628)	-	(394,628)
<b>Total</b>	<b>454,449</b>	<b>9,513,669</b>	<b>9,968,118</b>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**18. Reconciliation of net income to net cash flow from operating activities**

	<b>2024</b>	<i>2023</i>
	£	£
Net income for the period (as per Statement of financial activities)	<b>88,524</b>	<i>222,139</i>
<b>Adjustments for:</b>		
Depreciation	<b>111,121</b>	<i>71,990</i>
Capital grants from DfE and other capital income	<b>(77,104)</b>	<i>(238,815)</i>
Defined benefit pension scheme cost less contributions payable	<b>(57,000)</b>	<i>(1,000)</i>
(Increase)/decrease in debtors	<b>(14,929)</b>	<i>209</i>
Decrease in creditors	<b>(22,196)</b>	<i>(157,309)</i>
Loss on disposal of fixed assets	<b>7,296</b>	<i>-</i>
<b>Net cash provided by/(used in) operating activities</b>	<b>35,712</b>	<i>(102,786)</i>

**19. Cash flows from investing activities**

	<b>2024</b>	<i>2023</i>
	£	£
Purchase of tangible fixed assets	<b>(90,508)</b>	<i>(325,172)</i>
Capital grants from DfE Group	<b>77,104</b>	<i>238,815</i>
<b>Net cash used in investing activities</b>	<b>(13,404)</b>	<i>(86,357)</i>

**20. Analysis of cash and cash equivalents**

	<b>2024</b>	<i>2023</i>
	£	£
Cash in hand and at bank	<b>786,872</b>	<i>764,564</i>
<b>Total cash and cash equivalents</b>	<b>786,872</b>	<i>764,564</i>

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**21. Analysis of changes in net debt**

	At 1 September 2023 £	Cash flows £	At 31 August 2024 £
Cash at bank and in hand	764,564	22,308	786,872
	<u>764,564</u>	<u>22,308</u>	<u>786,872</u>

**22. Contingent liabilities**

In the event of Lincoln UTC ceasing to operate as an academy, provisions are included in the funding agreement relating to the clawback of assets and monies paid to the UTC.

**23. Pension commitments**

The UTC's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Lincolnshire County Council. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £55,000 were payable to the schemes at 31 August 2024 (2023 - £43,000) 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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**23. 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 ensure scheme costs are recognised and managed appropriately and the review specifies 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 2020. The valuation report was published by the Department for Education on 27 October 2023, with the SCAPE rate, set by HMT, applying a notional investment return based on 1.7% above the rate of CPI. The key elements of the valuation outcome are:

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

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

The employer's pension costs paid to TPS in the year amounted to £344,000 (2023 - £274,000).

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 UTC has accounted for its contributions to the scheme as if it were a defined contribution scheme. The UTC has set out above the information available on the scheme.

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**23. Pension commitments (continued)**

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2024 was £145,000 (2023 - £134,000), of which employer's contributions totalled £115,000 (2023 - £105,000) and employees' contributions totalled £30,000 (2023 - £29,000). The agreed contribution rates for future years are 19.9 per cent for employers and a maximum 12.5 per cent for employees.

As described in note 1.12 the LGPS obligation relates to the employees of the UTC, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the UTC at the balance sheet date.

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

**Principal actuarial assumptions**

	<b>2024</b>	<i>2023</i>
	%	%
Rate of increase in salaries	<b>3.8</b>	3.9
Rate of increase for pensions in payment/inflation	<b>2.8</b>	2.9
Discount rate for scheme liabilities	<b>5.15</b>	5.25
	<b>5.15</b>	5.25

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

	<b>2024</b>	<i>2023</i>
	Years	Years
<i>Retiring today</i>		
Males	<b>19.5</b>	19.5
Females	<b>22.7</b>	22.6
<i>Retiring in 20 years</i>		
Males	<b>20.7</b>	20.8
Females	<b>24.1</b>	24
	<b>24.1</b>	24

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**23. Pension commitments (continued)**

**Sensitivity analysis**

	<b>2024</b>	<i>2023</i>
	<b>£000</b>	<i>£000</i>
Discount rate -0.5%	<b>125,000</b>	<i>118,000</i>
CPI rate +0.5%	<b>123,000</b>	<i>116,000</i>
	<b>=====</b>	<i>=====</i>

**Share of scheme assets**

The UTC's share of the assets in the scheme was:

	<b>At 31</b>	<i>At 31 August</i>
	<b>August 2024</b>	<i>2023</i>
	<b>£</b>	<i>£</i>
Equities	<b>586,000</b>	<i>561,000</i>
Corporate bonds	<b>149,000</b>	<i>119,000</i>
Property	<b>76,000</b>	<i>68,000</i>
Cash and other liquid assets	<b>36,000</b>	<i>31,000</i>
Infrastructure	<b>45,000</b>	<i>35,000</i>
Absolute return fund	<b>178,000</b>	<i>95,000</i>
	<b>=====</b>	<i>=====</i>
<b>Total market value of assets</b>	<b>1,070,000</b>	<i>909,000</i>
	<b>=====</b>	<i>=====</i>

The actual return on scheme assets was £100,000 (2023 - £44,000).

The amounts recognised in the Statement of financial activities are as follows:

	<b>2024</b>	<i>2023</i>
	<b>£</b>	<i>£</i>
Current service cost	<b>(65,000)</b>	<i>(100,000)</i>
Interest income	<b>49,000</b>	<i>37,000</i>
Interest cost	<b>(42,000)</b>	<i>(40,000)</i>
Administrative expenses	<b>-</b>	<i>(1,000)</i>
	<b>=====</b>	<i>=====</i>
<b>Total amount recognised in the Statement of financial activities</b>	<b>(58,000)</b>	<i>(104,000)</i>
	<b>=====</b>	<i>=====</i>

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**23. Pension commitments (continued)**

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

	<b>2024</b>	<i>2023</i>
	£	£
<b>At 1 September</b>	<b>826,000</b>	<i>950,000</i>
Current service cost	<b>65,000</b>	<i>100,000</i>
Interest cost	<b>42,000</b>	<i>40,000</i>
Employee contributions	<b>30,000</b>	<i>29,000</i>
Actuarial gains	<b>(4,000)</b>	<i>(285,000)</i>
Benefits paid	<b>(84,000)</b>	<i>(8,000)</i>
<b>At 31 August</b>	<b>875,000</b>	<i>826,000</i>

Changes in the fair value of the UTC's share of scheme assets were as follows:

	<b>2024</b>	<i>2023</i>
	£	£
<b>At 1 September</b>	<b>909,000</b>	<i>828,000</i>
Interest income	<b>49,000</b>	<i>37,000</i>
Actuarial gains/(losses)	<b>51,000</b>	<i>(81,000)</i>
Employer contributions	<b>115,000</b>	<i>105,000</i>
Employee contributions	<b>30,000</b>	<i>29,000</i>
Benefits paid	<b>(84,000)</b>	<i>(8,000)</i>
Administrative expenses	<b>-</b>	<i>(1,000)</i>
<b>At 31 August</b>	<b>1,070,000</b>	<i>909,000</i>

The actuarial report valued a pension scheme surplus of £195,000 (2023 - £83,000) as set out by the disclosures above. This balance has not been recognised on the basis that the balance is not deemed to be recoverable through reduced contributions in the future or through refunds from the plan.



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**24. Operating lease commitments**

At 31 August 2024 the UTC had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	<b>2022</b>	<i>2021</i>
	<b>£</b>	<b>£</b>
Not later than 1 year	<b>2,292</b>	<i>2,292</i>
Later than 1 year and not later than 5 years	<b>2,292</b>	<i>4,584</i>
	<b>4,584</b>	<i>6,876</i>

**25. Members' liability**

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

**26. Related party transactions**

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

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 11.

**27. Agency arrangements**

During the year, the UTC acted as agent in respect of 16-19 Bursary funding received from the ESFA. The UTC received 16-19 Bursary funding of £21,469 and expended £11,744. Amounts in relation to prior years to be repaid are held totalling £5,279. A total balance of £26,748 is included within other creditors.