

**Company No: 00018582**  
**Charity Registration No: 313999**

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD**  
**AND ITS SUBSIDIARY UNDERTAKINGS**

---

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2019**

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**

---

**INDEX**

---

	<b>PAGE</b>
<b>Reference and administrative details</b>	1 – 2
<b>Trustees' Report (incorporating the Strategic Report)</b>	3 – 26
<b>Report of the independent auditor</b>	27 – 29
<b>Consolidated Statement of Financial Activities (incorporating Income and Expenditure Account)</b>	30 – 33
<b>Consolidated Balance Sheet</b>	34 – 35
<b>Charitable Company Balance sheet</b>	36
<b>Consolidated Cash Flow Statement</b>	37
<b>Notes to the financial statements</b>	38 – 80

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**

---

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITABLE GROUP,  
ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2019**

---

<b>Company registered number</b>	00018582
<b>Charity registered number</b>	313999
<b>Registered and principal office of the Charitable Group</b>	Worldwide House Thorpe Wood Peterborough PE3 6SB
<b>Chief executive officer</b>	Sir Jon Coles
<b>Company secretary</b>	Mrs A Hussain
<b>Bankers</b>	Barclays Bank PLC One Snowhill Snowhill Queensway Birmingham B4 6GN
<b>Solicitors</b>	Hewitsons LLP Elgin House Billing Road Northampton NN1 5AU  Stone King LLP 91 Charterhouse Street London EC1M 6HR
<b>Independent auditor</b>	Grant Thornton UK LLP Statutory Auditor Chartered Accountants Victoria House 199 Avebury Boulevard Milton Keynes MK9 1AU

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**

---

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITABLE GROUP,  
ITS TRUSTEES AND ADVISERS (Continued)  
FOR THE YEAR ENDED 31 AUGUST 2019**

---

**Senior Management team and key  
management personnel  
(as at 1 September 2019)**

Sir Jon Coles, Chief Executive Officer

Ms M Coalter, Director of People (resigned 31 August 2019)

Dame Sally Coates, Director of Secondary Education

Mr D Ellison-Lee, Director of Primary Education

Mrs L Johnston, Chief Financial Officer

Mr D Norrish, Chief Operating Officer

Ms A Paige, Head of Strategy and Performance

**Trustees**

Mr N Davidson (Chair)

Dr S Critchley

Mr M George

Mr B Gordon

Mr R Greenhalgh

Mr M Litchfield

Mr N Robson (resigned 31 August 2019)

Biographies for the Trustees and Senior Management team can be found at [www.unitedlearning.org.uk](http://www.unitedlearning.org.uk)

---

## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

---

### TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2019

---

The Board presents its report together with financial statements for the year ended 31 August 2019.

#### **Constitution and objects**

United Church Schools Foundation Ltd ('UCSF') is registered with the Charity Commission (No. 313999) and is constituted as a company limited by shares and registered in England and Wales, governed by Memorandum and Articles of Association, which were last amended in 1996.

The Company is established for charitable purposes and in accordance with its Memorandum of Association; its principal activity is to provide a liberal, practical and general education for children which includes religious instruction in the doctrine and duties of Christianity.

Details of the schools and academies operating within UCSF and its subsidiaries ('the Charitable Group') are listed later in this report.

#### **Members of the Board (hereafter called "Trustees")**

The present membership of the Board is set out under Reference and Administrative Details. All Trustees served throughout the year except where indicated. They are also the Directors of the Charitable Company for the purposes of the Companies Act.

All members of the Board of United Church Schools Trust ('UCST') hold one ordinary £5 share each for as long as they are members of the Board. There are 5 Trustees of UCST who each hold one £5 ordinary share. The Trustees of United Church Schools Foundation also hold 12,983 non-voting shares. The shares have no value.

#### **Appointment of Trustees**

Members of the Board of Trustees hold office for three years, and then resign at the end of that period. They may, with consent of the Board, remain in office for a further three years. They may then be re-appointed for a further year upon the proposal of the Chairman. At that point, they are subject to annual proposal and re-election.

The Charitable Company may increase or reduce the number of Trustees and determine their rotation. Any casual vacancy arising may be filled by the Board, the person holding office until the next General Meeting.

The training and induction provided for new Trustees is dependent upon their existing experience. Where necessary, induction will provide training on charity and educational legal and financial matters. All new Trustees are given tours of the Charitable Group's schools and academies and the chance to meet with staff and students. They are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. Induction is tailored specifically to the individual. The Company Secretary works with the Trustees to identify training needs and steps to keep the trustees updated regarding the regulatory environment.

---

## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

---

### TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2019

---

#### **Governance of the Charitable Group**

During the year, the Board of Trustees of UCSF held seven meetings. Attendance at these meetings was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mr N Davidson (Chair)	7	7
Dr S Critchley	7	7
Mr M George	5	7
Mr B Gordon	7	7
Mr R Greenhalgh	7	7
Mr M Litchfield	5	7
Mr N Robson	7	7

UCSF has two subsidiary charitable companies, United Church Schools Trust ('UCST') which is responsible for running the Charitable Group's Independent Schools and United Learning Trust ('ULT'), which is responsible for running the Charitable Group's Academies. The Trustees of UCST and ULT have delegated their powers and functions to a committee of both Boards known as the Group Board. All Trustees from both UCST and ULT are members of the Group Board. The Group Board met for a total of seven meetings during the year. Attendance during the year at the meetings of the Group Board was as follows:

	<b>Group Board Meetings attended</b>	<b>Out of a possible</b>
Dame Yasmin Bevan	6	7
Sir Jon Coles	7	7
Ms M Curnock Cook	5	7
Mr N Davidson	7	7
Mr M George	6	7
Dr R Given-Wilson	4	7
Mr B Gordon	7	7
Mr R Greenhalgh (Chair)	7	7
Dame Reena Keeble	6	7
Mr M Litchfield	7	7
Mr D Robinson	5	7
Mr N Robson	7	7
Mrs S Squire	7	7

The Board of Trustees delegates clear responsibilities to the Schools' Local Governing Bodies ("LGBs"), whose purpose is to provide support and challenge to the school on behalf of the Board. The functions and duties of the LGBs are set out in the LGB Members' Handbook. The Group Board maintains links with the LGBs through the Company Secretary, and designated Directors for the schools. The Chairs and Vice Chairs of the LGBs are invited to attend meetings of the Education Board, which meets three times in the academic year and provide advice on strategy and education, relevant continuing professional development and the opportunity for sharing of best practice with their peers. The Education Board meetings further enhance communications between LGBs and the Directors.

---

## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

---

### TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2019

---

#### **Governance of the Charitable Group (continued)**

Current governance arrangements have been reviewed. The Group's scheme of delegation has been updated and is approved by the Group Board. It can be accessed via the United Learning website. The Group Board has carried out a self-evaluation in the year, which provided reassurance about its effectiveness. The review also includes an evaluation of the quality of the data provided to the Board and its Committees. A number of follow up actions, including data presentation formats, were agreed and have been implemented. A further review is planned for 2019/20. An evaluation of the effectiveness of the Chair of the Group Board has also been undertaken.

#### **Board Committees**

The Charitable Group has four committees that advise the Group Board on matters defined by their terms of reference. The Committees are the Finance Committee, the Risk and Audit Committee, the Nominations and Remuneration Committee and the Education Standards and Performance Committee. The minutes of the four Committees are made available to the Group Board and the Chair of the Risk and Audit Committee reports to the Group Board.

The Finance Committee's purpose is to:

- ensure the Charitable Group properly plans the use of its finances and is adequately funded to undertake projected expenditure;
- review and recommend the annual budgets for approval by the Board of Trustees;
- monitor financial performance against agreed budgets;
- ensure, with the Risk and Audit Committee, that the Charitable Group's financial statements are supported accurately by management accounts;
- monitor and review the Charitable Group's arrangements in relation to investments and make recommendations to the Board of Trustees in relation to the appointment and removal of investment advisors.

Attendance at Finance Committee meetings in the year was as follows:

<b>Committee member</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mr N Davidson (Chair)	7	7
Dr S Critchley	7	7
Mr M George	5	7
Mr B Gordon	7	7
Mr R Greenhalgh	7	7
Mr M Litchfield	5	7
Mr N Robson	7	7

The Risk and Audit Committee for the Charitable Group advises the Trustees and met four times during the year to review the major risks to which the Charitable Group is exposed. The purpose of the Risk and Audit Committee is to:

---

## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

---

### TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2019

---

#### **Governance of the Charitable Group (continued)**

- ensure implementation of a risk management framework for the Group and to review disaster recovery / business continuity planning;
- ensure the Charities' annual financial statements are reconciled to the management accounts;
- ensure effective audit functions are in place (both external and internal);
- ensure adequate risk management processes are in place;
- ensure an adequate internal control environment is established.

Attendance at meetings during the year was as follows:

<b>Committee members</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Professor C Coulson-Thomas (Chair)	4	4
Mrs K Bowles	4	4
Dr S Critchley	4	4
Mr D D'Arcy Hughes	4	4
Mr N MacDonald	4	4

A Group Nominations and Remuneration Committee exists to oversee the appointments of the Group Chairman and Trustees and to approve Executive salaries and remuneration. The Committee is chaired by the Chair of the Group Board and includes Board members of UCSF, UCST, ULT and the Chief Executive. It is advised by the Director of HR and the Company Secretary as appropriate.

The Nominations and Remuneration Committee regularly reviews the terms of office, skills and attributes of the Board of Trustees. On the basis of this, the Committee plans succession in order to ensure that the Board has available to it the range of skills and experience required to discharge its responsibilities. The Committee makes recommendations to the Board as to the need for new Trustees and leads the process of recruitment of Trustees as required, making recommendations of appointment to the Board. The Committee ensures that appointment is on merit, but also seeks to ensure that the Board reflects the diversity of the communities it serves.

In considering Executive pay, the Committee takes account of the needs of the organisation for skills, experience and personal capabilities to enable it to achieve its objectives and the price of such skills in the labour market. The Committee considers that in order to attract and retain leaders with the skills to achieve organisational objectives, senior pay must be competitive in the marketplace, taking account of the pay rates of comparably senior and skilled employees in other organisations – particularly in comparable organisations in education, in public service and in the charitable sector, and taking account of the transferability of skills into other sectors. The Committee is also mindful of the need for charities and organisations in receipt of public funding to set pay rates which are publicly defensible and seen to be appropriate.

The Committee considers annual pay in relation to the performance of the organisation, and of individuals against their objectives and in their broader contribution and in any changes to job role.



---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**

---

**TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT  
FOR THE YEAR ENDED 31 AUGUST 2019**

---

**Governance of the Charitable Group (continued)**

Attendance at meetings in the year was as follows:

<b>Committee members</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mr R Greenhalgh (Chair)	3	3
Mr N Robson	3	3
Mr D Robinson	2	3
Mrs S Squire	3	3

The Group Education Standards and Performance Committee's purpose is to:

- ensure that the Trust discharges its responsibilities for educational improvement in providing excellent education so that all pupils are able to progress, achieve and to go on to succeed in life;
- advise the Group Board with respect to group strategic educational priorities and key performance indicators;
- provide an overview, scrutiny and challenge of education performance of all schools;
- receive reports from the Executive regarding education standards and performance of schools and to hold the Executive to account, against the approved group strategic priorities and key performance indicators relating to schools' educational performance;
- review annually the performance of local/cluster governing bodies to ensure they are operating at maximum effectiveness;
- receive reports from the Executive regarding safeguarding, and to hold the Executive Team to account regarding the effectiveness of policies and processes designed to keep children safe.

The Committee has been appointed by the Trustees and will comprise no more than seven and no fewer than three members, a majority of whom will be Trustees.

Attendance at meetings in the year was as follows:

<b>Committee members</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mr N Robson (Chair)	3	3
Dame Yasmin Bevan	2	3
Sir Jon Coles	3	3
Dr R Given-Wilson	-	3
Mr R Greenhalgh	3	3
Dame Reena Keeble	2	3

**The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Charitable Group 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 the Charitable Group for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

---

## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

---

### TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2019

---

#### **Governance of the Charitable Group (continued)**

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

The Board of Trustees has reviewed the key risks to which the Charitable Group 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 Charitable Group's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 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 Charitable Group has a risk register that identifies the key strategic risks facing the Charitable Group, the actions taken to mitigate those risks and the owners of those actions. Risk control is exercised by the senior management team, which reviews the risk register on a monthly basis. The Risk and Audit Committee considers the risk register at each of their meetings. Its views are reported to the Group Board via the Committee's minutes and the Chair's reports. Further details of the key risks are shown in the risk assessment section on page 20.

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

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

The Group employs an Internal Auditor and a Head of Internal Audit who have a direct reporting line to the Chair of the Risk and Audit Committee. The Internal Audit service operates with best practice professional standards and guidelines. Internal audit independently and objectively review, on a continuous basis, the extent to which the internal control environment supports and promotes the achievement of the Trust's objectives, and contributes to the proper, economic, efficient and effective use of resources.

Internal Audit's role includes giving advice on internal control and performing a range of checks on the Charitable Company's core financial systems. In particular, the checks carried out in the current period included testing of payroll and purchase systems, testing of control accounts, bank reconciliations and fixed assets, testing of compliance with the scheme of delegation and internal control, a review of financial reporting, fraud investigations, testing of other fundamental financial and non-financial systems and departments, and a review of strategic and operational risks.

---

UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

---

TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT  
FOR THE YEAR ENDED 31 AUGUST 2019

---

**Governance of the Charitable Group (continued)**

**The Risk and Control Framework (continued)**

On a quarterly basis, the Head of Internal Audit reports to the Board of Trustees through the Risk and Audit Committee on the operation of the systems of control and on the discharge of the Board of Directors' financial responsibilities.

For the year ended 31 August 2019, based on the work undertaken, an internal audit opinion of reasonable assurance was given on the adequacy and effectiveness of the organisation's risk management, internal control and governance arrangements. The internal audit plan for the year ended 31 August 2019 was delivered as planned and no material control issues were identified.

These arrangements can provide only reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

**Chief Executive**

The Trustees delegate the day to day responsibility of the running of the Charitable Group to the Chief Executive.

**Connected charities**

There is a relationship between United Church Schools Foundation Ltd and other charities as set out in note 31.

---

## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

---

### TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2019

---

## Strategic report

### Objectives, strategies and activities

#### About United Learning

Founded in 1883 as an educational charity anchored in the Church of England, the Charitable Group manages the operation of a group of Independent Schools to provide education for students of different abilities between the ages of 2 and 18. Its admission policies welcome people from all employment, faiths and backgrounds.

In 2001, it created a subsidiary charity, United Learning Trust ("ULT") to extend its work into some of the most challenging inner city areas through the City Academy programme, and to this day UCST remains the sponsor of the ULT multi academy trust. As at 31 August 2019, UCST sponsors 65 state sector academies through ULT.

The overall aim of the Charitable Group is to promote excellent education, providing strong schools which enable all young people to make a success of their lives. The roots of our charity can be traced back 135 years, and over this period, we have founded and developed a large number of schools, focused on the most important social and educational challenges of the day. Our strength as a group of schools lies in the unique collaboration between the state and independent sectors, in our national reach and growing regional clusters and in our dedication to continuous improvement and our pursuit of excellence. Our track record in some of the country's most challenging schools is based on structures and systems which ensure high expectations, rigour, enthusiasm and breadth.

As of 31 August 2019, United Learning – the trading name of the Charitable Group – comprises 13 independent schools operated within UCST, 65 state sector academies operated within ULT and a central office function that serves all our schools.

#### Framework for Excellence

Our 'Framework for Excellence' sets out the principles of an excellent education that we follow as a Group. At the heart of this framework are two principles which articulate what we think schools should provide for young people: 'powerful knowledge' and 'education with character'. The first is about giving young people the knowledge, understanding and cognitive skills they will need to make a success of their lives; the second is about the development of the broader traits, personal qualities and dispositions they will need.

#### Powerful Knowledge

Our most important purpose is to teach young people things they would not learn outside school, which free them to think and act more powerfully in their lives. This includes succeeding in examinations and gaining subject-based knowledge, but goes beyond it.

Across the Group, the Rosenshine Principles are being used to underpin all work in teaching and learning to support personal development, continuous professional development, work scrutiny, lesson observation, leadership and curriculum development, Schemes of Learning and policies as well as learning planning. The Rosenshine Principles aim to minimise the use of working memory and to work with long-term memory to embed learning. They are firmly based on research which shows how the brain acquires and uses new information as well as research into successful classroom practice.

---

## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

---

### TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2019

---

#### **Objectives, strategies and activities (continued)**

##### *Improved Academic Performance*

In terms of external examinations, our independent schools continue to perform well, with strong outcomes at the top grades.

At A Level:

- 18% of entries were awarded A\* (2018: 18%);
- 46% of entries were awarded A\*-A (2018: 46%);
- 72% of entries were awarded A\*-B (2018: 73%);
- The overall pass rate was 98.7% (2018: 99.3%).

Notable performances were seen at:

- **Hull Collegiate School** which saw the biggest improvement in the independent schools with the number of entries achieving A\*-A improving by 13 percentage points to 32% and the number achieving A\*-B increasing by 7 percentage points to 60%;
- **Embley** which consolidated the improvements achieved last year with further improvements on all measures most notably a 10 percentage point increase at A\*-B with 52% of entries achieving these grades;
- **Surbiton High School** where 58% of entries achieved A\*-A grades – up 9 percentage points.

At GCSE, the overall percentage of entries awarded and A\*-C/4+ remained unchanged from 2018 at 95%. The percentage of students achieving the headline measure of five or more A\* to C/9-4 including English and maths remained very high at 92%.

Particular GCSE success was seen at:

- **Guildford High School** and **Surbiton High School** which both had a 100% achievement rate in 5+A\*-C/9-4 including English and maths;
- **PHC Hitchin** which saw the largest increase in the 5+A\*-C/9-4 measure – up 20 percentage points to 88%.

Over the course of the year, three schools received ISI Regulatory Compliance inspections. **AKS, Embley** and **Hull Collegiate School** were all judged to be compliant in all areas.

At A Level, our academies achieved strong results:

- 18.2% of entries were awarded A\* or A (16.6% in 2018);
- 43.0% of entries were awarded A\*-B (40.9% in 2018);
- 96.8% of entries were awarded A\*-E (96.2% in 2018).

The following academies saw notable increases in the number of entries achieving A\*-B grades:

- **Swindon Academy** up 19 percentage points to 26%;
- **Richard Rose Sixth Form** up 13 percentage points to 47%;
- **Lambeth Academy** up 12 percentage points to 35%.

The vast majority of academies saw their students secure places at Russell Group universities. Several academies also celebrated Oxbridge successes: Newstead Wood School, Bacon's College, Kettering Buccleuch Academy, Paddington Academy and Walthamstow Academy.

---

## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

---

### TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2019

---

#### **Objectives, strategies and activities (continued)**

At GCSE, the Group achieved a good set of results:

- 58% of students achieved 5 or more grades at A\*-C/9-4 including English and maths (60% in 2018);
- 63% of students achieved the basics at 4+ in both English and maths (63% in 2018) and 43% achieved this at 5+ (42% in 2018).

A number of schools enjoyed particular improvements and successes, including:

- **The Totteridge Academy** where 70% of students achieved five or more A\*-C/9-4 grades including English and maths – an increase of 12 percentage points;
- **The Regis School** where 58% of students achieved five or more A\*-C/9-4 grades including English and maths – an increase of 10 percentage points;
- **Kettering Buccleuch Academy** where 60% of students achieved five or more A\*-C/9-4 grades including English and maths – an increase of 9 percentage points;
- **Northampton Academy** which saw 64% of students achieve five or more A\*-C/9-4 grades including English and maths – an increase of 9 percentage points.

The EBacc entry rate increased by 5 percentage points to 37%. EBacc attainment at 5+ was also slightly up at 15%.

Several of our academies received Ofsted inspections over the course of the year. **Glenmoor and Winton Academies** were both judged Outstanding whilst **Goresbrook School, Sheffield Springs Academy, The Totteridge Academy** and **William Hulme's Grammar School** were given Good ratings. **Manchester Academy** was given a Requires Improvement judgement and **John Smeaton Academy** was judged Inadequate.

At Key Stage Two, our primary academies achieved good results consolidating the improvements of recent years:

- On the combined measure, 57% achieved the expected standard (58% in 2018);
- In Reading, 67% of pupils achieved the expected standard (69% in 2018);
- In Writing, 71% achieved the expected standard (73% in 2018);
- In Maths, 73% achieved the expected standard (69% in 2018).

There were particularly strong results on combined measures at:

- **Corngreaves Academy** where 85% of pupils achieved the expected standard;
- **Langford Primary** where 81% of pupils achieved the expected standard;
- **Abbey Hey Primary Academy** where 75% of pupils achieved the expected standard;
- **High Hazels Academy** where 74% of pupils achieved the expected standard.

11 primary academies increased their percentage of pupils meeting the required standard in reading, writing and maths combined. The largest increases were achieved by:

- **Abbey Hey Primary Academy** – up by 27 percentage points;
- **Worsbrough Bank End Primary School** – up by 13 percentage points;
- **High Hazels Academy** – up by 12 percentage points.

At Key Stage One, across the primary academies, 59% of pupils achieved the expected standard on the combined measure. The highest performing academies were **Timbertree Academy** with 73%

---

## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

---

### TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2019

---

#### **Objectives, strategies and activities (continued)**

achieving the expected standard on the combined measure and **Silverdale Primary Academy** and **Worsbrough Bank End**, which both saw 71.4% of pupils achieve this standard.

Two academies received full Ofsted inspections over the course of the year. **Langford Primary**, which had previously been judged to Require Improvement, was judged Outstanding. **Hanwell Fields Community School** was judged Good. Three primary academies also received short inspections: **Grange Primary Academy**, **Dukesgate Academy** and **Winston Way Academy**.

#### **A Common Curriculum**

Our schools offer a deep education in inclusive schools. Over the past five years, we have developed a common curriculum for our schools, spanning both primary and secondary phases and covering a range of core subjects: English, maths, science, history, geography, MFL, computing, art and PE.

These curricula are sequenced in such a way as to develop subject mastery and to encourage regular, deliberate practice from students. This is to ensure that every child across our Group gets the same core grounding in the body of knowledge needed to succeed in further study and beyond.

Over the past year in particular, we have developed shared exemplification for each of these subjects to support teachers in aiming for excellence, as well as common summative assessments to monitor pupils' progress.

#### **Education with Character**

Alongside the intellectual development of young people encompassed within our concept of 'powerful knowledge', we place significant weight on the development of the whole person. We want young people to emerge from school with the personal qualities and wider skills to make the most of their cognitive abilities. We call this Education with Character and this is becoming a strong feature of a large number of our schools.

Across our Group, we expect all our pupils to contribute to their school and to society; to try things which they think they cannot do; to persist in the face of difficulty; to become resilient in overcoming obstacles; to manage themselves; to work independently on things which challenge them; to work with others and in teams; to be courageous and caring; to lead. We encourage our schools to develop each student's personal integrity, to ensure they learn to make the right choices even when the rules are not clear.

Our schools have also continued to devise and develop their individual pupil charters – the promise they make to children about what they can expect to experience each year in addition to their normal classroom learning. As part of this, schools have dedicated extracurricular programmes and bring the curriculum to life with visits from external speakers and trips out into their local communities and beyond.

Furthermore, we encourage sustained and meaningful collaboration between our schools and others through a range of group-wide activities, initiatives and competitions designed to further develop their confidence and soft skills and to ready them for the next stages of their school careers.

Through the United Learning Partnership Team, our pupils have enjoyed exceptional academic, sporting and cultural experiences. This has included:

---

## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

---

### TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2019

---

#### **Objectives, strategies and activities (continued)**

- Working with the Royal Opera House, The Voices Foundation and the English Pocket Opera Company to put together the largest ever UK performance of Bizet's Carmen! in the Olympic Park; this project introduced over 3,000 pupils from across the Group to the world of opera and gave 1,000 of them the chance to perform to a large audience;
- **UnitedApp** which challenged Year 9 students to design their own educational app;
- **UnitedIDEAS** which encouraged primary pupils to develop 'world-changing' ideas;
- Preparing students for university success through termly residential courses over a four year period, as part of **United Access**;
- A series of weekly lectures and a three day University Insight Residential designed to broaden KS4 students' interests and understanding as part of the **Scholars Club**;
- Nurturing storytelling and performance techniques through local and regional **StorySLAM** competitions;
- Building capacity of **Student Leadership** teams across primary schools through facilitating social action projects within their local communities;
- Celebrating students' artistry through our annual **Group Art Competition**, which runs alongside the International High School Arts Festival;
- A set of centrally-run schemes as part of our SITUPS programme, delivering interventions using sport as the tool or hook to support students in our schools. This includes our own LADS (Learning And Development through Sport) programme led by Olympian Chris Cook;
- **Sports Ambassador** visits across our schools and supporting some targeted KS3 students to improve their confidence and behaviours for learning through our partnership with **Football Beyond Borders**;
- Regional cluster-based **sports competitions**;
- Group-wide celebration of staff and student achievements at a Gala dinner in Sheffield at The **Best in Everyone Awards**.

#### **Outstanding People and Leadership**

##### ***Successful Staff Engagement***

Our success as a group is dependent on the excellent people and leadership at all levels of our schools – across the country and centrally. This was reflected in the response rate to our Group Staff Survey which remained high at 82%. Likewise, our Overall Employee Engagement score (defined by Ipsos Mori as “an employee's willingness to put discretionary effort into their work in the form of time, thought and energy”) was 78% - up from 75% last year. As in previous years, scores on staff's pride in their school, motivation and attitudes towards the Group's aims and values well exceeded the UK, public sector and education norms.



---

## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

---

### TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2019

---

#### **Objectives, strategies and activities (continued)**

Key findings include:

- 90% of staff said they were proud to work in their school/department;
- 92% agreed that their school 'strives to provide an excellent education';
- 84% said they understood their department/team's objectives;
- 87% said they valued their school/department's culture.

#### ***Developing Leaders***

Our flagship Leadership Development Residential helps develop Middle and Senior Leaders towards promotional opportunities. These popular two-day training programmes are always fully subscribed and continue to be consistently evaluated as good or outstanding, with 70 leaders attending over the course of the year.

Following its successful introduction in 2016, we have now granted schools open access to all materials and resources of our Middle Leaders Schools Programme so they can run the programme at their leisure.

Building on our strong relationship with the Institute for Education and the LeadershipColab initiative, we continued to run National Professional Qualifications within eight clusters. 125 staff members completed the NPQ in Middle Leadership, 72 completed the NPQ in Senior Leadership and 10 completed the NPQ in Headship. These programmes show our commitment to staff becoming highly effective leaders; building the skills, confidence and knowledge to drive successful team performance and improve classroom practice.

This year nine of our most experienced Vice Principals and Deputy Heads completed the Trainee Headship Programme. The programme, which forms part of our talent management strategy, as well as our school improvement work, seeks to grow our group leadership pipeline.

Our System Leadership programme entered year three, with 7 of the 13 participants commencing the 'ILM7 Certificate in Executive Coaching & Mentoring'. A further 4 participants have previously completed this qualification and 1 has chosen to enhance her qualification to a diploma. In order to achieve our ambitions, we will need a strong supply of talented leaders able to operate at system level, whether as an Executive Head or in regional or national roles within the Group. This three-year initiative for those identified for potential systems/executive level leadership is a central part of our growth strategy.

#### ***United Teaching***

Our Initial Teacher Training Scheme, United Teaching is moving forward strongly with a well-established two year programme.

During the year, 90 people signed up with 56 of these graduating successfully and 70% of those working in our schools as NQTs. Of those who graduated during the academic year, 98% of trainees completed their course rated Good or Better, with 59% judged to be Outstanding.

Ahead of the 2019/20 academic year, a further 134 trainees were recruited and attended our Summer Institute.

---

## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

---

### TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2019

---

#### **Objectives, strategies and activities (continued)**

##### **Growth of the Group**

On 1 November 2018, the Charitable Group welcomed two independent schools. **Coworth Flexlands School** a co-educational prep school in Surrey; and **PHC Hitchin** – a co-educational day and boarding school in Hertfordshire.

In line with the rationalisation across the Multi Academy Trust sector, we are very pleased that four smaller multi-academy trusts chose to join the Charitable Group to develop our existing clusters or establish a cluster in their own right. We welcomed the schools from:

- **Blackbird Academy Trust** comprising **Windale Primary School, Orchard Meadow Primary School and Pegasus Primary School**;
- The **Salford Academy Trust** comprising **Dukesgate Academy, Irlam and Cadishead Academy, Marlborough Road Academy and The Albion Academy**;
- **Silverbirch Academy Trust** comprising **Longshaw Primary Academy, Salisbury Manor Primary Academy** (previously Chingford Hall Primary Academy), **Whittingham Primary Academy and Winston Way Academy**;
- **Avonbourne Trust** comprising **Avonwood Primary, Avonbourne College and 6th Form and Harewood College** (since renamed **Avonbourne Boys' Academy and Avonbourne Girls' Academy**)

##### **Going concern**

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

##### **Financial Review**

The total surplus for the year amounted to £30.8m (2018: £79.5m). Included within these results was an actuarial loss on defined benefit pension schemes of £36.3m (2018: gains of £21.8m). The Charitable Group is not liable to pay corporation tax. The results also include the effect of acquisitions made during the year, as disclosed on the face of the Statement of Financial Activities as acquired operations. Further details of the financial effect of the acquisitions are given in note 7 to the financial statements.

---

## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

---

### TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2019

---

#### **Objectives, strategies and activities (continued)**

The independent schools operated by the Charitable Group during the year are as follows:

AKS  
Ashford School  
Banstead Preparatory School  
Bournemouth Collegiate School  
Coworth Flexlands School  
Dunottar School  
Embley (formerly Hampshire Collegiate School)  
Guildford High School  
Hull Collegiate School  
Lincoln Minster School  
PHC Hitchin  
Rowan Preparatory School  
St. Ives (Haslemere)  
Surbiton High School

On 1 December 2018, Bournemouth Collegiate School left the Charitable Group to become the flagship UK school for the international schools group, Bright Scholar.

The Charitable Group is a sponsor of United Learning Trust ("ULT"), a subsidiary undertaking. ULT's aim is to found and manage a group of academies under the government initiative. Academies opened/joined to date are:

Manchester Academy	September 2003
Lambeth Academy	September 2004
Northampton Academy	September 2004
Salford City Academy	September 2005
Barnsley Academy	September 2006
Paddington Academy	September 2006
Sheffield Park Academy	September 2006
Sheffield Springs Academy	September 2006
Walthamstow Academy	September 2006
North Oxfordshire Academy	September 2007
William Hulme's Academy	September 2007
Swindon Academy	September 2007
Stockport Academy	September 2007
Accrington Academy	September 2008
Midhurst Rother College	January 2009
Kettering Buccleuch Academy	September 2009
Shoreham Academy	September 2009
The Regis School	January 2012
Southway Primary School	January 2012
Beacon View Primary Academy	January 2012
Hanwell Fields Community School	February 2012
Carter Community School	April 2013
Corngreaves Academy	June 2013
Timbertree Academy	June 2013
Nova Hreod Academy	January 2013

---

UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

---

TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT  
FOR THE YEAR ENDED 31 AUGUST 2019

---

Winton College	September 2013
Wye School	September 2013
Wilberforce Primary School	September 2013
Glenmoor School	September 2013
The Victory Primary Academy	September 2013
Grange Primary Academy	September 2013
Abbey Hey Primary Academy	December 2013
Silverdale Primary Academy	January 2014
John Smeaton Academy	January 2014
Grange Primary Academy	September 2013
Abbey Hey Primary Academy	December 2013
Silverdale Primary Academy	January 2014
John Smeaton Academy	January 2014
Cravenwood Primary Academy	April 2014
Seahaven Academy	April 2014
Goresbrook School	September 2014
Richard Rose Central Academy	September 2014
Richard Rose Morton Academy	September 2014
The Hurlingham Academy	January 2015
High Hazels Academy	January 2015
Walthamstow Primary Academy	September 2015
Hill View Primary School	October 2017
Newstead Wood School	October 2017
The Hyndburn Academy	November 2017
Bacon's College	March 2018
Castle View Academy	March 2018
Orchard Meadow Primary School	September 2018
Pegasus Primary School	September 2018
Windale Primary School	September 2018
Dukesgate Academy	February 2019
Irlam and Cadishead Academy	February 2019
Marlborough Road Academy	February 2019
The Albion Academy	February 2019
Longshaw Primary Academy	April 2019
Chingford Hall Primary Academy	April 2019
Whittingham Primary Academy	April 2019
Winston Way Academy	April 2019
Avonbourne Boys' Academy	August 2019
Avonbourne Girls' Academy	August 2019

### Funds

Restricted fund income for the year includes donations and investment income of £nil (2018: £nil) in respect of the scholarship and prize funds. Payments and accrued expenses for the scholarship and prize funds amounted to £nil (2018: £nil) during the year with a transfer in of £nil (2018: £nil) leaving a surplus of £363,000 at 31 August 2019 (2018: £363,000) (see note 23).

---

## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

---

### TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2019

---

#### **Objectives, strategies and activities (continued)**

The value of other restricted funds to be utilised in future years is £526,000 (2018: £526,000) for appeal and sponsorship funds and other donated funds (see note 23).

Unrestricted funds (before the pensions reserve) amount to £127,846,000 (2018: £117,924,000) and designated funds amount to £206,000 (2018: £206,000).

The assets are held in pursuance of the Charitable Group's objectives.

#### **Key performance indicators**

The Charitable Group operates using a number of performance indicators, some financial, others related to the educational outcome for the pupils. The key indicators are:

1. All schools to improve their academic performance within the year;
2. All schools to be removed from categories within appropriate Ofsted timeframe;
3. High quality trainee teachers recruited and in schools by the start of the next academic year;
4. The Academy Trust to achieve a balanced in-year budget and the Independent Schools to meet their surplus budgets in order to enable future investment in the Schools.

The Charitable Group's schools' educational results are set on pages 11 to 13, Ofsted results on pages 12 and 13 and trainee recruitment progress on page 15.

#### **Plans for future periods**

On 1 September 2019, the Charitable Group welcomed the five academies from the former Cambridge Academic Partnership, The John Roan School in London and Ham Dingle Primary School in Stourbridge.

On 1 November 2019, the Charitable Group welcomed The Royal School in Haslemere.

The Charitable Group aims to continue to increase the number of pupils educated at its schools. This will be through organic growth and through mergers with other independent schools.

In the next twelve months, the Charitable Group will continue to grow its academies primarily in existing cluster locations.

The Charitable Group will continue to strive to improve the levels of performance of its students at all levels and will continue its efforts to ensure its primary students are well prepared for their secondary education and its secondary students are able to get jobs or a place in further or higher education once they leave its schools.

#### **Funding**

The Trustees are satisfied that the Charitable Group's assets attributable to each of its individual funds are available and adequate to fulfil its obligations in relation to those funds.

---

## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

---

### TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2019

---

#### **Fixed assets**

The Board is of the opinion that in aggregate the market value of the land and buildings, the precise amount of which is not quantified, exceeds the book value of the assets.

#### **Risk assessment**

During the year under review, the Directors and Senior Executives have formally identified, and documented, the major risks to which the Charitable Group is exposed. Those risks have been reviewed by the Risk and Audit Committee and risk management strategies have been implemented. Risk management is embedded in the day to day processes of the Charitable Group.

Principal risk areas for the Charitable Group are the protection of pupils and employees, and of assets and data. Procedures and governance to minimise these risks are constantly being reviewed and updated. The principal risks include:

#### **Safeguarding**

The Charitable Group has Safeguarding and Child Protection policies in place which focus on the need to ensure that its pupils are safe, feel safe and are fully supported in this respect by their School. These policies, which are available on line, also provide a framework for its schools to develop secure processes for identifying and supporting pupils at risk of abuse. The implementation and effectiveness of these policies and procedures, which adhere to Department for Education guidelines on safeguarding and child protection, are regularly monitored and reviewed. To further mitigate this risk, the Group has a central safeguarding officer.

#### **Health and safety**

The health and safety of the school sites is of paramount importance. Health and safety risks are carefully assessed to minimise the possibility of accidents.

#### **Financial Pressures**

The Charitable Group is reliant upon Government funding. An economic downturn could have a direct impact on the levels of funding available. Senior management and the Trustees aim to keep abreast of proposed changes to funding streams and these are taken into account when preparing medium term financial forecasts for each school. The political landscape is currently uncertain and changes in business rate relief rules would have a significant impact on the cost base of the Charitable Group.

The Charitable Group is reliant upon the parents paying its school fees promptly. An economic downturn could have a direct impact on parents' ability to pay those fees. The political landscape is currently uncertain and changes in business rate relief rules would have a significant impact on the cash use of the Charitable Group.

Trustees therefore aim to keep abreast of economic conditions both in the UK and abroad. Overheads are carefully monitored to ensure that resources are used effectively.

A large proportion of the Charitable Group's costs relate to staff costs which are relatively fixed each year. There is a risk that a significant drop in income or further increases in pension contributions may lead to an inability to cover such costs at one or more of the schools or academies.

---

## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

---

### TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2019

---

#### **Financial Pressures (continued)**

The markets in which the Charitable Group's schools operate are highly competitive. Consequently, the Group constantly reviews its teaching and learning processes and policies to ensure that their pupils received a first class education that helps them to perform to their full ability in all aspects of school life.

The Charitable Group also belongs to several Local Government Pension Schemes ("LGPS") run by the relevant Local Authority for non-teaching staff. Under the application of FRS 102 the contributions made by the Charitable Group to these funded defined benefit schemes currently results in the pension deficits recorded in the Statement of Financial Activities. Under FRS102 the Charitable Group is required to account for retirement benefits when it is committed to provide them, even if the actual provision will be many years into the future. Whilst FRS102 is seen as a better reflection of the obligations of the employer to fund pension promises to employees, it does not reflect the actual accounting arrangements of the pension fund. It requires the Charitable Group to recognise the total value of all pension obligations that have accumulated (including deferred pensions) at 31 August each year.

A better reflection of a pension fund's actual position comes from the more detailed triennial assessment made by the fund actuary. This assesses and examines the ongoing financial position of the Pension Fund. The actuarial valuation can differ considerably from the FRS102 valuation. It is the triennial actuarial valuation that is used to review contribution rates to the Fund from the Charitable Group, to ensure that existing assets and future contributions will be sufficient to meet future pension payments, and thus creates a risk in terms of increased contribution rates.

To mitigate these financial risks senior management closely monitor all costs, including increased pension contributions, against budgets on a monthly basis. Variance analysis is undertaken to consider the impact of varying income and costs when budgets are being prepared and through monthly management accounts and reforecasts, and action plans are prepared and implemented to address any adverse impacts. With regards to the LGPS risk we review the accounting reports prepared annually by the respective schemes' actuaries, and Parliament has agreed that in the event of an academy or multi-academy trust closure, any outstanding LGPS liabilities would be met by the DfE.

#### **Data protection**

Policies and procedures are in place to ensure compliance with General Data Protection Regulations, with information security policies covering the risk of breach or loss of access.

#### **Financial risk management objectives and policies**

The Charitable Group uses various financial instruments including loans, cash and various items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Charitable Group's operations.

The main risks arising from the Charitable Group's financial instruments are liquidity risk and interest rate risk.

Liquidity and cash flow risks are managed through the appropriate and carefully managed use of financial instruments with our principal bankers.

Financial risk management is managed by the Central Office Finance Department who act as the Charitable Group's treasury function ensuring that surplus funds are deposited so as to maximise interest receivable. In addition, it uses the Charitable Group's facilities in the most efficient manner.

---

## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

---

### TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2019

---

#### **Financial risk management objectives and policies (continued)**

Those facilities are designed to ensure that the Charitable Group has sufficient available funds for day to day operations and for planned expansion and capital expenditure.

The Charitable Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Short term flexibility is achieved by overdraft facilities.

The maturity of borrowings is set out in Note 19 to the financial statements. In addition to these borrowings the Charitable Group has access to undrawn committed borrowing facilities of an additional £1.0m (2018: £1.0m).

The Charitable Group finances its operations through a mixture of retained surpluses and bank borrowings. The Charitable Group's exposure to interest rate fluctuations on its borrowings is managed by the use of both fixed and floating rate facilities.

The Charitable Group is exposed to price risk in terms of fees but is content that these are in line with those in the sector, and budget accordingly. The principal credit risk for the Charitable Group arises from its debtors. Strict payment terms are enforced by the Charitable Group's credit control department and debt collection is outsourced as necessary. Credit risk is further managed through regular contact with any families in financial difficulty in an effort to assist.

#### **Reserves**

It is the policy of the Charitable Group to hold reserves in its unrestricted funds which have not yet been committed or designated for any particular purpose. The Trustees have set aside these reserves in order to protect the future operations of the Charitable Group from the effects of any unforeseen variations in its income streams as part of a policy of good financial management practice. The Trustees have set the level of these reserves after undertaking a thorough assessment of the Charitable Group's needs and have concluded that a level of six weeks' expenditure is prudent which is approximately £42.8m. At 31 August 2019 there were cash reserves of £35.9m (2018: £27.7m) plus undrawn committed borrowing facilities of £15.7m.

Reserves defined as net current assets/(liabilities) excluding bank loans amount to a deficit of £11.6m (2018: £10.6m).

#### **Investment policy**

The Trustees pursue an investment policy achieving reasonable returns and invest within ethical guidelines.

Cash reserves, with the exception of ULT's, are used to set-off against borrowings to minimise interest charges to the Charitable Group.

Cash balances are invested with Brewin Dolphin, the Central Board of Finance of the Church of England and a small number of other banks depending upon the anticipated length of time of the investment.

During the year the investment strategy produced returns in line with the Charitable Group's expectations and market rates.



---

## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

---

### TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2019

---

#### **Public benefit**

The Trustees confirm that they have referred to the Charity Commission's guidance on Public Benefit when reviewing the Charitable Group's aims and objectives and in planning future activities for the year.

The Charitable Group aims to educate as many young people as possible irrespective of their backgrounds. The main strands to its work are:

- Sponsorship of academies;
- Bursaries and other financial assistance;
- United Learning Partnership Team, nurturing collaboration between schools and giving students and staff exceptional academic, sporting and cultural experiences.

#### **Access Policy**

The Charitable Group works very hard to offer education to as many pupils as possible throughout England. Through its bursary policy it widens the number of pupils attending UCST schools. By setting up, sponsoring and working very closely with ULT, pupils in state funded academies enjoy the same educational resources available throughout the Charitable Group's schools. The two Charitable Companies' schools can all access United Hub which enables teachers at any of the schools in the Group to collaborate, share resources and challenges, all positively impacting on workload.

#### **Bursary policy**

The ability to offer education to children of families who would not be able to afford the school fees is very important to the Charitable Group. As a result of the desire to help children in this way the Charitable Group continued to operate its schemes of means tested financial assistance and its separate schemes of scholarships and family discounts, where parents have more than one child at one of our schools.

Means tested assistance is available to those who would not otherwise be able to afford the fees and, equally importantly, in cases of hardship where pupil's education or future prospects might be at risk. Bursaries range in value from 5% to 100% of the school fee. During the year UCST granted £1.60m (2018: £1.10m) to pupils attending its schools under means tested assistance. This equated to 1.70% of fees received (2018: 1.19%). Included within this were means tested grants to 18 children of clergy from a range of different churches. Further details of our bursary policy and how to apply are on our website.

#### **Environmental policy**

The Charitable Group believes that protection of the environment is an integral part of good educational practice. The Charitable Group is fully committed to its responsibility for minimising the environmental impacts of its operations and will continuously aim to improve its environmental performance through the careful management of the Estate.

The Charitable Group seeks to engage all members of the school community to develop a sustainable approach to their work and activities so as to help it achieve its aims. The Charitable Group's commitment includes the environmentally prudent management of its buildings and operations, collaboration with suppliers to improve its indirect environmental impacts, and environmental programmes and education for its employees and pupils.

---

## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

---

### TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2019

---

#### **Environmental policy (continued)**

The Charitable Group recognises that good environmental management must be an integral and fundamental part of its corporate business strategy.

#### **Pay policy for key management personnel**

Details of the pay policy in respect of key management personnel is included on page 6 and in note 10.

#### **Equal opportunities**

The Trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The Charitable Group aims to establish equal opportunities in all areas of its activities, including creating a working environment in which the contribution and needs of all people are fully valued.

#### **Employee involvement and the employment of the disabled**

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. Regular meetings are held with staff in our schools to brief them on major issues and discuss local issues. Each school also ensures that all staff are kept fully briefed through a variety of mechanisms, including notice boards, newsletters and the school Intranet. In addition, staff have the ability to access the Charitable Group website and intranet, United Hub, for more information.

All new staff joining the Charitable Group are fully inducted and annually the Charitable Group runs two induction programmes, lasting two days, for all teachers new to the Charitable Group. The Charitable Group carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Trustees.

The Charitable Group has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal opportunities policy;
- Volunteers policy;
- Health & Safety policy.

The Charitable Group has in place a National Recognition Agreement with the main teaching and support unions. Regular joint meetings of the Joint Negotiating Committee (JNC) are held with this group where matters of mutual interest are discussed and agreed upon.

The union members of the JNC report back to their members through locally appointed representatives

In addition, local meetings are held in the school where the Head meets with the local representatives to discuss and agree any local issues. Each school also ensures all staff are kept fully briefed by using a variety of methods including staff meetings and newsletters.

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**

---

**TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT  
FOR THE YEAR ENDED 31 AUGUST 2019**

---

**Employee involvement and the employment of the disabled (continued)**

In accordance with the Charitable Group's Equal Opportunities policy, the Charitable Group has long established fair employment practices in the recruitment, selection, retention and training of disabled staff. Full details of these policies are available from the Charitable Group's offices.

Details of the Charitable Group's Gender Pay report can be found on its website at [unitedlearning.org.uk](http://unitedlearning.org.uk)

**United Learning Trust trade union facility time**

The tables below set out the Charitable Group's subsidiary, ULT's, trade union facility time data for the period from 1 April 2018 to 31 March 2019.

**Relevant Union Officials**

Total number of the Academy Trust employees who were relevant union officials during the relevant period (1 April 2018 - 31 March 2019).

Number of employees	Full-time equivalent employee number
41	39

**Percentage of time spent on facility time**

The percentage of their working hours that relevant unions' officials spent on facility time.

Percentage of Time	Number of Employees
0%	9
1-50%	32
51-99%	-
100%	-

**Percentage of pay bill spent on facility time**

Total cost of facility time	£48,623
Total pay bill	£179,692,738
Percentage of the total pay bill spent on facility time	0.03%

**Paid trade union activities**

As a percentage of total paid facilities time hours, the amount of hours spent by relevant trade union officials during the relevant period on paid trade union activities.

Time spent on trade union activities as a percentage of total paid facility time hours	6.3%
--	------

---

## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

---

### TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2019

---

#### **Statement of Trustees' (collectively known as the Board) responsibilities**

The Trustees (who are also directors of United Church Schools Foundation Ltd for the purposes of company law) are responsible for preparing the Trustees' Report (incorporating the Strategic Report) and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. 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 Group and of its incoming resources and application of resources, including the income and expenditure, of the Charitable Company and Group for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- 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 and Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company and Group's transactions and disclose with reasonable accuracy at any time the financial position of the Charitable Company and Group 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 Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware there is no relevant audit information of which the Charitable Company's auditor are unaware;
- the Trustee has taken all steps that they ought to have taken as a Trustee in order to be aware of any relevant audit information and to establish that the Charitable Company's auditor is aware of that information.

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

The Trustees' Report (incorporating the Strategic Report), was approved by order of the board of Trustees, as the Company Directors, on 6 February 2020 and signed on the Board's behalf by:



Mr N Davidson, Trustee

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNITED CHURCH SCHOOLS  
FOUNDATION LTD**

**Opinion**

We have audited the financial statements of United Church Schools Foundation Ltd (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 August 2019 which comprise the Consolidated Statement of Financial Activities (incorporating Income and Expenditure Account), the Consolidated and Charitable Company Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102; The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

in our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 August 2019 and of the group's 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.

**Basis for opinion**

We have been appointed as auditor under the Companies Act 2006 and report in accordance with regulations made under that Act. 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 group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNITED CHURCH SCHOOLS  
FOUNDATION LTD**

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report incorporating the Strategic Report set out on pages 1 to 26 other than the financial statements and our auditor's report thereon. 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. In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 Strategic Report and the Directors' Report, prepared for the purpose of company law included in the Trustees' Report, for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and the Directors' Report included in the Trustees' Report have been prepared in accordance with applicable legal requirements.

**Matter on which we are required to report under the Companies Act 2006**

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report included in the Trustees' Report.

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

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

- adequate accounting records have not been kept by the parent charitable company, or
- returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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.



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNITED CHURCH SCHOOLS FOUNDATION LTD

### **Responsibilities of trustees for the financial statements**

As explained more fully in the Statement of Trustees' (collectively known as the Board) responsibilities set out on page 26, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 group and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial statements.

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 parent 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 parent 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 parent charitable company and the parent charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Grant Thornton UK LLP*

**William Devitt FCA**  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Milton Keynes

Date: 7 FEBRUARY 2020

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2019 £'000	Total 2018 £'000
<b>Income</b>						
<b>Income from generated funds</b>						
Voluntary income	5	4,019	137	-	4,156	3,291
Net assets transferred from other charities and on conversion	7	12,366	71,895	-	84,261	52,532
Gains on disposals of tangible fixed assets		320	-	-	320	11,234
<b>Income from charitable activities</b>						
School fees receivable	2	96,347	-	-	96,347	94,756
Other educational related Activities	3	14,917	-	-	14,917	10,352
Grants from Department for Education	4	-	253,530	-	253,530	227,027
Rents and lettings		313	-	-	313	548
<b>Income from other trading activities</b>						
Trading income		5,967	-	-	5,967	5,655
<b>Income from investments</b>						
Investment income	6	374	-	-	374	291
<b>Total income</b>		<b>134,623</b>	<b>325,562</b>	<b>-</b>	<b>460,185</b>	<b>405,686</b>
<b>Acquired operations</b>		<b>16,045</b>	<b>91,052</b>	<b>-</b>	<b>107,097</b>	69,194
<b>Continuing operations</b>		<b>115,625</b>	<b>234,510</b>	<b>-</b>	<b>350,135</b>	336,492
<b>Discontinued operations</b>		<b>2,953</b>	<b>-</b>	<b>-</b>	<b>2,953</b>	-

In 2018, of total income from acquired operations, £1,362k was to unrestricted funds and £67,832k was to restricted funds.

The notes on pages 38 - 80 form part of these financial statements.



---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**

---

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 AUGUST 2019**

---

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Endowment funds £'000	Total 2019 £'000	Total 2018 £'000
<b>Expenditure</b>						
<b>Expenditure on raising funds</b>						
Trading expenditure		2,589	-	-	2,589	2,382
<b>Expenditure on charitable activities</b>						
School and academy operating costs, project management and finance costs		118,857	271,705	-	390,562	346,112
<b>Total expenditure</b>	8	<b>121,446</b>	<b>271,705</b>	<b>-</b>	<b>393,151</b>	<b>348,494</b>
<b>Acquired operations</b>		4,622	19,199	-	23,821	17,779
<b>Continuing operations</b>		114,426	252,506	-	366,932	330,715
<b>Discontinued operations</b>		2,398	-	-	2,398	-

In 2018, of total expenditure on acquired operations, £113k was from unrestricted funds and £17,666k was from restricted funds.

The notes on pages 38 - 80 form part of these financial statements.

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2019 £'000	Total 2018 £'000
<b>Net incoming resources before investment gains and transfers</b>		13,177	53,857	-	67,034	57,192
<b>Acquired operations</b>		11,423	71,853	-	83,276	51,415
<b>Continuing operations</b>		1,199	(17,996)	-	(16,797)	5,777
<b>Discontinued operations</b>		555	-	-	555	-
<b>Net gains on investments</b>		36	34	-	70	452
<b>Net income before other recognised gains and losses</b>		13,213	53,891	-	67,104	57,644
Transfers between funds		(3,293)	3,293	-	-	-
Actuarial (losses)/gains on defined benefit pension schemes	29	(947)	(35,367)	-	(36,314)	21,820
<b>Net movement in funds for the year</b>		8,973	21,817	-	30,790	79,464
<b>Acquired operations</b>		11,423	73,502	-	84,925	53,064
<b>Continuing operations</b>		(3,005)	(51,685)	-	(54,690)	26,400
<b>Discontinued operations</b>		555	-	-	555	-
Funds brought forward at 1 September 2018		116,728	495,111	277	612,116	532,652
<b>Funds carried forward at 31 August 2019</b>		125,701	516,928	277	642,906	612,116

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**

---

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 AUGUST 2019**

---

In 2018, of net incoming resources before investment gains and transfers from acquired operations, £1,249k was to unrestricted funds and £50,166k was to restricted funds.

In 2018, of the net movement in funds from acquired operations, a surplus of £1,249k was to unrestricted funds and a surplus of £51,815k was to restricted funds.

The notes on pages 38 - 80 form part of these financial statements.

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**

**CONSOLIDATED BALANCE SHEET AS AT 31 AUGUST 2019**

	Note	£'000	2019 £'000	£'000	2018 £'000
<b>Fixed assets</b>					
Intangible assets	13		1,919		1,280
Tangible assets	14		773,702		686,427
Investments	12		9,711		9,404
			<u>785,332</u>		<u>697,111</u>
<b>Current assets</b>					
Stocks	15	227		210	
Debtors	16	52,851		59,040	
Cash at bank and in hand	26	35,882		27,688	
		<u>88,960</u>		<u>86,938</u>	
<b>Creditors: amounts falling due within one year</b>	17	<u>(116,971)</u>		<u>(113,959)</u>	
<b>Net current liabilities</b>			<u>(28,011)</u>		<u>(27,021)</u>
<b>Total assets less current liabilities</b>			<b>757,321</b>		<b>670,090</b>
<b>Creditors: amounts falling due after more than one year</b>	18		<b>(9,348)</b>		<b>(13,945)</b>
Deferred taxation	11		-		-
<b>Net assets excluding pension liability</b>			<b>747,973</b>		<b>656,145</b>
<b>Defined benefit pension scheme liabilities</b>	29		<u>(105,002)</u>		<u>(43,964)</u>
<b>Net assets including pension liability</b>			<u><b>642,971</b></u>		<u><b>612,181</b></u>
<b>Capital</b>					
Called up share capital	20		<b>65</b>		<b>65</b>
<b>Capital funds</b>					
Endowment fund	21		<b>277</b>		<b>277</b>
<b>Income funds</b>					
<b>Restricted funds</b>					
Restricted funds	23	618,690		536,784	
Other restricted funds	23	889		889	
		<u>619,579</u>		<u>537,673</u>	
Pension reserve	23	<u>(102,651)</u>	<b>516,928</b>	<u>(42,562)</u>	<b>495,111</b>
<b>Unrestricted funds</b>					
Pension reserve	22	127,846		117,924	
	22	(2,351)		(1,402)	
Designated funds	22	206	<b>125,701</b>	206	<b>116,728</b>
			<u><b>642,971</b></u>		<u><b>612,181</b></u>

---

UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

---

CONSOLIDATED BALANCE SHEET AS AT 31 AUGUST 2019

---

The financial statements were approved by the Board and authorised for issue on 6 February 2020 and signed on its behalf by:



Mr N Davidson, Trustee

The notes on pages 38 - 80 form part of these financial statements.

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**

---

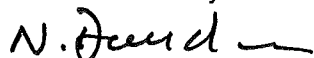
**CHARITABLE COMPANY BALANCE SHEET AS AT 31 AUGUST 2019**

---

	Note	£'000	2019 £'000	£'000	2018 £'000
<b>Fixed assets</b>					
Tangible assets	14		178,955		176,003
Investments	12		607		572
			179,562		176,575
<b>Current assets</b>					
Debtors	16	408		401	
Cash at bank and in hand		3		6	
		411		407	
<b>Creditors: amounts falling due within one year</b>	17	(51,397)		(52,240)	
<b>Net current liabilities</b>			(50,986)		(51,833)
<b>Total assets less current liabilities</b>			128,576		124,742
<b>Creditors: amounts falling due after more than one year</b>	18		(9,029)		(13,757)
<b>Net assets</b>			119,547		110,985
<b>Capital</b>					
Called up share capital	20		65		65
<b>Capital funds</b>					
Endowment fund	21		277		277
<b>Income funds</b>					
Restricted funds	23		678		644
Unrestricted funds	22		118,506		109,978
Designated funds	22		21		21
			119,547		110,985

The Charitable Company generated a surplus for the year of £8.562m (2018: £8.603m).

The financial statements were approved by the Board and authorised for issue on 6 February 2020 and signed on its behalf by:



Mr N Davidson, Trustee

The notes on pages 38 - 80 form part of these financial statements.

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**

---

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2019**

---

	Note	2019 £'000	2018 £'000
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	25	8,373	7,507
<b>Taxation</b>		-	-
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(22,303)	(20,401)
Purchase of intangible fixed assets		(764)	(810)
Proceeds from the sale of tangible fixed assets		13,231	17,883
Purchase of investments		(2,555)	(1,886)
Proceeds from the sale of investments		2,318	1,354
Dividends and interest received from fixed asset investments		374	291
ESFA capital grants received		15,029	12,811
Net cash acquired in business combinations		<u>622</u>	<u>383</u>
<b>Net cash from investing activities</b>		5,952	9,625
<b>Cash flows from financing activities</b>			
Repayment of borrowings		(4,743)	(22,549)
Repayment of finance leases		(19)	(18)
Cash inflows from finance leases		<u>65</u>	<u>101</u>
<b>Net cash used in financing activities</b>		<u>(4,697)</u>	<u>(22,466)</u>
<b>Change in cash and cash equivalents in the year</b>		9,628	(5,334)
Cash and cash equivalents brought forward		<u>10,830</u>	<u>16,164</u>
<b>Cash and cash equivalents carried forward</b>	26	<u><u>20,458</u></u>	<u><u>10,830</u></u>

The notes on pages 38 - 80 form part of these financial statements.

---

## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

---

#### 1 Accounting Policies

##### 1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with 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) (effective 1 January 2016) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

United Church Schools Foundation Ltd meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

##### 1.2 Consolidation

The Charitable Group financial statements consolidate those of the Charitable Company and of its subsidiary undertakings as disclosed in note 12. Acquisitions are accounted for under the acquisition method. The results of the Charitable Company's subsidiaries have been incorporated on a line by line basis. Surpluses or deficits on intra group transactions are eliminated in full. On acquisition of a subsidiary, all of the subsidiary's assets and liabilities which exist at the date of acquisition are recorded at their fair values reflecting their condition at that date.

In the year following acquisition fair values are reassessed and adjusted for such matters as increased liabilities and provisions that may emerge during that period.

United Learning Trust has been consolidated as a 100% subsidiary undertaking on the basis that it operates as a wholly owned subsidiary and the control of all day to day activities is held by United Church Schools Foundation Ltd via United Church Schools Trust.

The Charitable Company has taken advantage of the disclosure exemption permitted by Section 1.11 of FRS 102 from the requirement to prepare a company Cash Flow Statement, by virtue of the fact that consolidated financial statements are prepared.

##### 1.3 Income

All income is recognised once the Charitable Group has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. 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 or there is not unconditional entitlement to the income, its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met.

School fees receivable are accounted for in the period during which the service is provided, and are stated after the deduction of bursaries, remissions and other allowances granted by the Charitable Group.

Donated services or facilities are recognised at fair value when the Charitable Group has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the Charitable Group of the item is probable and that economic benefit can be measured reliably.



---

## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

---

#### **Accounting Policies (continued)**

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

#### **1.4 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Charitable activities are costs incurred in the Charitable Group's educational operations. Governance costs are those incurred in connection with administration of the Charitable Group and compliance with constitutional and statutory requirements.

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

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

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

Exceptional items are material items of income and expenditure which by virtue of their size and nature are separately disclosed to assist in the better understanding of the Charitable Group's performance. This includes non-recurring costs arising from the closure of a school.

All resources expended are inclusive of irrecoverable VAT.

#### **1.5 Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charitable Group and which have not been designated for other purposes.

---

## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

---

#### **Accounting Policies (continued)**

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charitable Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds are funds which are held as capital. They represent the cost value of tangible fixed assets.

#### **1.6 Company status**

The Charitable Company is a company limited by share capital, incorporated in England and Wales (No. 00018582) and regulated by its Memorandum and Articles of Association.

#### **1.7 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 Charitable Company and Group to continue as a going concern. This is done in a number of ways on an ongoing basis during the year. All schools and academies go through the process of preparing annual budgets and in addition they produce a 4 year future forecast which is assessed by both the Executive teams and the Boards to ensure the sustainability of the school/departments going forward. These budgets and forecasts are re-evaluated on a termly basis so that all current circumstances are taken into consideration and action is taken should it be felt necessary to ensure the ongoing viability of the school.

Monthly management accounts are prepared and reviewed by the Executive teams and the Board. These are compared to the budgets and significant variances are explained. Where there is a substantial change from forecast an action plan is devised and implemented to ensure that the financial stability of all the schools is maintained.

Banking covenants are also regularly reviewed to ensure that they have not been or are likely to be breached thus ensuring the ongoing funding of the Charitable Group.

The Trustees make this assessment in respect of a period of at least one year from the date of approval of the financial statements. The Trustees confirm that based on their assessment the Charitable Company and Group have adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties in relation to the ability to continue as a going concern. Accordingly, the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **1.8 Intangible fixed assets and amortisation**

Intangible assets are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation begins when the intangible asset is available for use, and is charged straight line over the useful economic life of 8 – 10 years.

---

## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

---

#### Accounting Policies (continued)

##### 1.9 Tangible assets and depreciation

Tangible assets are carried at cost or valuation, net of depreciation and any provision for impairment. Valuation relates to tangible fixed assets donated to the Charitable Group which are capitalised based upon either an independent valuation or a members' valuation following consultation with a professional valuation firm which then represents the deemed historic cost of the asset.

Long term leaseholds on academy conversion are included in the Balance Sheet at cost on signature of the lease assignment, representing the point at which the Charitable Group takes over the risks and rewards associated with ownership. Cost is determined with reference to available third party valuations conducted by the Education and Skills Funding Agency. Where these are not made available, other suitably reliable measurement methods including deemed replacement cost and market appraisals conducted by appropriately qualified experts are utilised.

Where tangible 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 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 fund in the Statement of Financial Activities.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicated that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

Depreciation is provided at rates calculated to write off the cost of fixed assets excluding freehold land and investment properties, less their estimated residual value, over their expected useful lives on the following bases:

Freehold buildings	- 50 years
Long term and short term leasehold improvements	- Term of the lease
Motor vehicles	- 4 years
Fixtures and fittings	- 10 years
Computer equipment	- 3 years

Freehold land is not depreciated.

##### 1.10 Investments

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

Investments in subsidiaries are measured at cost less accumulated impairment.

---

## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

---

#### **Accounting Policies (continued)**

##### **1.11 Goodwill**

Goodwill, arising on the acquisition of a subsidiary (whether positive or negative), represents the excess of the fair values of the consideration given over the fair values of the identifiable net assets acquired and is capitalised and then amortised on a straight line basis over its useful economic life. It is tested for impairment and written off when it is impaired.

##### **1.12 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

##### **1.13 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charitable Group; this is normally upon notification of the interest paid or payable by the Bank.

##### **1.14 Operating leases: the Charitable Group as lessee**

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

The Group has three academies with buildings under Private Finance Initiative (PFI) contracts.

The Transfer Agreement does not transfer the ownership of the new school built by the Contractor until the end of the Project Agreement. Whilst the PFI agreement remains between the Local Authority and the Contractor, the Charitable Company makes an Academy Contribution to the unitary charge via the Schools Agreement to cover the service element of the charge.

The Trustees have considered the risks and rewards associated with the agreement and consider that these represent operating lease agreements, as risks and rewards associated with the PFI buildings are not transferred to the Trust until the end of the contract. Accordingly, the Academy Contributions are recognised as operating charges in the Statement of Financial Activities on a straight line basis over the life of the contract.

At the end of the PFI contract, the risks and rewards will transfer to the Charitable Company at which point the buildings will be capitalised.

##### **1.15 Finance leases: the Charitable Group as lessee**

Assets obtained under finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Charitable Group. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance cost element of the rental payment is charged to the Statement of Financial Activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

---

## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

---

#### **Accounting Policies (continued)**

##### **1.16 Taxation**

The Charitable Company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charitable Company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

##### **1.17 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.

##### **1.18 Cash at Bank and in hand**

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

##### **1.19 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Charitable Group 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.

##### **1.20 Financial instruments**

The Charitable Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Financial Activities.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Charitable Group would receive for the asset if it were to be sold at the balance sheet date.

---

## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

---

#### **Accounting Policies (continued)**

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **1.21 Pensions**

The Charitable Group makes contributions to a number of defined contribution pension plans for non-teaching staff and the pension charge represents the amounts payable by the Charitable Group to the fund in respect of the year.

Retirement benefits to teaching staff are provided by the Teachers' Pension Scheme ("TPS") and to certain non-teaching staff by 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 Charitable Group 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. As stated in note 29, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore 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 scheme and assets are held separately from those of the Charitable Group 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 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.

#### **1.22 Conversion to academy trust and transfer in of existing academies and schools**

The conversion from a state maintained school to an academy or the transfer into the Group of an existing academy or school involve the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion or transfer from each school to the Group have been valued at their fair value and recognised on the Balance Sheet at the point when the risks and rewards of ownership pass to the Group. Their fair value is determined in accordance with the accounting policies set out for the Charitable Group. The amounts have been recognised under the appropriate Balance Sheet categories, with a corresponding amount recognised in voluntary income

---

## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

---

#### **Accounting Policies (continued)**

as net income in the Statement of Financial Activities and analysed under unrestricted funds and restricted funds. Further details of the relevant transactions are set out in note 7.

#### **1.23 Judgements in applying accounting policies and key sources of estimation uncertainty**

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

The Charitable Group 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 and liabilities within the next financial year are discussed below.

#### *Actuarial valuations for Local Government Pension Schemes*

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost/(income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 29, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

#### *Unfunded pension obligations*

The Charitable Group has also made provision for unfunded pension obligations. The key assumptions made in computing this provision comprise mortality assumptions and discount rates, with the total obligation arising as a result having been disclosed in note 29. Any changes in these assumptions would impact the carrying amount of the liability.

#### *Conversion of academies joining the group and transfer in of donated assets*

When new schools convert to academy status and join the Charitable Group, existing academies or schools join the Charitable Group or assets are donated to the Charitable Group, estimates are made in respect of the fair value of assets and liabilities transferred, using available information as well as in-house expertise.

#### *Buildings occupied under PFI Agreements*

At three of its academies, the Charitable Group occupies buildings under PFI agreements with the local authority and has applied judgement in determining that these buildings should not be capitalised on the balance sheet.

#### *Depreciation of tangible fixed assets*

Depreciation is computed based on the best estimate of the useful economic lives of the relevant assets and their ultimate residual value.

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

---

**2 Fees and surplus on ordinary activities**

The fees and surplus on ordinary activities are attributable to the operation of schools under the Charitable Group's individual Charitable Company objects.

	<b>2019</b>	2018
	<b>£'000</b>	£'000
Gross fee income receivable	<b>104,489</b>	102,477
Scholarships, bursaries and reduced fees	<b>(10,166)</b>	(9,675)
	<b>94,323</b>	92,802
Catering income	<b>2,024</b>	1,954
Net fee income receivable	<b>96,347</b>	94,756

In 2018 of the total income, £94,756k was income from unrestricted funds, and £nil was income from restricted funds.

**3 Other educational related income**

	<b>2019</b>	2018
	<b>£'000</b>	£'000
Accounting services to other schools	<b>719</b>	421
Pupil registration fees	<b>276</b>	288
Charges for additional classes	<b>1,039</b>	1,043
Trip income	<b>3,009</b>	1,587
Other miscellaneous school income	<b>9,874</b>	7,013
	<b>14,917</b>	10,352

In 2018 of the total income, £10,352k was income from unrestricted funds, and £nil was income from restricted funds.

Other miscellaneous school income comprises revenue generated from activities ancillary to the provision of education at each individual school or academy in the Charitable Group.



---

UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019

---

**4 Grants from DfE**

	2019 £'000	2018 £'000
<b>Grants from Department for Education:</b>		
Capital grants for new buildings	7,592	16,617
Revenue grants for operating costs of existing academies	<u>245,938</u>	<u>210,410</u>
	<u>253,530</u>	<u>227,027</u>

In 2018 of the total income, £nil was income from unrestricted funds, and £227,027k was income from restricted funds.

**5 Voluntary income**

	2019 £'000	2018 £'000
Other sponsorship and donations received	<u>4,156</u>	<u>3,291</u>
	<u>4,156</u>	<u>3,291</u>

In 2018 of the total income, £3,291k was income from unrestricted funds, and £nil was income from restricted funds.

**6 Investment income**

Investment income comprises income from:

	2019 £'000	2018 £'000
Listed investments	285	264
Bank deposits	<u>89</u>	<u>27</u>
	<u>374</u>	<u>291</u>

In 2018 of the total income, £291k was income from unrestricted funds, and £nil was income from restricted funds.

---

UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019

---

**7 Net assets transferred from other charities and on conversion**

**Existing academies acquired in the year:**

On the dates shown below, the academies within Blackbird Academy Trust, Salford Academy Trust, The Silver Birch Academy and Avonbourne International Business and Enterprise Academy Trust, existing multi-academy trusts, joined the Charitable Group. The following tables set out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities.

	ULT £'000	Total £'000
<b>Blackbird Academy Trust academies (1 September 2018)</b>		
Long term leasehold property	11,286	11,286
Other fixed assets	128	128
Current assets	748	748
Creditors due in less than one year	(465)	(465)
Defined benefit pension scheme liabilities	(2,892)	(2,892)
Net assets	<u>8,805</u>	<u>8,805</u>
<b>Salford Academy Trust academies (1 February 2019)</b>		
Long term leasehold property	15,722	15,722
Other fixed assets	530	530
Current assets	990	990
Creditors due in less than one year	(1,516)	(1,516)
Defined benefit pension scheme liabilities	(2,691)	(2,691)
Net assets	<u>13,035</u>	<u>13,035</u>

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

---

**7 Net assets transferred from other charities on conversion (continued)**

	ULT £'000	Total £'000
<b>The Silver Birch Academy Trust academies (1 April 2019)</b>		
Long term leasehold property	24,543	24,543
Other fixed assets	124	124
Current assets	817	817
Creditors due in less than one year	(778)	(778)
Creditors due in more than one year	(14)	(14)
Defined benefit pension scheme liabilities	(2,533)	(2,533)
	<u>22,159</u>	<u>22,159</u>
Net assets		
<b>Avonbourne International Business and Enterprise Academy Trust academies (1 August 2019)</b>		
Freehold buildings	33,032	33,032
Other fixed assets	469	469
Current assets	1,318	1,318
Creditors due in less than one year	(1,226)	(1,226)
Creditors due in more than one year	(92)	(92)
Defined benefit pension scheme liabilities	(6,103)	(6,103)
	<u>27,398</u>	<u>27,398</u>
Net assets		

There was no consideration paid, and the net assets acquired totalling £71,397k have therefore been recorded within voluntary income as net assets transferred from other charities.

**Business combinations in the year:**

On 1 November 2018, the Charitable Group acquired the trade and certain assets and liabilities of the former Princess Helena College for £nil consideration. Additionally, on 1 November 2018, The Charitable Group acquired the trade and certain assets and liabilities of the former Coworth Flexlands Prep School for £nil consideration.

	UCSF £'000	UCST £'000	Total £'000
<b>Total net assets from above transfers</b>			
Freehold land and buildings	13,530	-	13,530
Other fixed assets	-	420	420
Stocks	-	5	5
Debtors	-	313	313
Cash at bank	-	622	622
Creditors due within one year	-	(1,434)	(1,434)
Creditors due in more than one year	-	(592)	(592)
	<u>13,530</u>	<u>(666)</u>	<u>12,864</u>

There was no consideration paid, and the net assets acquired totalling £12,864k have therefore been recorded within voluntary income as net assets transferred from other charities.

UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019

**8 Analysis of total resources expended**

	Staff costs £'000	Other costs £'000	Depreciation and amortisation £'000	Total 2019 £'000	Total 2018 £'000
<b>Expenditure on raising funds</b>					
Trading expenditure	1,359	1,195	35	2,589	2,382
<b>Total expenditure on raising funds</b>	<b>1,359</b>	<b>1,195</b>	<b>35</b>	<b>2,589</b>	<b>2,382</b>
<b>Charitable activities</b>					
Schools operating costs					
Education costs	220,383	22,206	-	242,589	213,743
Catering	766	11,290	-	12,056	10,790
Premises and services	9,043	28,587	-	37,630	34,648
Technology	7,719	4,831	-	12,550	11,432
Marketing	801	1,571	-	2,372	2,307
Administration and other costs	36,900	23,129	-	60,029	50,124
Exceptional cost:					
School closure costs	-	793	-	793	643
Bank interest payable and charges	-	848	-	848	865
Depreciation and amortisation	-	-	20,917	20,917	20,911
Losses on disposals of tangible fixed assets	-	-	-	-	12
Corporation tax	-	(7)	-	(7)	90
Governance costs:					
Group secretarial costs	226	57	-	283	215
Audit and accountancy fees – Auditor's remuneration	-	279	-	279	259
Audit and accountancy fees – Sub-auditors	-	42	-	42	-
Other governance costs	-	177	-	177	69
Members' meetings and travel expenses	-	4	-	4	4
<b>Total expenditure on charitable activities</b>	<b>275,838</b>	<b>93,807</b>	<b>20,917</b>	<b>390,562</b>	<b>346,112</b>
<b>Total resources expended</b>	<b>277,197</b>	<b>95,002</b>	<b>20,952</b>	<b>393,151</b>	<b>348,494</b>

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

---

**8 Analysis of total resources expended (continued)**

On 1 November 2018, the Charitable Group welcomed PHC Hitchin and Coworth Flexland School. Exceptional costs incurred in school mergers, acquisitions and disposals during the year ended 31 August 2019 amounted to £793,133 (2018: £642,621).

On 1 December 2018, Bournemouth Collegiate School left the Group to become the flagship UK school for the International Schools Group, Bright Scholar. This involved the disposal of the school land and buildings owned by the Charitable Company, and the trade and operations of the school owned by United Church Schools Trust. The activities of this school during the current and previous financial years are therefore presented separately as a discontinued operation on the face of the Statement of Financial Activities.

Total resources expended include:

	2019 £'000	2018 £'000
Auditor's remuneration – audit of the Charitable Company	16	16
Auditor's remuneration – audit of the accounts of subsidiary undertakings	191	182
Auditor's remuneration – tax compliance fees	-	3
Auditor's remuneration – other assurance fees	37	29
Auditor's remuneration – all non audit services not covered above	35	29
Subsidiary auditor's remuneration	42	-
Depreciation:		
Tangible fixed assets, owned	20,799	20,821
Tangible fixed assets, financed	28	26
Profit on sale of fixed assets	(320)	(11,222)
Amortisation	125	96
Operating lease rentals	<u>2,156</u>	<u>1,889</u>

**Surplus for the financial year**

The Charitable Company has taken advantage of section 408 of the Companies Act 2006 and has not included its own Statement of Financial Activities in these financial statements. The Group surplus for the year includes a surplus of £8.562m (2018: £8.603m) relating to United Church Schools Foundation Ltd which is dealt with in the financial statements of the Charitable Group.

**9 Net interest**

	2019 £'000	2018 £'000
On bank loans and overdrafts	593	686
Interest on Local Government Pension Schemes	<u>1,400</u>	<u>1,446</u>
	<u>1,993</u>	<u>2,132</u>

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

---

**10 Members and employees**

Staff costs during the year were as follows:

	<b>2019</b>	2018
	<b>£'000</b>	£'000
Wages and salaries	<b>212,271</b>	190,069
Social security costs	<b>18,706</b>	16,670
Other pension costs	<b>39,192</b>	33,263
	<hr/>	<hr/>
Supply teacher costs	<b>270,169</b>	240,002
Staff restructuring costs	<b>5,526</b>	4,021
	<b>1,502</b>	1,020
	<hr/>	<hr/>
	<b>277,197</b>	<b>245,043</b>
	<hr/>	<hr/>

The average number of employees during the year was 8,357 (2018: 7,704).

The emoluments of the higher-paid employees fell within the following ranges:

	<b>2019</b>	2018
	<b>Number</b>	Number
£60,001 to £70,000	<b>122</b>	106
£70,001 to £80,000	<b>46</b>	44
£80,001 to £90,000	<b>37</b>	21
£90,001 to £100,000	<b>18</b>	18
£100,001 to £110,000	<b>8</b>	11
£110,001 to £120,000	<b>10</b>	3
£120,001 to £130,000	<b>5</b>	4
£130,001 to £140,000	<b>6</b>	5
£140,001 to £150,000	<b>3</b>	6
£150,001 to £160,000	<b>2</b>	2
£160,001 to £170,000	<b>1</b>	1
£170,001 to £180,000	<b>2</b>	-
£220,001 to £230,000	<b>1</b>	1
£230,001 to £240,000	<b>-</b>	1
£240,000 to £250,000	<b>1</b>	-

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

---

**10 Members and employees (continued)**

During the year, the following amounts were paid to higher paid employees as shown above:

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Pension contributions to defined contribution, teachers' pension scheme and local government pension scheme	<u><b>3,114</b></u>	<u><b>2,540</b></u>

During the year, 31 higher paid employees (2018: 24) participated in defined contribution schemes, 218 (2018: 192) participated in the Teachers' Pension Scheme (operated by the Teachers' Pension Agency) and 13 (2018: 7) participated in Local Government Pension Schemes.

None of the Trustees received any remuneration in the year (2018: none).

Expense reimbursements paid to 6 Trustees of Group entities were £3,259 (2018: £5,358) and all related to travel and subsistence costs.

The remuneration for Key Management Personnel; as defined in the Reference and Administration details, totalled £1,430,128 (2018: £1,365,491). This remuneration was recorded as an expense in UCST.

During the year, there were redundancy or termination payments made which amounted to £1,502k (2018: £1,020k).

**11 Deferred taxation**

The Charitable Group recognised deferred tax amounting to £nil at the end of the previous financial year relating to temporary differences arising from the difference between the carrying values of assets held within the Bradtime Limited trading subsidiary, the movement and provision details are as follows:

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Provision brought forward	-	17
SOFA movement arising during the year	<u>-</u>	<u>(17)</u>
Provision carried forward	<u><u>-</u></u>	<u><u>-</u></u>

---

UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019

---

**12 Fixed asset investments**

	<b>Listed investments and investment funds £'000</b>
<b>The Charitable Group</b>	
Valuation	
At 1 September 2018	9,404
Additions	2,555
Disposals	(2,413)
Surplus on revaluation	<u>165</u>
<b>At 31 August 2019</b>	<b><u><u>9,711</u></u></b>

Listed investments are stated at their bid price as at the Balance Sheet date.

The Charitable Group did not hold any investments in individual securities that represent more than 5% of the fund value.

	<b>Investment funds £'000</b>
<b>The Charitable Company</b>	
Valuation	
At 1 September 2018	572
Surplus on revaluation	<u>35</u>
<b>At 31 August 2019</b>	<b><u><u>607</u></u></b>

The Charitable Company did not hold any investments in individual securities that represent more than 5% of the fund value.



---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

---

**12 Fixed asset investments (continued)**

At 31 August 2019, the Charitable Company held more than 20% of the following:

	Company number	Class of share capital held	Cost of Investment		Proportion held	Nature of business
			£	Directly Indirectly		
United Church Schools Trust (Limited by Guarantee)	02780748	-	-	100%	-	Education
The Church Schools Trading Company Limited	02724038	Ordinary £1	2	100%	-	School lettings, uniform shops
United Learning Trust (Limited by Guarantee)	04439859	-	-	-	100%	Education
ULT Projects Limited	04717890	Ordinary £1	100	-	100%	Dormant
ULT Trading Company Limited	06791313	Ordinary £1	100	-	100%	School lettings
Bradtime Limited	02709055	Ordinary £1	2	-	100%	Dormant
St. Ives (Haslemere) Limited (Limited by Guarantee)	00724728	-	-	-	100%	Dormant
Regis Community Arena Limited (Limited by Guarantee)	07879081	-	-	-	100%	Provision of sports facilities nursery care
Priory School (Banstead) Trust Limited	00346881	-	-	-	100%	Dormant
Bacon's College Community Services Limited	05321174	-	-	-	100%	School lettings
Bacon's College Educational & Community Services Limited	02813215	Ordinary £1	-	-	100%	Dormant
The Silver Birch Academy (Limited by Guarantee)	08107310	-	-	-	100%	Dormant

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

---

**12 Fixed asset investments (continued)**

The United Learning Trust has been consolidated as a 100% subsidiary undertaking on the basis that it operates as a wholly owned subsidiary. All of the Charitable Company's reserves are shown as restricted in the Charitable Group's financial statements as they can only be applied in operating academies on behalf of the ESFA.

Immediately following the transfer of the operations and net assets to United Learning Trust as described in note 7, The Silver Birch Academy came under the control of the Charitable Group by virtue of the members appointed being members of key management personnel of the Charitable Group.

The summary financial information prior to consolidation adjustments of the charitable subsidiaries of the Charitable Company is set out below:

	<b>UCST</b>		<b>ULT</b>		<b>Bacon's College Community Services Limited</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Incoming resources	<b>116,371</b>	111,400	<b>336,764</b>	287,551	157	229
Expenditure	<b>(114,107)</b>	(108,046)	<b>(280,667)</b>	(243,432)	(263)	(291)
Gains on investments	-	-	<b>36</b>	411	-	-
Actuarial gains/(losses)	<b>(947)</b>	212	<b>(35,367)</b>	21,608	-	-
Net surplus/(deficit)	<b>1,317</b>	3,566	<b>20,766</b>	66,138	(106)	(62)
Assets	<b>80,729</b>	79,497	<b>636,465</b>	550,628	1,408	1,493
Liabilities	<b>(58,877)</b>	(58,962)	<b>(131,942)</b>	(66,871)	(858)	(837)
Net assets	<b>21,852</b>	20,535	<b>504,523</b>	483,757	550	656

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

---

**12 Fixed asset investments (continued)**

The summary financial information prior to consolidation adjustments of the material trading subsidiaries of the Charitable Company is set out below:

	<b>Regis Community Arena Limited</b>		<b>The Church Schools Trading Company Limited</b>		<b>ULT Trading Company Limited</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Turnover	<b>1,870</b>	1,940	<b>1,414</b>	1,351	<b>2,417</b>	2,383
Cost of sales, administration and other costs	<b>(1,832)</b>	(1,808)	<b>(274)</b>	(302)	<b>(540)</b>	(600)
Retained profit for the year	<b>38</b>	132	<b>1,140</b>	1,049	<b>1,877</b>	1,783
Assets	<b>506</b>	546	<b>418</b>	439	<b>2,643</b>	2,633
Liabilities	<b>(506)</b>	(544)	<b>(418)</b>	(390)	<b>(773)</b>	(895)
Net assets	<b>-</b>	2	<b>-</b>	49	<b>1,870</b>	1,738

---

UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019

---

**13 Intangible fixed assets**

The Charitable Group

	<b>Software development £'000</b>
Cost	
At 1 September 2018	1,376
Additions	764
	<hr/>
<b>At 31 August 2019</b>	<b>2,140</b>
	<hr/>
Amortisation	
At 1 September 2018	96
Charge for the year	125
	<hr/>
<b>At 31 August 2019</b>	<b>221</b>
	<hr/>
<b>Net book amount at 31 August 2019</b>	<b>1,919</b>
	<hr/> <hr/>
Net book amount at 31 August 2018	1,280
	<hr/> <hr/>

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019**

<b>14 Tangible fixed assets</b>								
<b>The Charitable Group</b>	<b>Total £'000</b>	<b>Freehold land and buildings £'000</b>	<b>Long term leasehold property £'000</b>	<b>Short leasehold improvements £'000</b>	<b>Fixtures and fittings £'000</b>	<b>Computer equipment £'000</b>	<b>Motor vehicles £'000</b>	<b>Assets under construction £'000</b>
<b>Cost</b>								
At 1 September 2018	862,902	226,543	542,821	1,760	35,875	41,793	917	13,193
Additions	21,229	337	2,712	52	3,035	1,958	62	13,073
Transfers from other charities	99,784	46,562	51,551	-	1,155	490	26	-
Disposals	(14,353)	(13,286)	-	-	(826)	(234)	(7)	-
Transfers between categories	-	2,489	31	-	-	-	-	(2,520)
<b>At 31 August 2019</b>	<b>969,562</b>	<b>262,645</b>	<b>597,115</b>	<b>1,812</b>	<b>39,239</b>	<b>44,007</b>	<b>998</b>	<b>23,746</b>
<b>Depreciation</b>								
At 1 September 2018	176,475	22,067	89,567	910	23,571	39,609	751	-
Provided in the year	20,827	4,373	11,552	26	2,605	2,166	105	-
Disposals	(1,442)	(901)	-	-	(345)	(189)	(7)	-
<b>At 31 August 2019</b>	<b>195,860</b>	<b>25,539</b>	<b>101,119</b>	<b>936</b>	<b>25,831</b>	<b>41,586</b>	<b>849</b>	<b>-</b>
<b>Net book amount at 31 August 2019</b>	<b>773,702</b>	<b>237,106</b>	<b>495,996</b>	<b>876</b>	<b>13,408</b>	<b>2,421</b>	<b>149</b>	<b>23,746</b>
<b>Net book amount at 31 August 2018</b>	<b>686,427</b>	<b>204,476</b>	<b>453,254</b>	<b>850</b>	<b>12,304</b>	<b>2,184</b>	<b>166</b>	<b>13,193</b>

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019**

**14 Tangible fixed assets (continued)**

All of the tangible fixed assets were used for charitable purposes.

The assets transferred from other charities relate to the business combinations and acquisitions described in note 7.

The net book value of assets held under finance lease, included above within fixtures and fittings is £86k (2018: £114k).

Included in freehold land and buildings is land with a carrying value of £13.938m (2018: £13.025m) on which depreciation has not been provided.

Included within the total carrying value of £765.716m (2018: £686.427m) are the following assets which are restricted fund assets paid for by the Government and held by ULT on its behalf so that ULT can operate its academies within the buildings to which the figures relate. The Charitable Group is unable to secure any borrowings against these assets.

<b>The Charitable Group</b>	<b>Total £'000</b>	<b>Freehold land and buildings £'000</b>	<b>Long term leasehold property £'000</b>	<b>Fixtures and fittings £'000</b>	<b>Computer equipment £'000</b>	<b>Assets under construction £'000</b>
Net book amount at 31 August 2019	<b>593,018</b>	<b>62,619</b>	<b>499,986</b>	<b>-</b>	<b>10,879</b>	<b>19,534</b>

UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

14 Tangible fixed assets (continued)

The Charitable Company	Total £'000	Freehold land and buildings £'000	Short leasehold improvements £'000	Fixtures and fittings £'000	Computer equipment £'000	Assets under construction £'000
Cost						
At 1 September 2018	202,146	199,534	325	869	55	1,363
Additions	5,540	202	-	-	-	5,338
Transfers from other charities	13,530	13,530	-	-	-	-
Transfers between categories	-	2,489	-	-	-	(2,489)
Disposals	(13,286)	(13,286)	-	-	-	-
At 31 August 2019	<b>207,930</b>	<b>202,469</b>	<b>325</b>	<b>869</b>	<b>55</b>	<b>4,212</b>
Depreciation						
At 1 September 2018	26,143	25,312	316	481	34	-
Provided in the year	3,733	3,627	9	77	20	-
Disposals	(901)	(901)	-	-	-	-
At 31 August 2019	<b>28,975</b>	<b>28,038</b>	<b>325</b>	<b>558</b>	<b>54</b>	<b>-</b>
Net book amount at 31 August 2019	<b>178,955</b>	<b>174,431</b>	<b>-</b>	<b>311</b>	<b>1</b>	<b>4,212</b>
Net book amount at 31 August 2018	176,003	174,222	9	388	21	1,363

All tangible fixed assets were used for charitable purposes.

Included in freehold land and buildings is land with a carrying value of £13.938m (2018: £13.025m) on which depreciation has not been provided.

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

---

**15 Stocks**

	<b>The Charitable Group</b>		<b>The Charitable Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Finished goods and goods for resale	<u>227</u>	<u>210</u>	<u>-</u>	<u>-</u>

Stock recognised in total expenditure during the year was £204k (2018: £213k).

**16 Debtors**

	<b>The Charitable Group</b>		<b>The Charitable Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Trade debtors	<b>31,784</b>	32,330	<b>43</b>	62
Amounts owed by group undertakings	-	-	<b>360</b>	337
Other debtors	<b>17,186</b>	23,737	<b>5</b>	2
Prepayments and accrued income	<b>3,881</b>	2,973	-	-
	<u><b>52,851</b></u>	<u>59,040</u>	<u><b>408</b></u>	<u>401</u>

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

	<b>The Charitable Group</b>		<b>The Charitable Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Bank loans	<b>16,433</b>	16,432	<b>16,433</b>	16,432
Bank overdrafts	<b>15,424</b>	16,858	<b>15,424</b>	16,858
Other loans	-	16	-	16
Trade creditors	<b>12,871</b>	11,141	<b>358</b>	200
Amounts owed to group undertakings	-	-	<b>18,176</b>	18,622
Social security and other taxes	<b>5,655</b>	4,777	<b>1</b>	2
Corporation tax	<b>440</b>	463	-	-
Other creditors	<b>19,097</b>	20,076	-	-
Accruals and deferred income	<b>47,031</b>	44,177	<b>1,005</b>	110
Amounts due under finance leases	<b>20</b>	19	-	-
	<u><b>116,971</b></u>	<u>113,959</u>	<u><b>51,397</b></u>	<u>52,240</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.



---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

---

**17 Creditors: amounts falling due within one year (continued)**

The terms and conditions attached to bank and other loans are disclosed in note 19.

	2019 £'000	2018 £'000
<b>Deferred income</b>		
Deferred income at 1 September 2018	34,007	31,742
Resources deferred during the year	35,557	34,007
Amounts released from prior year	<u>(34,007)</u>	<u>(31,742)</u>
<b>Deferred income at 31 August 2019</b>	<u><b>35,557</b></u>	<u><b>34,007</b></u>

Deferred income relates to income received in the year specifically relating to the following financial year including fees billed in advance for Autumn term, Universal Infant Free Schools Meals funding, nursery funding, sports partnership funding and payments in advance for music tuition.

**18 Creditors: amounts falling due after one year**

	The Charitable Group		The Charitable Company	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Bank loans	9,029	13,561	9,029	13,561
Other loans	-	196	-	196
Other creditors	158	-	-	-
Accruals and deferred income	116	122	-	-
Amounts due under finance leases	45	66	-	-
	<u><b>9,348</b></u>	<u>13,945</u>	<u><b>9,029</b></u>	<u>13,757</u>

The terms and conditions attached to bank and other loans are disclosed in note 19.

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

---

**19 Borrowings**

Borrowings are repayable as follows:

	<b>The Charitable Group</b>		<b>The Charitable Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Within one year				
Bank overdrafts, bank loans and other loans	<b>31,857</b>	33,306	<b>31,857</b>	33,306
Amounts due under finance lease	<b>20</b>	19	-	-
After one and within five years				
Bank loans and other loans	<b>9,029</b>	13,194	<b>9,029</b>	13,194
Amounts due under finance lease	<b>45</b>	66	-	-
After five years				
Bank loans and other loans	-	563	-	563
	<b>40,951</b>	<b>47,148</b>	<b>40,886</b>	<b>47,063</b>

The bank loans are secured by fixed and floating charges over all the assets of United Church Schools Foundation Ltd, United Church Schools Trust and The Church Schools Trading Company Limited.

Annual commitments for bank loans repayable by instalments amount to £432k. Interest is charged at fixed rates on top of the Bank of England Base Rate of between 0.80% and 1.48%. Facilities with year end balances of £7.3 million mature in March 2021 and with balances of £16.0 million on 29 October 2019, with all outstanding balances falling due for repayment at maturity.

A new £14.0m facility was re-negotiated subsequent to the year end date for a three year term, replacing the £16.0m loan.

Long term bank loans are repayable by equal instalments over the remaining term to July 2024.

**20 Share capital**

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Authorised ordinary shares of £5 each	<b>100</b>	100
Allotted, called up and fully paid ordinary shares of £5 each	<b>65</b>	65

---

UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019

---

**21 Endowment fund**

The Milton Mount Foundation endowed Wentworth Milton Mount Limited (which became part of Bournemouth Collegiate School) with £277,000 as part of the arrangement by which Wentworth College took over the education of Milton Mount School pupils. The amount was returnable should the Charitable Group be wound up.

When Wentworth College became a part of the United Church Schools Foundation Ltd Group, this arrangement was modified so that the endowment would only become repayable if the school should cease to function on the current site.

UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

22 Unrestricted funds

Current year	At 1 September 2018 £'000	Incoming resources £'000	Expenditure £'000	Transfers £'000	Gains and losses £'000	At 31 August 2019 £'000
<b>The Charitable Group</b>						
Unrestricted funds	117,924	134,623	(121,444)	(3,293)	36	127,846
Pension reserve	(1,402)	-	(2)	-	(947)	(2,351)
Designated funds						
Embley	21	-	-	-	-	21
Other school funds	185	-	-	-	-	185
Total designated funds	206	-	-	-	-	206
<b>Total unrestricted funds</b>	<b>116,728</b>	<b>134,623</b>	<b>(121,446)</b>	<b>(3,293)</b>	<b>(911)</b>	<b>125,701</b>
<b>The Charitable Company</b>						
Unrestricted funds	109,978	17,625	(9,097)	-	-	118,506
Designated funds						
Embley	21	-	-	-	-	21
<b>Total unrestricted funds</b>	<b>109,999</b>	<b>17,625</b>	<b>(9,097)</b>	<b>-</b>	<b>-</b>	<b>118,527</b>

The Embley designated fund is an amount set aside for the specific future major building maintenance work at Embley.

Other school funds are accumulated surpluses from prior years designated for use by the school that generated the funds.

UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

**22 Unrestricted funds (continued)**

Previous year	At 1 September 2017 £'000	Incoming resources £'000	Expenditure £'000	Transfers £'000	Gains and losses £'000	At 31 August 2018 £'000
<b>The Charitable Group</b>						
Unrestricted funds	105,039	127,280	(114,293)	(513)	411	117,924
Pension reserve	(1,702)	-	88	-	212	(1,402)
Designated funds						
Embley	21	-	-	-	-	21
Other school funds	185	-	-	-	-	185
Total designated funds	206	-	-	-	-	206
<b>Total unrestricted funds</b>	<b>103,543</b>	<b>127,280</b>	<b>(114,205)</b>	<b>(513)</b>	<b>623</b>	<b>116,728</b>
<b>The Charitable Company</b>						
Unrestricted funds	101,416	14,690	(6,128)	-	-	109,978
Designated funds						
Embley	21	-	-	-	-	21
<b>Total unrestricted funds</b>	<b>101,437</b>	<b>14,690</b>	<b>(6,128)</b>	<b>-</b>	<b>-</b>	<b>109,999</b>

The Embley designated fund is an amount set aside for the specific future major building maintenance work at Embley.

Other school funds are accumulated surpluses from prior years designated for use by the school that generated the funds.

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019**

**23 Restricted funds**

Current year	At 1 September 2018 £'000	Incoming resources £'000	Expenditure £'000	Transfers £'000	Gains and losses £'000	At 31 August 2019 £'000
<b>The Charitable Group</b>						
Sponsorship fund	11,515	-	-	-	-	11,515
DfE funds – revenue	5,256	246,337	(245,968)	(42)	34	5,617
DfE funds - fixed assets	520,013	93,444	(15,234)	3,335	-	601,558
Pension reserve	(42,562)	(14,219)	(10,503)	-	(35,367)	(102,651)
	<u>494,222</u>	<u>325,562</u>	<u>(271,705)</u>	<u>3,293</u>	<u>(35,333)</u>	<u>516,039</u>
<b>Other restricted funds</b>						
Scholarship and prize funds	363	-	-	-	-	363
Appeal funds	53	-	-	-	-	53
Other donated funds	444	-	-	-	-	444
Other sponsorship funds	29	-	-	-	-	29
	<u>889</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>889</u>
<b>Total restricted funds</b>	<u>495,111</u>	<u>325,562</u>	<u>(271,705)</u>	<u>3,293</u>	<u>(35,333)</u>	<u>516,928</u>

The scholarship and prize funds comprise the Centenary Fund and other prize funds which were donated to give scholarships to pupils who attend the schools operated by UCST.

The sponsorship fund has been formed to gather together the external donations received towards the Charitable Group's charitable support for the academies of ULT. The government capital grants are made under the funding agreements between the Secretary of State and ULT for the construction of buildings for the academies together with equipment within them.

The other DfE grants are receivable either directly from the DfE or through the Local Education Authority to cover the operating expenses of the academies administered by the Charitable Group. These General Annual Grants are agreed prior to each academic year with the Department for Education.

UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

**23 Restricted funds (continued)**

	At 1 September 2017 £'000	Incoming resources £'000	Expenditure £'000	Transfers £'000	Gains and losses £'000	At 31 August 2018 £'000
<b>Previous year</b>						
<b>The Charitable Group</b>						
Sponsorship fund	11,515	-	-	-	-	11,515
DfE funds – revenue	5,215	206,379	(206,369)	(10)	41	5,256
DfE funds - fixed assets	462,818	72,027	(15,355)	523	-	520,013
Pension reserve	(51,605)	-	(12,565)	-	21,608	(42,562)
	427,943	278,406	(234,289)	513	21,649	494,222
<b>Other restricted funds</b>						
Scholarship and prize funds	363	-	-	-	-	363
Appeal funds	53	-	-	-	-	53
Other donated funds	444	-	-	-	-	444
Other sponsorship funds	29	-	-	-	-	29
	889	-	-	-	-	889
<b>Total restricted funds</b>	428,832	278,406	(234,289)	513	21,649	495,111

The scholarship and prize funds comprise the Centenary Fund and other prize funds which were donated to give scholarships to pupils who attend the schools operated by UCST.

The sponsorship fund has been formed to gather together the external donations received towards the Charitable Group's charitable support for the academies of ULT. The government capital grants are made under the funding agreements between the Secretary of State and ULT for the construction of buildings for the academies together with equipment within them.

The other DfE grants are receivable either directly from the DfE or through the Local Education Authority to cover the operating expenses of the academies administered by the Charitable Group. These General Annual Grants are agreed prior to each academic year with the Department for Education.

UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

**23 Restricted funds (continued)**

Current year	At 31 August 2018 £'000	Incoming resources £'000	Expenditure £'000	Transfer to other charity £'000	Gains £'000	At 31 August 2019 £'000
<b>The Charitable Company</b>						
Scholarship and prize funds	628	-	-	-	34	662
Sponsorship fund	6	-	-	-	-	6
Appeal funds	6	-	-	-	-	6
Other donations	4	-	-	-	-	4
	<u>644</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34</u>	<u>678</u>

**Previous year**

The Charitable Company	At 31 August 2017 £'000	Incoming resources £'000	Expenditure £'000	Transfer to other charity £'000	Gains £'000	At 31 August 2018 £'000
Scholarship and prize funds	587	-	-	-	41	628
Sponsorship fund	6	-	-	-	-	6
Appeal funds	6	-	-	-	-	6
Other donations	4	-	-	-	-	4
	<u>603</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>41</u>	<u>644</u>

Under a scheme agreed with the Charity Commissioners, the above scholarship and prize funds for the Charitable Company were transferred from UCST on 1 September 1998. These funds have been donated over a number of years. They are utilised to give scholarships to pupils who attend the schools operated by the Charitable Company's subsidiary.

The sponsorship fund has been formed to gather together the external donations received towards the Charitable Group's support for the academies of ULT.



**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**24 Analysis of net assets between funds**

**The Charitable Group - current year**

	Unrestricted funds £'000	Restricted funds £'000	Endowment fund £'000	Total £'000
Investments	9,104	607	-	9,711
Intangible assets	1,919	-	-	1,919
Tangible assets	180,407	593,018	277	773,702
Current assets	38,380	50,580		88,960
Creditors: amounts falling due within one year	(92,345)	(24,626)	-	(116,971)
Creditors: amounts falling due after more than one year	(9,348)	-	-	(9,348)
Defined benefit pension liability	(2,351)	(102,651)	-	(105,002)
	<u>125,766</u>	<u>516,928</u>	<u>277</u>	<u>642,971</u>
Unrealised investment gains included above	<u>2,563</u>	<u>354</u>	<u>-</u>	<u>2,917</u>

**The Charitable Company – current year**

	Unrestricted funds £'000	Restricted funds £'000	Endowment fund £'000	Total £'000
Tangible fixed assets	178,678	-	277	178,955
Investments	-	607	-	607
Current assets	340	71	-	411
Creditors: amounts falling due within one year	(51,397)	-	-	(51,397)
Creditors: amounts falling due after more than one year	(9,029)	-	-	(9,029)
	<u>118,592</u>	<u>678</u>	<u>277</u>	<u>119,547</u>
Unrealised gains included above				
Investments	<u>-</u>	<u>354</u>	<u>-</u>	<u>354</u>

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**24 Analysis of net assets between funds (continued)**

**The Charitable Group - previous year**

	Unrestricted funds £'000	Restricted funds £'000	Endowment fund £'000	Total £'000
Investments	8,832	572	-	9,404
Intangible fixed assets	1,280	-	-	1,280
Tangible fixed assets	177,414	508,736	277	686,427
Current assets	38,770	48,168	-	86,938
Creditors: amounts falling within one year				
Creditors: amounts falling due after more than one year	(94,156)	(19,803)	-	(113,959)
Deferred tax	(13,945)	-	-	(13,945)
Defined benefit pension liability	(1,402)	(42,562)	-	(43,964)
	<u>116,793</u>	<u>495,111</u>	<u>277</u>	<u>612,181</u>
Unrealised gains included above investments	<u>2,129</u>	<u>320</u>	<u>-</u>	<u>2,449</u>

**The Charitable Company – previous year**

	Unrestricted funds £'000	Restricted funds £'000	Endowment fund £'000	Total £'000
Tangible fixed assets	175,726	-	277	176,003
Investments	-	572	-	572
Net current (liabilities)/assets	335	72	-	407
Creditors: amounts falling due after more than one year	(52,240)	-	-	(52,240)
	<u>(13,757)</u>	<u>-</u>	<u>-</u>	<u>(13,757)</u>
	<u>110,064</u>	<u>644</u>	<u>277</u>	<u>110,985</u>
Unrealised gains included above investments	<u>-</u>	<u>320</u>	<u>-</u>	<u>320</u>

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**25 Reconciliation of net movement in funds to net cash flow from operating activities**

	2019 £'000	2018 £'000
Net income for the year (as per Statement of Financial Activities)	67,104	57,644
<b>Adjustment for:</b>		
Depreciation	20,827	20,847
Amortisation	125	96
Profit on disposal of fixed assets	(320)	(11,222)
Loss/(profit) on disposal of investments	95	(64)
Dividends and interest received on fixed assets investments	(374)	(291)
Unrealised gain on investments	(165)	(388)
(Increase)/decrease in stock	(12)	2
Decrease in debtors	2,947	1,763
(Decrease)/increase in creditors	(506)	263
Decrease in deferred tax provision	-	(17)
LGPS pension cost less contributions	10,505	8,023
Net assets transferred from other charities and on conversion	(84,261)	(52,532)
ESFA capital grants received	(7,592)	(16,617)
	<b>8,373</b>	<b>7,507</b>
<b>Net cash provided by operating activities</b>	<b>8,373</b>	<b>7,507</b>

**26 Analysis of cash and cash equivalents**

	2019 £'000	2018 £'000
Cash at bank and in hand	35,882	27,688
Bank overdrafts	(15,424)	(16,858)
	<b>20,458</b>	<b>10,830</b>
<b>Total cash and cash equivalents</b>	<b>20,458</b>	<b>10,830</b>

**27 Capital commitments**

	The Charitable Group		The Charitable Company	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Contracted for but not provided in these financial statements	3,652	4,909	2,993	-

---

## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

---

#### 28 **Contingent liabilities**

##### **The Charitable Group**

If a capital asset acquired by United Learning Trust for market value using a capital grant made available to that Charitable Company by the Secretary of State for Education is disposed of during the period of the relevant funding agreement between that Charitable Company and the Secretary of State, that Charitable Company is required to repay to the Secretary of State the same proportion of the proceeds of the disposal as equates with the proportion of the agreed costs met by the Secretary of State, unless the Secretary of State agrees to grant all of the proceeds being retained by United Learning Trust for its charitable purposes.

The net book value of assets acquired to date from all resources, including capital grants and after accumulated depreciation is £593,018k (2018: £508,736k) in United Learning Trust.

##### **The Charitable Company**

There were no contingent liabilities at 31 August 2019 or at 31 August 2018.

#### 29 **Retirement benefits**

The total pension cost to the Charitable Group during the year ended 31 August 2019 was £39,192k (2018: £33,263k) of which £20,362k (2018: £18,848k) relates to the TPS, £17,153k (2018: £12,833k) relates to LGPS and £1,742k (2018: £1,582k) relates to defined contribution pension schemes. Employee and employer contributions payable to the schemes at the Balance Sheet date amounted to £2,394k (2018: £2,609k) and are included within creditors.

The Charitable Group operates defined contribution schemes for the benefit of its employees. The assets of the schemes are managed and held externally on behalf of the scheme members in funds independent from those of the Charitable Group.

The Charitable Group operates two defined benefit pension schemes: the Teachers' Pension Scheme for England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff.

Provisions for unfunded pensions included within the total defined benefit pension scheme liability amounted to £895k (2018: £985k). The current service cost amounted to £nil (2018: £ nil) and actuarial losses recognised through other comprehensive income amounted to £14k (2018: £98k). Benefits paid during the year amounted to £104k (2018: £102k).

The current mortality assumptions in respect of unfunded pensions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on the retirement age of 65 are between 19-21 years. The discount rate applied in calculating the obligation is 1.85% with future pension increase and inflation being 2.6%.

---

## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

---

#### **29 Retirement benefits (continued)**

##### **Teachers' Pension Scheme (TPS)**

###### **Introduction**

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

###### **The Teachers' Pension Budgeting and Valuation Account**

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

###### **Valuation of the Teachers' Pension Scheme**

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

A copy of the latest valuation report can be found by following this link to ([www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx](http://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx)).

The employer's pension costs paid to TPS in the period amounted to £20.362m (2018: £18.848m).

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

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

---

**29 Retirement benefits (continued)**

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

**Local Government Pension Scheme (LGPS)**

The Charitable Company is one of several employing bodies included within the Local Government Pension Scheme (LGPS).

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee administered funds. Contributions to the schemes are determined by qualified actuaries on the basis of triennial valuations using the projected unit method.

The agreed contribution rates for the year ended 31 August 2019 were from 5.5% to 7.5% for employees and from 10.2% to 20.5% for employers.

The principal actuarial assumptions used by the actuary and expressed as weighted averages were as follows:

	2019 %	2018 %
Discount rate for scheme	1.83	2.79
Rate of increase in pensions in payment	3.42	3.47
Rate of increase in salaries	2.20	2.24
Inflation assumption	2.15	2.19

The amounts charged in the Statement of Financial Activities are as follows:

	2019 £'000	2018 £'000
Current service cost	13,768	12,759
Net interest cost	1,400	1,446
Past service cost	3,320	-
Losses on curtailments	-	28
Administration expenses	65	46
<b>Total</b>	<b>18,553</b>	<b>14,279</b>

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

---

**29 Retirement benefits (continued)**

The amounts recognised in the consolidated Balance Sheet in respect of the LGPS and unfunded pension obligations are as follows:

	2019 £'000	2018 £'000
Fair value of plan assets	176,358	133,191
Present value of funded and unfunded retirement benefit obligations	<u>(281,360)</u>	<u>(177,155)</u>
Net liability	<u>(105,002)</u>	<u>(43,964)</u>

The amounts (charged) or credited to other comprehensive income in respect of both LGPS and unfunded pension obligations are as follows:

	2019 £'000	2018 £'000
Actuarial (losses)/gains and return on assets less interest recognised in SOFA	<u>(36,314)</u>	<u>21,820</u>

The major categories of LGPS plan assets as a percentage of the total plan assets are as follows:

	2019 £'000	2018 £'000
Equities	108,222	83,722
Bonds	32,079	25,048
Property	15,503	11,680
Cash	6,833	5,117
Other	<u>13,721</u>	<u>7,624</u>
Total market value of assets	<u>176,358</u>	<u>133,191</u>

The actual return on LGPS plan assets was as follows:

	2019 £'000	2018 £'000
Actual return on LGPS plan assets	<u>11,578</u>	<u>7,494</u>

Changes in the present value of the LGPS and unfunded defined benefit obligation are as follows:

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

---

**29 Retirement benefits (continued)**

	2019 £'000	2018 £'000
Opening defined benefit liabilities at 1 September 2018	177,155	163,400
Share of defined benefit obligation not previously recognised	5,525	-
Current service cost	13,768	12,759
Past service cost	3,320	-
Interest cost	5,660	4,479
Actuarial losses/(gains)	43,394	(17,359)
Losses/(gains) on curtailments	-	28
Contributions by plan participants	2,460	1,992
Acquired on business combinations	32,424	14,455
Benefits paid	(2,242)	(2,497)
Benefits paid – unfunded obligations	(104)	(102)
	<u>281,360</u>	<u>177,155</u>
Closing defined benefit liabilities at 31 August 2019		

Changes in the fair value of LGPS plan assets are as follows:

	2019 £'000	2018 £'000
Opening fair value of plan assets at 1 September 2018	133,191	110,093
Share of scheme assets not previously recognised	5,287	-
Return on assets less interest	7,318	4,461
Interest on assets	4,260	3,033
Contributions by employer	7,944	6,154
Contributions by plan participants	2,460	1,992
Acquired on business combinations	18,205	10,001
Administration expenses	(65)	(46)
Benefits paid	(2,242)	(2,497)
	<u>176,358</u>	<u>133,191</u>
Closing fair value of LGPS plan assets at 31 August 2019		

During the year, the Charitable Group recognised a net LGPS obligation that existed in previous years and as at 1 September 2018, amount to £238k. The analysis of this amount between scheme assets and scheme obligations is shown as separate lines in the table above.



---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

---

**30 Leasing commitments**

At 31 August 2019, the total of the Charitable Group's future minimum lease payments under non-cancellable operating leases was:

	<b>2019</b>	2018
	<b>Total £'000</b>	Total £'000
In one year or less	4,523	4,250
Between one and five years	11,283	12,264
In five years or more	14,674	16,195
	<b>30,480</b>	32,709

**31 Relationship with related parties and other charities**

United Church Schools Foundation Ltd is the sole member of United Church Schools Trust (Limited by Guarantee).

There was also a relationship between United Church Schools Trust (Limited by Guarantee) and Caterham School because the former had the right to nominate Caterham School's "A" Trustees. This right ceased on 21 December 2017 after which date the two parties were no longer related.

The transactions with this former related party were as follows:

	<b>2019 £'000</b>	2018 £'000
Administration charge to Caterham School by United Church Schools Trust	-	52
Rent charged to Caterham School by United Church Schools Foundation Limited	-	125
Property sold to Caterham School by United Church Schools Foundation Limited	-	17,250
Amounts owed by Caterham School	-	-

There have been no other transactions with related parties that require disclosure under either FRS 102 Charities SORP (FRS 102) (effective 1 January 2015).

---

## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

---

#### **32 Agency arrangements**

United Learning Trust ("ULT"); a subsidiary of the Charitable Company, acts as an agent distributing 16-19 bursary funds from the Education and Skills Funding Agency ("ESFA"). Payments received from the ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as ULT does not have control over the charitable application of the funds. ULT can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities.

In the year ended 31 August 2019, ULT received £509k (2018: £932k) and disbursed £430k (2018: £880k) from the fund. An amount of £541k (2018: £462k) is included in other creditors relating to undistributed funds that are repayable to the ESFA if not disbursed.

ULT acts as an agent distributing bursary funds from the former National College for Teaching & Leadership ("NCTL") which has now been subsumed into the Department for Education. Payments received from the NCTL and subsequent disbursements to students are excluded from the Statement of Financial Activities as ULT does not have control over the charitable applications of the funds.

In the year ended 31 August 2019, ULT received £1,392k (2018: £644k) and disbursed £1,402k (2018: £725k) from the fund. An amount of £4k is included in other debtors (2018: £6k included in other creditors) relating to funds that are owed by or to the Department for Education if not disbursed.

#### **33 Post balance sheet events**

On 1 September 2019, the Charitable Group welcomed the five academies from the former Cambridge Academic Partnership, The John Roan School in London and Ham Dingle Primary School in Stourbridge.

On 1 November 2019, the Charitable Group welcomed The Royal School in Haslemere.

It is not yet possible to form a reliable estimate of the financial effect of these acquisitions, in relation to which no consideration was payable, until such time as completion accounts and final fair value assessments are available.

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**

---

**The following pages are unaudited and do not form part of the statutory financial statements**

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**

**UNAUDITED STATEMENT OF FINANCIAL ACTIVITIES – UCSF FOR THE YEAR ENDED 31 AUGUST 2019**

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2019 £'000	Total 2018 £'000
<b>Incoming resources</b>					
<b>Incoming resources from generated funds</b>					
Investment income	594	-	-	594	680
Gains on disposals of tangible fixed assets	844	-	-	844	11,235
<b>Incoming resources from charitable activities</b>					
Rents	2,657	-	-	2,657	2,775
Net assets transferred from other charities	13,530	-	-	13,530	-
<b>Total incoming resources</b>	<b>17,625</b>	<b>-</b>	<b>-</b>	<b>17,625</b>	<b>14,690</b>
<b>Resources expended</b>					
<b>Charitable activities</b>					
School and academy operating costs, project management and finance costs	9,097	-	-	9,097	6,128
<b>Total resources expended</b>	<b>9,097</b>	<b>-</b>	<b>-</b>	<b>9,097</b>	<b>6,128</b>

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**

**UNAUDITED STATEMENT OF FINANCIAL ACTIVITIES – UCSF FOR THE YEAR ENDED 31 AUGUST 2019**

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2019 £'000	Total 2018 £'000
<b>Net incoming resources before transfers</b>	8,528	-	-	8,528	8,562
<b>Net incoming resources before other recognised gains and losses</b>	8,528	-	-	8,528	8,562
<b>Other recognised gains and losses</b>					
Investment revaluation gains	-	34	-	34	41
<b>Net movement in funds for the year</b>	8,528	34	-	8,562	8,603
Funds brought forward at 1 September 2018	109,999	644	277	110,920	102,317
<b>Funds carried forward at 31 August 2019</b>	118,527	678	277	119,482	110,920

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**

---

**UNAUDITED CASH FLOW STATEMENT – UCSF FOR THE YEAR ENDED 31 AUGUST 2019**

---

	Note	£'000	2019 £'000	£'000	2018 £'000
<b>Cash flows from operating activities</b>	1		<b>(1,504)</b>		12,130
<b>Cash flows from investing activities:</b>					
Purchase of tangible fixed assets		(5,540)		(2,151)	
Sale of tangible fixed assets		<u>13,229</u>		<u>17,878</u>	
<b>Net cash used in investing activities</b>			<b>7,689</b>		15,727
<b>Financing</b>					
Repayments of borrowing		(4,744)		(22,548)	
Cash inflows from new borrowings		-		-	
Interest paid		(604)		(679)	
Interest received		<u>594</u>		<u>680</u>	
<b>Net cash provided by/(used in) financing activities</b>			<b><u>(4,754)</u></b>		<b><u>(22,547)</u></b>
<b>Change in cash and cash equivalents</b>			<b><u>1,431</u></b>		<b><u>5,310</u></b>
Cash and cash equivalents brought forward	2		<u>(16,852)</u>		<u>(22,162)</u>
<b>Cash and cash equivalents carried forward</b>	2		<b><u>(15,421)</u></b>		<b><u>16,852</u></b>

---

UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

---

UNAUDITED NOTES TO THE CASH FLOW STATEMENT – UCSF FOR THE YEAR ENDED  
31 AUGUST 2019

---

**1 Reconciliation of net movement in funds to net cash flow from operating activities**

	2019 £'000	2018 £'000
Changes in resources before transfers and revaluations	8,562	8,603
Depreciation	3,733	3,808
Profit on disposal of fixed assets	(844)	(11,235)
Revaluation of investments	(35)	(41)
Interest paid	604	679
Interest received	(594)	(680)
Increase in debtors	(6)	(321)
Increase in creditors	606	11,317
Net assets transferred from other charities	(13,530)	-
<b>Net cash provided by operating activities</b>	<b>(1,504)</b>	<b>12,130</b>

**2 Analysis of cash and cash equivalents**

	2019 £'000	2018 £'000
Cash at bank and in hand	3	6
Bank overdrafts	(15,424)	(16,858)
<b>Total cash and cash equivalents</b>	<b>(15,421)</b>	<b>(16,852)</b>

