

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 2021

UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITABLE GROUP,
ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2021**

Company registered number	00018582
Charity registered number	313999
Registered and principal office of the Charitable Group	Worldwide House Thorpe Wood Peterborough PE3 6SB
Chief executive officer	Sir Jon Coles
Company secretary	Mrs Alison Hussain
Bankers	Barclays Bank PLC One Snowhill Snowhill Queensway Birmingham B4 6GN
Solicitors	Hewitsons LLP Elgin House Billing Road Northampton NN1 5AU Stone King LLP 91 Charterhouse Street London EC1M 6HR
Independent auditor	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 2021**

**Senior Management team and key
management personnel
(as at 1 September 2021)**

Sir Jon Coles, Chief Executive Officer
Dame Sally Coates, Director of Secondary Education
Mr Darran Ellison-Lee, Director of Primary Education
Mrs Louise Johnston, Chief Financial Officer
Mr Dominic Norrish, Chief Operating Officer
Ms Anna Paige, Head of Strategy and Performance

Trustees

Mr Neil Davidson (Chair)
Dr Stephen Critchley
Mr Michael George
Mr Benjamin Gordon
Mr Richard Greenhalgh
Mr Michael Litchfield

Biographies for the Trustees and Senior Management team can be found at 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 2021

The Board presents its report together with financial statements for the year ended 31 August 2021.

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 in the Charitable Company each for as long as they are members of the Board. There are five Trustees of UCST who each hold one £5 ordinary share. The Trustees of the Charitable Company also hold 12,984 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 Chair. 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.

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**TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT
FOR THE YEAR ENDED 31 AUGUST 2021**

Trustees' indemnities

In accordance with normal commercial practice, the Charitable Group has insurance in place to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Charitable Group business.

Governance of the Charitable Group

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

Trustee	Meetings attended	Out of a possible
Mr Neil Davidson (Chair)	5	5
Dr Stephen Critchley	5	5
Mr Michael George	5	5
Mr Benjamin Gordon	5	5
Mr Richard Greenhalgh	5	5
Mr Michael Litchfield	5	5

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:

	Group Board Meetings attended	Out of a possible
Dame Yasmin Bevan	6	7
Sir Jon Coles	7	7
Dr Stephen Critchley	7	7
Ms Mary Curnock Cook	5	5
Mr Neil Davidson	5	7
Mr Michael George	7	7
Dr Rosalind Given-Wilson	7	7
Mr Benjamin Gordon	7	7
Mr Richard Greenhalgh (Chair)	7	7
The Very Reverend John Hall	6	7
Dame Reena Keeble	6	7
Mr Michael Litchfield	7	7
Mr Neil MacDonald	6	7
Mrs Sarah 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 Trustees for the schools. The Chairs and Vice Chairs

UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2021

Governance of the Charitable Group (continued)

of the LGBs are invited to attend meetings of the Local Governance Forums, which meet 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. These meetings further enhance communications between LGBs and the Trustees.

An external review of Board effectiveness was completed in autumn 2020 by the Confederation of School Trusts. The review was underpinned by the Competency Framework for Governance published by the Department for Education and specifically considered strategic governance, leadership and direction as well as the impact and effectiveness of governance. The review identified a range of strengths in governance at United Learning and suggested some areas for further development which have now been incorporated into an action plan which is being implemented.

Each Committee has also considered its effectiveness, terms of reference and cycle of business and made any appropriate adjustments.

Board Committees

The Group has four committees, which advise 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 all committees are made available to the Board of Trustees at meetings of the Group Board and any matters of concern are highlighted.

The Finance Committee's purpose is to:

- ensure that 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
- 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 in relation to the appointment and removal of investment advisors.

Attendance at meetings in the year was as follows:

Committee member	Meetings attended	Out of a possible
Mr Neil Davidson (Chair)	5	5
Dr Stephen Critchley	5	5
Mr Michael George	5	5
Mr Benjamin Gordon	5	5
Mr Richard Greenhalgh	5	5
Mr Michael Litchfield	5	5

UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2021

Governance of the Charitable Group (continued)

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 Risk and Audit Committee's purpose is to:

- ensure implementation of a risk management framework for the Group
- ensure the Charity's 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.

The Chair of the Risk and Audit Committee is Mr Neil MacDonald. Mrs Karen Bowles and Mr David D'Arcy Hughes stood down in January 2021 following 7 years of service. Ms Mary Curnock Cook stood down in April 2021, and Mrs Melissa Geiger and Mrs Janet Swadling were appointed to the Committee on 1 February 2021.

Attendance at meetings in the year was as follows:

Committee member	Meetings attended	Out of a possible
Mrs Karen Bowles	3	3
Dr Stephen Critchley	3	4
Ms Mary Curnock Cook	3	3
Mr David D'Arcy Hughes	4	4
Mrs Melissa Geiger	1	1
Mr Neil MacDonald, Chair	4	4
Mrs Janet Swadling	1	1

A Group Nominations and Remuneration Committee exists to oversee the appointments of the Group Chair and Trustees and to approve Executive salaries and remuneration. The Committee is chaired by the Chair of the Group Board and 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.

UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2021

Governance of the Charitable Group (continued)

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.

Attendance at meetings in the year was as follows:

Committee member	Meetings attended	Out of a possible
Mr Richard Greenhalgh (Chair)	3	3
Mr Benjamin Gordon	3	3
The Very Reverend Dr John Hall	3	3
Mrs Sarah Squire	2	3

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

- ensure that the Charitable Group 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 to account regarding the effectiveness of policies and processes designed to keep children safe.

Attendance at meetings in the year was as follows:

Committee member	Meetings attended	Out of a possible
Dame Yasmin Bevan (Chair)	2	3
Sir Jon Coles	3	3
Ms Mary Curnock Cook	2	2
Dr Rosalind Given-Wilson	2	3
Mr Richard Greenhalgh	3	3
The Very Reverend Dr John Hall	2	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 the Charitable Company's 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

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TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2021

Governance of the Charitable Group (continued)

The Purpose of the System of Internal Control (continued)

place in the Charitable Company for the year from 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Charitable Group is exposed, including the risks associated with the COVID-19 pandemic, 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 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the 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 22.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and monthly financial reports, which are reviewed and agreed by the Board of Trustees
- regular reviews by the management and the Finance Committee of reports which indicate financial performance against the forecasts and 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 follows best practice professional standards and guidelines. Internal Audit independently and objectively reviews, on a continuous basis, the extent to which the internal control environment supports and promotes the achievement of the Charitable Group's objectives, and contributes to the proper, economic, efficient and effective use of resources.

Internal Audit's role includes giving advice on internal controls and performing a range of checks on the Charitable Group's core financial systems. Despite the pandemic the internal audit plan for the year ended 31 August 2021 was fully completed, with remote audits carried out to ensure a sufficient level of coverage to provide an annual opinion. Checks carried out in the year included testing of school level key controls, covering local governance, procurement, income, cash management, human resources, payroll and fixed

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**TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT
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Governance of the Charitable Group (continued)**The Risk and Control Framework (continued)**

assets. Furthermore, testing of non-financial systems and central office functions was conducted, including reviews of the organisation's local governance arrangements, senior educational appointments, treasury management, cyber security (network security and malware protection), business continuity planning and the organisation's response to COVID-19.

On a quarterly basis, the Head of Internal Audit reports to the Board of Directors 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 and prepares an annual summary report to the Committee outlining the areas reviewed, key findings, recommendations and conclusions to help the Committee consider actions and assess year on year progress. The reports include an update on the progress of implementing audit actions and the action plan for any recommendations still to be implemented.

For the year ended 31 August 2021, 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.

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 30.

UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2021

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 within the United Church Schools Trust ("UCST") charity to provide education for students of different abilities between the ages of 0 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 2021, UCST sponsors 76 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 138 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 2021, United Learning – the trading name of the Charitable Group – comprises 13 independent schools operated within UCST, 76 state sector academies operated within ULT and a central office function that serves all our schools.

Operating review

COVID-19 Pandemic

As in 2020, this academic year was overshadowed by the COVID-19 pandemic which presented significant disruption to pupils of all ages across the country throughout the year.

Following guidance from the Department for Education (DfE), schools were organised into 'bubbles' – usually whole year groups – and robust hygiene, cleaning and social distancing arrangements were put in place across all United Learning schools. Whilst adhering to the latest advice and guidance from both the DfE and Public Health England (PHE) at all times, our schools sought to provide pupils with a well-rounded school experience – with a specific focus, where possible, on catching up the time missed during the closure of schools the previous academic year and minimising the disruption caused by further outbreaks. A key priority was to protect the health and wellbeing of pupils and staff and support the government's efforts to stop the spread of the virus.

As cases of COVID-19 rose through the autumn and into the winter, a number of schools were required to send home the close contacts of anyone within the school community who had tested positive for the virus. In doing so, our schools always acted on the advice and guidance of PHE. Remote learning was provided for all pupils who were learning at home and the schools sought to involve these pupils in all areas of

UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2021

Objectives, strategies and activities (continued)

school life as much as possible. In some cases, schools operated a hybrid model with some pupils learning in the classroom and others joining lessons remotely.

At the beginning of January 2021, the Government announced the closure of all schools for face-to-face learning. During this period, which lasted until 8 March 2021, our schools offered extensive remote learning programmes so pupils could continue to learn from home. Our schools remained open for children of key workers and those deemed to be vulnerable with up to 6,000 children attending our academies each day.

To determine staff views around the Group's response to the pandemic, we conducted a full staff survey at the end of June. This polling showed that school staff felt that the Group's response to COVID-19 either greatly exceeded (46%), exceeded (40%) or matched (14%) what was being done by other local schools. Moreover, 91% of school staff either agreed or strongly agreed that the steps taken by the Group had been effective in ensuring that children were able to carry on learning despite the very significant challenges.

Important steps were taken to safeguard the wellbeing of pupils and staff during this period. This was managed at a local level with schools responding to the pupils directly and within their own local contexts. Key actions included:

- Working with multi-agencies to agree programmes of contact for specific pupils.
- Offering face-to-face school places during Lockdown to vulnerable children.
- Arranging for individual pupils to receive one-to-one or small group support remotely.
- Maintaining online registers for remote learning and making telephone calls and/or home visits where necessary.
- Running online sessions to promote wellbeing.

For staff, we continued to update the dedicated Coronavirus and Your Wellbeing page on the United Hub with useful guidance on homeworking as well as advice on keeping active. In addition, we set up a dedicated Heads Wellbeing page on the Hub and we created a Peer Mentoring Circle to support Heads over the academic year.

A number of wellbeing focused webinars were delivered over the course of the year by our Employee Assistance Programme provider, CiC. Sessions covered Winter Wellbeing and Mental Health Awareness. We also ran Wellbeing and Resilience Sessions for our HR and Finance Teams.

Further detail about the impact of COVID-19 is provided in the relevant sections of the Trustees' Report.

Framework for Excellence

Our 'Framework for Excellence' sets out the principles of an excellent education that we follow as a group.

'The best from everyone'

Our aim is to bring out the best in everyone. So we must expect the best from everyone, all the time. Every child is a special individual, capable of extraordinary things. We expect unreasonably – we constantly challenge children to do what they think they can't, to persist, to work hard and to be at their best. From every adult we expect the same: that they are at their best, expect unreasonably of themselves, are determined

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TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2021

Objectives, strategies and activities (continued)

and resilient and pass those expectations on to the children in all they do. We act with the utmost love, care and good faith – the highest standards come with the greatest attention to the wellbeing of all.

Powerful Knowledge

Over the last five years we have developed a common curriculum which seeks to empower pupils to understand and shape the world around them. It covers English, Maths, Science, History, Geography, RE, French, Spanish, Music and Sport. There is a greater emphasis on English and Maths in our primary schools, but we also seek to develop our younger pupils as geographers, historians, artists, musicians, and athletes.

In each subject, the curriculum provides a coherent programme of study which develops knowledge and skills term by term and year by year. The curriculum puts teachers in the driving seat; by planning lessons centrally, we enable teachers to plan lessons locally, playing to their own strengths and adapting materials for their local context and the needs of their pupils.

Across the Group, the Rosenshine Principles are used to underpin all our 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.

Learning during Lockdown

Whilst the majority of pupils could not physically attend schools during the Lockdown period, their learning continued remotely, and our schools sought to deliver a full curriculum through live online lessons, recorded lessons and work packs and learning resources available on our group website and intranet United Hub. Many schools highlighted the success of the Group's Chromebook Strategy (whereby all pupils who needed them were provided with a Chromebook and mobile WiFi device) which enabled all pupils to learn at home. In total, the Group acquired some 20,000 Chromebooks for academy students.

Our independent schools were fully prepared to deliver full remote learning provision in January 2021, having made further improvements from lessons learnt during the first Lockdown in Spring 2020 and hybrid learning from the Autumn Term. Pupils followed their normal timetables which included morning and afternoon form times and whole school assemblies. For boarding pupils who were abroad and living in different time zones, schools recorded lessons so that they could access lessons at a convenient time. Lessons were delivered as close to 'normal' as possible with opportunities for teachers to check pupils' understanding. Wherever possible, extracurricular clubs (e.g. choir and debating) continued remotely and some schools even held concerts. Pupil engagement was high with on average 90-95% of pupils logging into lessons each day.

Academic performance

As a result of the COVID-19 pandemic, GCSE and A Level examinations were cancelled for the second year running. Despite our, and others', warnings to Ofqual about the risks of the process that they attempted to put in place, results were ultimately based on Teacher Assessed Grades (TAGs). Staff calculated TAGs based on a comprehensive range of evidence including mock grades, past coursework and classroom learning.

UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2021

Objectives, strategies and activities (continued)

The TAGs received robust scrutiny from middle and senior leaders within our schools and across our cluster system to create the most accurate grades possible for what each pupil was likely to have received had they sat external exams. The TAGs enabled pupils to receive their individual grades so they could progress on to further and higher education. In most cases, Sixth Formers were able to progress on to their first choice university which included Russell Group universities and Oxbridge. Likewise, all our schools endeavoured to provide places to pupils staying on for their school's Sixth Form. Pupils were also able to secure places at other Sixth Form Colleges and go into further training and apprenticeship courses.

As in the year before, due to the pandemic, national Key Stage 1 and 2 assessments for primary pupils were also cancelled.

Ofsted and ISI did not undertake any graded inspections during the academic year. Only one United Learning academy, Avonwood Primary School, received an inspection as part of its demerger from Avonbourne Girls' Academy. Inspectors confirmed that the school was likely to meet all the relevant standards when a full inspection is carried out.

Education with Character

We value an education in which development of character is as important as exam success. Our schools, therefore, all have a clear pathway to promote leadership, service to others, working independently and in teams, compassion, and courage. We want pupils to look back on their schooling as a time of enjoyment and happiness which has inspired and challenged them in equal measure and prepared them for the ups and downs of life.

All our schools are expected to have excellent co-curricular programmes which are systematically monitored to ensure equality of education for every child. The nationally recognised Aspirations Programme plays a key part in many of our schools and the development of careers education is a Group priority. We emphasise links with the community and opportunities for voluntary and other service activities.

Destinations are as much a part of the 'outcomes' we seek for our pupils as exam grades. We expect schools to have clear programmes of careers advice and guidance, with the greatest support going to the pupils with the greatest need. Pupils' careers are their future, and we expect schools to systematically track and monitor this to ensure equality of opportunity for all.

Music, sport and the arts are key components of a United Learning curriculum and co-curricular programme. We have Group-wide networks in these areas and our subject advisers lead and share best practice throughout the Group. We believe in the transformative power of creativity and want all our pupils to be exposed to cultural events beyond their immediate experience.

Whilst the pandemic made it more challenging to deliver an extensive enrichment programme, our schools continued to provide as many opportunities as possible to broaden our pupils' horizons and introduce them to new experiences. This included virtual speakers and trips as well as the annual International Art Competition, the StorySLAM creative writing competition and the launch of Green Love – an original music project open to all of the Group's primary schools.

UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

**TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT
FOR THE YEAR ENDED 31 AUGUST 2021**

Objectives, strategies and activities (continued)**Continuous Improvement**

Collaboration is at the heart of our work with all our schools. However good we are, we can always be better. We believe United Learning is unique in enabling us to share widely across the whole country, across primary and secondary phases, and across state and independent institutions. This means we are always learning from each other as well as visiting leading-edge schools and trusts from outside the Group. We constantly strive to be better; we steal with pride and endeavour always to give the children in our schools the best possible opportunities. High levels of attainment and progress are expected in every United Learning school.

Centrally, school improvement is delivered through termly meetings with each Principal and Chair of Governors and termly Review and Support days when Regional Directors visit and spend time talking to staff and pupils and visiting lessons. Centrally appointed Regional Directors line-manage all Principals and work closely with schools to ensure we are constantly improving and evolving. For our highest priority schools, more support and structure are provided to ensure improvement is rapid and sustained.

We provide visits and immersion opportunities for all Principals and senior leaders in Trust schools. Termly network meetings for all Heads of Department are led by subject advisers and provide valuable and timely leadership support. Group-wide conferences cover a variety of topics such as behaviour, teaching and learning, pupil premium achievement, governance and financial management. Principals regularly meet their colleagues and there is a collegial culture with everyone happy and willing to support others.

We have a team dedicated to continuous professional development who plan and deliver central programmes and conferences, and who quality assure Career Professional Development in all our schools. This begins with our annual Best in Everyone conference which introduces new staff to the Group. This was held virtually over a three day period with nearly 400 people in attendance.

Our annual surveys for pupils, parents and staff provide robust feedback on our progress towards our goals. They enable us to identify schools in need of support, and schools able to provide it. Headline findings from across the Group's schools include:

At Primary and Prep:

- 95% of pupils said they were proud of their school
- 95% of pupils said it was important that they came to school every day
- 93% of pupils said they get on well with the adults in their school.

The overall average satisfaction score across all primaries was 4.3 out of 5. This measure is based on a selection of questions around pupils' views of school and their views of teaching and learning.

At Secondary:

- 94% of pupils agreed that the adults in their school expect them to be successful
- 94% of pupils said doing well in GCSEs will be important for their future
- 90% of pupils said they can be successful in school and life.

The overall average satisfaction score across all secondaries was 3.7 out of 5. This measure is based on a selection of questions around pupils' views of school and their views of teaching and learning.

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TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2021

Objectives, strategies and activities (continued)

Towards the end of the academic year, we undertook a separate review of pupil experience – focusing on any experiences around sexual abuse as well as pupil attitudes towards the RSE curriculum. As part of this, we conducted a survey amongst over 6,000 secondary school pupils across the Group. Over half (57%) of the respondents were female. Over 70% of those who responded to the survey said they were confident they knew what to do if they experienced inappropriate sexual behaviour whilst over 80% felt the RSE curriculum was appropriate for their age. Based on the findings of this review, we produced a set of recommendations for all schools focusing on:

- Ensuring all spaces within a school are safe;
- Staff and governor training;
- Delivery of the RSE curriculum;
- Communications with parents.

Outstanding People and Leadership

Successful Staff Engagement

Our staff survey found that 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 79% - higher than any other year.

Key findings of our staff survey include:

- 90% of staff said they were proud to work in their school/department.
- 88% of staff said they valued their school’s culture.
- 80% of staff said they support their school’s strategy and direction.

Leadership in Every Role

Every adult in the school is a leader. In every word, tone and gesture, they set the direction and expectation. United Learning expects every adult to take responsibility and the initiative to do what is right for the pupils. All those in formal leadership positions create the climate and culture in which others work. They demand the highest standards, build a performance culture, develop their teams, and create the space for others to lead. All leaders listen, grow relationships, act with integrity and care and expect the best from themselves and others in building a successful, happy, and confident school.

We aim to give all aspiring and current leaders the opportunity to develop all aspects of their leadership. In addition to the school offer, United Learning has a range of group-wide leadership development opportunities. We hope that by giving access to the best role models and training from within the Group, colleagues will have a range of opportunities to reflect and grow as leaders.

In 2020/21, we continued to run National Professional Qualifications within clusters in partnership with the UCL Institute of Education. The programmes from 2019/20 were extended further into 2020/21 due to continued school closures and other pandemic related interruptions throughout the year; this group are therefore expected to complete in Autumn 2021.

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Objectives, strategies and activities (continued)

In Autumn 2020, the DfE announced NPQs would be undergoing a reform. As a result, we saw a lower uptake in the current NPQ offer; 46 for middle leadership and 37 for senior leadership.

In December, 31 colleagues graduated from our internal Aspiring to Headship programme and 50 colleagues graduated from our internal Senior Leadership programme. In January we commenced cohort 2 of these programmes and launched our internal Middle Leadership programme). In addition, we applied content for primary across all three programmes, making them accessible for all phases and both sectors. These are non-accredited, free, flexible, webinar-based, modular courses for talented, aspiring and recently appointed leaders. Designed to develop and accelerate our most talented leaders, the programmes, which run from January to December, bring together leadership expertise, theory and practice within an educational context. This year, 33 colleagues are participating on the Aspiring to Headship programme, 63 on the Senior Leadership Programme, and 84 on the Middle Leadership programme.

Both sets of programmes show our commitment to staff becoming highly effective leaders; building the skills, confidence and knowledge to drive successful team performance and improve the education experience for children and young people.

Pupil leadership is equally important, and we want pupils to be given opportunities to take responsibility and initiative. Opportunities to lead in school and across the Group are extensive, with leadership opportunities for every child, in every year.

United Teaching

Our Initial Teacher Training Scheme, United Teaching continued to move forward strongly. During 2020/21, we recruited 185 people to train to teach with United Teaching. 100% of trainees 'passed' and were recommended for Qualified Teaching Status. Ahead of the 2021/22 academic year, a further 192 trainee teachers were recruited and attended our Summer Institutes in July and August.

In February, the Department for Education announced that several United Learning Trust academies would join its national network of teaching school hubs from September 2021. Building on its long and successful track record as a school-centred initial teacher training provider, Paddington Academy was announced as a teaching school hub for the Northwest London area whilst Glenmoor Academy, working with Swindon Academy, was named as the teaching school hub for Swindon and parts of Wiltshire. Parkside Community College was named as one of the partners in the Cambridge Teaching Schools consortium hub.

Inclusion, Diversity and Equality

The Group continued to focus on creating a much more diverse and inclusive workforce. Key initiatives over the year included:

- Changes to recruitment processes including applying the Rooney rule to a number of vacancies across central office and schools; this has led to applications from candidates from a wider range of backgrounds
- Signing up to the Race at Work Charter and following the five calls to action to ensure ethnic minority employees are represented at all levels within the Group
- Holding an Ethnic Minority Leadership Conference in June 2021 for middle and senior leaders.

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Objectives, strategies and activities (continued)

During 2020, mentoring was specifically identified by United Learning's minority ethnic colleagues as something that would help to support the progression of talented aspiring and current leaders from a diverse background. In the Spring term, we launched a reverse mentoring programme with the aims of amplifying the voices of our minority ethnic colleagues to senior leaders, facilitating dialogue between people from different backgrounds and energising mentors and mentees to seek out other perspectives. Reverse mentoring differs from traditional mentoring in that the mentee is a more senior colleague than the mentor. The mentoring scheme is supported by workshops throughout the year on how to get the most out of the reverse mentoring relationship. 17 mentoring pairs were recruited to the first cohort to pilot the scheme, which continues into 2021/22. A further 23 colleagues applied to be mentors and have been deferred to the next cohort.

At the beginning of the academic year, we undertook a group-wide curriculum review on diversity and inclusion focusing on race equality following the killing of George Floyd and the subsequent Black Lives Matter movement. As such, the Common Curriculum was updated to better promote diversity and inclusion across all subject areas and give a voice to ethnic minorities as well as groups whose voices have not always been heard.

Alongside this, we ran workshops for staff across our schools to give them the tools and knowledge they need to promote and celebrate diversity within their school communities.

Growth of the Group

Over the course of the year, we were pleased to welcome Sedgehill Academy in Lewisham, Marsden Heights Community College in Lancashire and Harrop Fold School in Manchester (now called The Lowry Academy).

In order to correct an anomaly in admissions arrangements, Avonwood Primary School demerged from Avonbourne Girls' Academy and became a stand-alone school on 1 March 2021.

After discussions with the Department for Education, it was decided that John Smeaton Academy in Leeds was best suited to a more local Multi Academy Trust. It was therefore agreed to transfer the school to The GORSE Academies Trust. The transfer was completed on 1 September 2021.

As a result of falling pupil numbers, exacerbated by the pandemic and the financial pressures felt by many families, we took the difficult decision to close PHC Hitchin on 31 August 2021. When the school joined the Charitable Company in 2018, it was on the verge of closure and would have closed then if we had not become involved. Despite some initially promising discussions with potential new owners, none of the options proved successful and we announced in February that the school would close at the end of the academic year. We supported all families to find alternative places and helped staff members secure new positions.

Going concern

After making appropriate enquiries, including full consideration of the impact of the continuing COVID-19 pandemic, the Board of Trustees has a reasonable expectation that the Charitable Group has adequate resources to continue in operational existence for the foreseeable future.

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**TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT
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Going concern (continued)

The COVID-19 pandemic has had a significant impact on the operations of the Charitable Group again this year. The lockdown restrictions during the 2021 Spring term resulted in all schools moving to remote learning for several weeks, and throughout the year schools had to manage both staff and pupil absence, and the impact of them working and studying remotely due to self-isolation requirements. The financial impact for ULT is not as significant as for some other organisations, with government grants, the main income stream, continuing to be paid as normal and additional recovery grants being made available as well as additional costs such as lateral flow testing being covered by the DfE. The lockdown restrictions have, however, meant a reduction in other income streams such as lettings and hospitality, and additional costs have been incurred in areas such as property maintenance and cleaning to ensure schools are compliant with DfE COVID-secure guidance. The Charitable Company has been able to offset some of these costs through savings due to lower operating costs during lockdown, and claim income received for certain additional costs incurred when opening for keyworkers.

The financial impact on UCST has been greater due mainly to a reduction in income as discounts were again awarded for the period of lockdown in the 2021 Spring Term in recognition that pupils did not receive the full experience expected at an Independent school. Further income reductions resulted as lettings and hospitality were cancelled. UCST also continued to utilise the £4m COVID-19 Hardship Fund set up in 2020 to support those families at our independent schools who found themselves unable to pay school fees as a result of the pandemic. However, these income reductions have been largely offset through making use of the government's Job Retention Scheme and by savings due to lower operating costs during lockdown.

The financial results for UCST in the current year to date are ahead of budget in terms of operating surplus and cash reserves. The forecast for the remainder of the year shows the operating results are in line with budget, comfortably within our banking facility limits and on track to meet the agreed banking covenants. For both ULT and UCST various cashflow scenarios have been modelled for the period to 31st August 2023. These models assume that there will be no further lockdowns leading to prolonged school closures and hence no further fee discounts required. The worst-case scenarios for both use pessimistic assumptions and show that the Charitable Group continues to have sufficient cash reserves to meet its liabilities as they fall due during the forecast period. In preparing these forecasts, management have considered the different levers available to them which can improve working capital at the lower points in the headroom available, notwithstanding that these remain positive throughout.

Bank loans of the Charitable Company were due to mature in March 2022 and October 2022. The March 2022 maturing loans have been re-negotiated since the balance sheet date and will now mature in February 2025 at the earliest. Potential non-renewal of the facility due to expire in October 2022 has been considered in the worst-case scenario model and sufficient overall headroom still remains throughout the going concern period even without the loan. Management have also considered the impact of the base and worst-case scenarios on debt covenants and concluded that these will not be breached. The headroom in the different cashflow models and the levers available to the Charitable Group, such as the timing of capital expenditure, have enabled management to conclude that there is no material uncertainty in management's going concern assessment.

Therefore, based on the current financial position and latest forecasts, the robustness of cash flow management and the level of financial reserves available in the cash flow scenarios, the Board of Directors are confident that the Charitable Group has adequate resources to continue to operate for the foreseeable future, being at least twelve months from the date of approval of these financial statements. 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.

UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2021

Financial Review

The total deficit for the year amounted to £32.9m (2020 surplus: £83.9m). Included within these results was an actuarial loss on defined benefit pension schemes of £23.3m (2020: £8.8m), and a further £16.4m (2020: £14.5m) of FRS 102 adjustments on the same LGPS schemes. 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. The deficit from acquired operations is set out on page 43. Further details of the financial effect of the acquisitions are given in note 7 to the financial statements.

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

AKS
 Ashford School
 Banstead Preparatory School
 Coworth Flexlands School
 Dunottar School
 Embley
 Guildford High School
 Lincoln Minster School
 PHC Hitchin (closed 31 August 2021)
 Rowan Preparatory School
 St. Ives (Haslemere)
 Surbiton High School
 The Royal School
 Tranby (formerly named Hull Collegiate School)

UCST is the sponsor of ULT. 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

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Objectives, strategies and activities (continued)

Carter Community School	April 2013
Corngreaves Academy	June 2013
Timbertree Academy	June 2013
Nova Hreod Academy	January 2013
Winton College	September 2013
Wye 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
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
Langford Primary	January 2016
The Totteridge Academy	November 2016
Hunningley Primary Academy	June 2017
Worsbrough Bank End Academy	June 2017
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
Salisbury Manor Primary Academy	April 2019
Whittingham Primary Academy	April 2019
Winston Way Academy	April 2019
Avonbourne Boys' Academy	August 2019
Avonbourne Girls' Academy	August 2019
Cambridge Academy for Science and Technology	September 2019
Coleridge Community College	September 2019
Parkside Community College	September 2019
Trumpington Community College	September 2019
The Galfrid School	September 2019

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Objectives, strategies and activities (continued)

The John Roan School	September 2019
Ham Dingle Primary School	September 2019
Sedgehill Academy	September 2019
Marsden Heights Community College	November 2020
The Lowry Academy	March 2021
Avonwood Primary	March 2021

Funds

The value of the scholarship and prize funds to be utilised in future years is £363,000 (2020: £363,000) for appeal and sponsorship funds and other donated funds (see note 22).

The value of other restricted funds to be utilised in future years is £526,000 (2020: £526,000) for appeal and sponsorship funds and other donated funds (see note 22).

Unrestricted funds (before the pensions reserve) amount to £144,144,000 (2020: £135,088,000) and designated funds amount to £2,915,000 (2020: £3,768,000).

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 academies 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 12 to 15, Ofsted results on page 13 and trainee recruitment progress on page 16.

Plans for future periods

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

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 schools. 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.

UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

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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.

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 Trustees 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.

COVID-19 Pandemic

The Charitable Group has considered the live issues and future risks associated with the pandemic as part of the overall risk management framework and whilst enacting our Business Continuity plans at the start of lockdown. Each principal risk has been considered in light of the pandemic and additional mitigating actions and plans included accordingly.

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 online, 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 Charitable Group recognises its position as employer and the health and safety duties this entails. Roles and responsibilities across the organisation are defined in the Group Health and Safety Management Policy and subsidiary topic policies exist to communicate and promote the standards expected of all the Charitable Group's schools to ensure the health, safety and wellbeing of staff, students and other non-employees alike. The implementation of these policies is regularly monitored, and any incidents of significance are investigated with the intention of preventing recurrence.

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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 possible 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 and an economic downturn could have a direct impact on parents' ability to pay their fees. The impact of the COVID-19 lockdowns also may mean international travel restrictions and therefore boarding numbers may reduce. Senior management and the Trustees therefore aim to keep abreast of COVID-19 restrictions and the economic conditions both in the UK and abroad. Overheads are carefully monitored to ensure that resources are used effectively.

The markets in which the Charitable Group's schools operate are highly competitive. Consequently, the schools constantly review their processes to ensure that their pupils receive a first-class education that helps them to perform to their full ability in all aspects of school life.

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.

The Charitable Group also belongs to the Local Government Pension Scheme ("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 pension deficits recorded in the Statement of Financial Activities. Under FRS 102, the Charitable Group is required to account for the retirement benefits when it is committed to provide them, even if the actual provision will be many years into the future. Whilst FRS 102 may be 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) as 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 FRS 102 valuation. It is the triennial actual 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.

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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, and compliance with the facilities covenant tests.

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.

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 18 to the financial statements. In addition to these borrowings the Charitable Group has access to undrawn committed borrowing facilities of an additional £1.0m (2020: £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 budgets 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.

Covenant tests are reviewed monthly based on the latest management accounts and cash flow forecasts to ensure compliance in advance of the reporting periods.

UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2021

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 £57.0m. At 31 August 2021 there were free cash reserves of £65.0m (2020: £37.9m) plus undrawn committed borrowing facilities of £15.5m (2020: £9.6m) which in total exceed the required needs.

Reserves defined as net current assets/(liabilities) excluding bank loans amount to a surplus of £14.8m (2020: £3.2m).

In addition during the year, the Charitable Group granted £0.9m of further discounts and £0.1m of payment deferrals from the £4m Hardship Fund set up during lockdown to support those families at our independent schools who found themselves unable to pay school fees as a result of the pandemic. Deficit funds arising from valuation of the LGPS assets and liabilities do not impact the day to day operations of the Charitable Group. However, Trustees are mindful of the impact of the formal triennial valuations on future contribution rates when considering reserves requirements.

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.

ULT 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.

Fundraising

United Learning has a soft fundraising approach. In prior years, the Charitable Group has received large donations from individuals, but generally, we do not actively fundraise.

Our current approach is to work with partners and suppliers from time to time to offer fundraising packages for specific events and programmes such as our annual student and staff award ceremony and our Enterprise Programme.

Our schools regularly fundraise for themselves or charities via events such as performances, non-school uniforms day and fêtes.

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Fundraising (continued)

With the exception of the above, the Charitable Group does not contact or seek funding from the public or individuals, nor do we work with professional fundraisers. Occasionally, the Group is approached by trusts or individuals who are interested in working with us, and we will provide them with programme and funding information in order to explore funding opportunities that meet both parties' objectives and ethos. In prior years, we have submitted joint bid applications to trusts and funding bodies, such as the Department for Education and the Careers and Enterprise Company along with other charities.

We are members of the Fundraising Regulator Fundraising Preference Service to monitor our fundraising complaints. We did not receive any complaints this year.

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.

Beyond our schools, in March 2021 United Learning was appointed to support with the EdTech Demonstrator Schools and Colleges Programme. Funded by the Department for Education, the programme provides peer-led advice and training to help schools and colleges in England use technology to support remote teaching and improve their digital capability. As a Demonstrator school we offer packages of support, ranging from guidance, online tutorials, webinars and recorded content.

Over the course of the pandemic, subject leaders in our schools played an integral role in supplying online materials and expertise to support the Oak National Academy which was established by the DfE to develop over 40,000 free, high-quality and adaptable curriculum-aligned resources for schools across the country.

Staff across our Group, head teachers and members of our Executive Team have likewise provided support and expertise to working groups, research teams and national fora across the sector including in EdTech, curriculum reviews, qualification and exams policies and the impact of the pandemic on teaching and learning.

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.

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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 £1.28m (2020: £1.56m) to pupils attending its schools under means tested assistance. This equated to 1.17% of gross fees (2020: 1.41%). 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.

In addition during the year, UCST granted £0.9m (2020: £0.5m) of discounts and £0.1m (2020: £0.6m) of payment deferrals from the £4m Hardship Fund set up during the prior year lockdown to support those families at our independent schools who found themselves unable to pay school fees as a result of the pandemic.

Environmental policy

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

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 2021**

Environmental policy (continued)

We continue to work towards a carbon neutral organisation which we hope to achieve by the end of the 2029-30 academic year. Key initiatives include:

- Gradually replacing old and inefficient gas boilers across our schools which will result in a reduction in carbon emissions of 210,000 kg/year.
- Reviewing all photo-voltaic installations across the Group, with the aim of establishing a much more consistent approach, as well as – where possible – identifying further opportunities for renewable energy generation.
- Finalising plans for Chilmington Green Free School, which will be a completely carbon neutral new school, due to open near Ashford in September 2023.
- Working with our catering contractors, Caterlink and Chartwells, to put in place mechanisms to measure, track and reduce food waste across our academies and independent schools. Developing our approach to procurement, including the introduction of a zero-carbon approach to suppliers over a certain value.
- We have established a network of Carbon Neutral Champions in each our schools who work together to identify ways of further reducing carbon emissions.

Streamlined Energy and Carbon Reporting**Consumption (kWh) and Greenhouse Gas emissions (tCO₂e) Totals**

The following figures make up the baseline reporting for the Charitable Group.

Scope 1 consumption and emissions relate to direct combustion of natural gas, and fuels utilised for transportation operations, such as company vehicle fleets, and grey fleet.

Scope 2 consumption and emissions relate to indirect emissions relating to the consumption of purchased electricity in day to day business operations.

UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

**TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT
FOR THE YEAR ENDED 31 AUGUST 2021**

Streamlined Energy and Carbon Reporting (continued)
Totals

The total consumption (kWh) figures for energy supplies reportable by the Charitable Group are as follows:

Utility and Scope	2020/21 UK Consumption (kWh)	2019/20 UK Consumption (kWh)
Grid-Supplied Electricity (Scope 2)	39,113,715	35,179,302
Gaseous and other fuels (Scope 1)	68,493,000	64,608,718
Transportation	-	610,332
Total	107,606,715	100,398,352

The total emission (tCO₂e) figures for energy supplies reportable by the Charitable Group are as follows. Conversion factors utilities in these calculations are detailed in the reporting methodology:

Utility and Scope	2020/21 UK Consumption (tCO₂e)	2019/20 UK Consumption (tCO₂e)
Grid-Supplied Electricity (Scope 2)	8,305.02	8,201.70
Gaseous and other fuels (Scope 1)	12,561.43	11,895.20
Transportation	-	143.80
Total	20,866.45	20,240.70

Intensity Metric

An intensity metric of tCO₂e – Total number of pupils per the October census has been applied for the annual total emissions of the Charitable Group.

The methodology of the intensity metric calculations are detailed below, and results of this analysis are as follows:

Intensity Metric	2020/21 UK Intensity Metric	2019/20 UK Intensity Metric
tCO ₂ e/m ²	354.72	352.01

The consumption figures in the two year period covered by these accounts were significantly disrupted by the Covid-19 pandemic due to school closures and home learning and working. In addition, the Charitable Group took the decision in March 2020 to pause the majority of our work focused specifically on energy efficiency and reducing our carbon footprint, both to reduce the pressure on schools and to ensure that central capacity was focused as far as possible on ensuring continuity of learning for our pupils. Activity resumed in September 2021. Therefore while we have seen no improvement in our emissions over the period, we expect to see a gradual improvement as energy efficiency measures begin to take effect. Furthermore, the emissions reporting does not reflect the fact that during the prior year the Charitable Group moved its energy contract to fully renewable electricity sources.

UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2021

Streamlined Energy and Carbon Reporting (continued)

Reporting Methodology

Scope 1 and 2 consumption and CO₂e emission data has been calculated in line with the 2019 UK Government environmental reporting guidance. The following Emission Factor Databases consistent with the 2019 UK Government environmental reporting guidance have been used, utilising the current published kWh gross calorific value (CV) and kgCO₂e emissions factors relevant for reporting year 1 September 2020 to 31 August 2021:

Estimations undertaken to cover missing billing periods for properties directly invoiced to United Learning Trust were calculated on a kWh/day pro-rata basis at meter level. These estimations equated to 5% of reported consumption.

Intensity metrics have been calculated utilising the 2020/21 reportable figures for the following metrics, and tCO₂e for both individual sources and total emissions were then divided by this figure to determine the tCO₂e per metric

- Total number of pupils per October census 58,825 (2019/20: 57,500)

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.

UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

**TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT
FOR THE YEAR ENDED 31 AUGUST 2021**

Employee involvement and the employment of the disabled (continued)

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.

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

United Learning Trust trade union facility time

The tables below set out ULT's trade union facility time data for the period from 1 April 2020 to 31 March 2021.

Relevant Union Officials

Total number of the Academy Trust employees who were relevant union officials during the relevant period (1 April 2020 to 31 March 2021).

Number of employees	Full time equivalent employee number
51	49.5

Percentage of time spent on facility time

The percentage of their working hours that relevant unions' officials spent on facility time is as follows:

Percentage of time	Number of employees
0%	11
1% - 50%	40
51% - 99%	-
100%	-

Percentage of pay bill spent on facility time

Total cost of facility time	£82,205
Total pay bill	£274,016,667
Percentage of the total pay bill spent on facility time	0.03%

UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2021

Relevant Union Officials (continued)

Paid trade union activities

As a percentage of total paid facilities time hours, the amount of time 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	5.3%
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Section 172 Statement

The Trustees fulfil their duty to promote the success of the Charitable Company and Group under Section 172 of the Companies Act 2006 (the Act) and consider the interests of UCSF's key stakeholders when making decisions as follows. The Charitable Group has a clear purpose which is to promote excellent education, providing strong schools that enable all young people to make a success of their lives. This requires the Board, senior leadership team and other employees to maintain an approach to strategic, financial and operational decision making that is values based and sustainable in approach, and therefore aligned to the requirements and expectations of Section 172. Our long-term success relies upon our delivering the strategic objectives described in the Trustees' report above through our talented and committed employees; close working relationships with regulators and suppliers, providing benefits to both

the pupils in our schools and the wider school community.

In the light of our purpose and strategy as set out in the Trustees' Report our Trustees take steps to understand the needs and priorities of each stakeholder group and do so via a number of mediums, including by direct engagement through school visits and discussions with employees; parent and pupil surveys; and via committees and forums.

Strategic priorities are discussed with the Board at the start of each year. These are informed by our long-term vision, the outcomes for pupils and other key performance measures from the previous year and the outcomes of our stakeholder surveys. The Board sets key performance indicators and targets relating to these priorities and monitors performance against these at each Group Board meeting.

At Board meetings, the Trustees receive reports summarising the current status of each of our schools and highlighting any notable successes or concerns. Sub-committees, as described in the Governance Statement, meet to enable scrutiny of a wider range of data and reports and to review progress against the strategic objectives.

The Board has designated a named Trustee to act as the key link between the Board and LGBs, and with the education teams, across primary and secondary and academies and independents. The Board has also identified link Trustees for safeguarding, people, health & safety and estates, finance and information governance. Link Trustees attend relevant meetings of the executive and speak regularly with relevant key employees to provide regular oversight and ensure they understand the key issues facing the organisation and how these are being tackled.

All Trustees are invited to visit schools on a regular basis. These visits are generally scheduled alongside education teams so that they are able to observe the way in which Regional Directors/Education Directors engage with senior school staff in pursuing improvement priorities. Their notes of visits are shared with the Executive and with the Board.

UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2021

Section 172 Statement (continued)

United Church Schools Foundation is regulated by the Charity Commission and has due regard to the Commission's guidance. The Charitable Company is regulated by the Information Commissioner's Officer ("ICO"), and policies and procedures are in place to ensure compliance with General Data Protection Regulations, which have been shared with the ICO. ULT is regulated by the Department for Education ("DfE") and has due regard to the provisions of its funding agreements and the Academies Financial Handbook. Regular returns are submitted to the DfE and the Education and Skills Funding Agency ("ESFA"), and we have regular senior contact with both.

The Directors consider relationships with suppliers through the oversight of the Group procurement policy and Modern Slavery statement. During the COVID-19 pandemic, we have worked with our suppliers to ensure continuity of service and kept them regularly updated with operational changes resulting from the pandemic restrictions. A Head of Procurement was appointed in year who will develop a group wide approach to managing supplier relationships. This approach will describe how the Group will manage its suppliers based on criticality, how it deals with performance issues and how it works with suppliers to continually improve performance and identify new and better ways of delivering services. The impact of the Charitable Company's operations on the community is referred to in the Environmental Policy in the Directors' report. The outcomes of this engagement with our stakeholders informs Board decision making as described in the Trustees' report above.

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.

UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

**TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT
FOR THE YEAR ENDED 31 AUGUST 2021**

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

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 Group'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 Group'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 7 February 2022 and signed on the Board's behalf by:



Mr Neil Davidson, Trustee



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

Opinion

We have audited the financial statements of United Church Schools Foundation Limited (the 'parent Charitable Company') and its subsidiaries (the 'Group') for the year ended 31 August 2021, which comprise the Consolidated Statement of Financial Activities (incorporating the Income and Expenditure Account), the Consolidated Balance Sheet, the Charitable Company Balance Sheet, 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 2021 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 are responsible for concluding on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent Charitable Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group or parent Charitable Company to cease to continue as a going concern.

In our evaluation of the trustees' conclusions, we considered the inherent risks associated with the Group's and parent Charitable Company's business model including effects arising from macro-economic uncertainties such as Brexit and COVID-19, we assessed and challenged the reasonableness of estimates made by the trustees and the related disclosures and analysed how those risks might affect



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

the Group's and parent Charitable Company's financial resources or ability to continue operations over the going concern period.

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

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

The responsibilities of the Trustees with respect to going concern are described in the 'Responsibilities of Trustees for the financial statements' section of this report.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report, 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 purposes 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.



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

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.

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 pages 33 & 34, 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. This description forms part of our auditor's report.



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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and the sector in which it operates. We determined that the following laws and regulations were most significant: The Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102), Charities SORP (FRS 102), the Companies Act 2006, Charities Act 2011, Academies Act 2010, Academies Financial Handbook 2020, Data protection Act 2018 and The Education Act 2002;
- We understood how the Group is complying with these legal and regulatory frameworks by making inquiries of management and those charged with governance. We enquired of management and those charged with governance whether there were any instances of non-compliance with laws and regulations, or whether they had any knowledge of actual or suspected fraud. We corroborated the results of our enquiries through our review of board minutes, through our legal and professional expenses review and through inquiries of solicitors who served during the period;
- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur and the risk of material override of controls. Audit procedures performed by the engagement team included:
 - Identifying and assessing the design effectiveness of certain controls management has in place to prevent and detect fraud
 - Challenging assumptions and judgements made by management in its significant accounting policies
 - Identifying and testing journal entries, with a focus on manual postings, journals that directly impacted on the surplus reported in the statement of financial activities and journal entries posted in the closing and accounts preparation period
 - Identifying and testing related party transactions
 - Inspecting the board and other committee minutes
 - Assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item



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

- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. However, detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as those irregularities that result from fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
 - knowledge of the charity and education sector
 - understanding of the legal and regulatory requirements specific to the group including:
 - the provisions of the applicable legislation
 - guidance issued by the ESFA and Charities Commission.
- The team communications in respect of potential non-compliance with relevant laws and regulations included the potential for fraud in revenue through manipulation of income and management override of controls; and
- In assessing the potential risks of material misstatement, we obtained an understanding of:
 - the Group's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
 - the Group's control environment, including: the policies and procedures implemented by the Group to ensure compliance with the requirements of the financial reporting framework and relevant laws and regulations.
 - the policies and procedures implemented by the group to ensure compliance with the requirements of the financial reporting framework and relevant laws and regulations
 - the adequacy of procedures for authorisation of transactions and review of management accounts
 - procedures to ensure that possible breaches of laws and regulations are appropriately resolved.



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

Use of our report

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charitable Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company and the Charitable Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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: 8/2/2022

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 2021

	Note	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2021 £'000	Total 2020 £'000
Income						
Income from donations						
Voluntary income	5	2,803	58	-	2,861	3,292
Net (liabilities)/assets transferred from other charities and on conversion	7	83	(4,570)	-	(4,487)	103,149
Income from charitable activities						
School fees receivable	2	98,758	-	-	98,758	96,094
Other educational related activities	3	16,156	-	-	16,156	16,239
Grants from Department for Education	4	-	368,451	-	368,451	329,054
Rents and lettings		403	-	-	403	253
Income from other trading activities						
Trading income		3,286	-	-	3,286	4,344
Income from investments						
Investment income	6	268	-	-	268	331
Other income						
Gains on disposals of tangible fixed assets		2	-	-	2	627
Total income		121,759	363,939	-	485,698	553,383
Acquired operations		83	13,800	-	13,883	135,483
Continuing operations		120,036	350,139	-	470,175	414,974
Discontinued operations		1,640	-	-	1,640	2,926

In 2020, of total income from acquired operations, £8,010k was to unrestricted funds and £127,473k was to restricted funds. Discontinued operations were to unrestricted funds.

The notes on pages 50-92 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 2021

	Note	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2021 £'000	Total 2020 £'000
Expenditure						
Expenditure on raising funds						
Trading expenditure		2,054	-	-	2,054	2,332
Expenditure on charitable activities						
School and academy operating costs, project management and finance costs		113,167	381,822	-	494,989	458,315
Total expenditure	8	115,221	381,822	-	497,043	460,647
Acquired operations		-	17,182	-	17,182	34,063
Continuing operations		111,929	364,640	-	476,569	422,851
Discontinued operations		3,292	-	-	3,292	3,733

In 2020, of total expenditure on acquired operations, £5,705k was from unrestricted funds and £28,358k was from restricted funds. Discontinued operations were to unrestricted funds.

The notes on pages 50-92 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 2021

	Note	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2021 £'000	Total 2020 £'000
Net incoming/ (outgoing) resources before investment gains and transfers		6,538	(17,883)	-	(11,345)	92,736
Acquired operations		83	(3,382)	-	(3,299)	101,420
Continuing operations		8,107	(14,501)	-	(6,394)	(7,877)
Discontinued operations		(1,652)	-	-	(1,652)	(807)
Net gains/(losses) on investments		<u>1,674</u>	<u>113</u>	-	<u>1,787</u>	<u>(33)</u>
Net income/(outgoing) resources before other recognised gains and losses		8,212	(17,770)	-	(9,558)	92,703
Actuarial gains/(losses) on defined benefit pension schemes	28	<u>419</u>	<u>(23,715)</u>	-	<u>(23,296)</u>	<u>(8,785)</u>
Net movement in funds for the year		<u>8,631</u>	<u>(41,485)</u>	-	<u>(32,854)</u>	<u>83,918</u>
Acquired operations		83	(3,382)	-	(3,299)	103,069
Continuing operations		10,200	(39,752)	-	(27,903)	(18,344)
Discontinued operations		(1,652)	-	-	(1,652)	(807)
Funds brought forward at 1 September 2020		<u>136,216</u>	<u>590,331</u>	<u>277</u>	<u>726,824</u>	<u>642,906</u>
Funds carried forward at 31 August 2021		<u><u>144,847</u></u>	<u><u>548,846</u></u>	<u><u>277</u></u>	<u><u>693,970</u></u>	<u><u>726,824</u></u>

The notes on pages 50-92 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 2021

In 2020, of net incoming resources before investment gains and transfers from acquired operations, £2,305k was to unrestricted funds and £99,115k was to restricted funds. Discontinued operations were to unrestricted funds.

In 2020, of the net movement in funds from acquired operations, a surplus of £2,305k was to unrestricted funds and £100,764k was to restricted funds. Discontinued operations were to unrestricted funds.

The notes on pages 50-92 form part of these financial statements.

UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

CONSOLIDATED BALANCE SHEET AS AT 31 AUGUST 2021

	Note	2021	2020
		£'000	£'000
Fixed assets			
Intangible assets	12	2,378	2,254
Tangible assets	13	865,614	874,993
Investments	11	11,720	9,898
		<u>879,712</u>	<u>887,145</u>
Current assets			
Stocks	14	185	200
Debtors	15	51,089	55,677
Cash and cash equivalents	25	64,959	37,889
		<u>116,233</u>	<u>93,766</u>
Creditors: amounts falling due within one year	16	<u>(108,371)</u>	<u>(105,002)</u>
Net current assets/(liabilities)		<u>7,862</u>	<u>(11,236)</u>
Total assets less current liabilities		887,574	875,909
Creditors: amounts falling due after more than one year	17	<u>(15,159)</u>	<u>(15,003)</u>
Net assets excluding pension liability		872,415	860,906
Defined benefit pension scheme liabilities	28	<u>(178,380)</u>	<u>(134,017)</u>
Net assets including pension liability		<u>694,035</u>	<u>726,889</u>

The notes on pages 50-92 form part of these financial statements.

UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

CONSOLIDATED BALANCE SHEET AS AT 31 AUGUST 2021

	Note	£'000	2021 £'000	£'000	2020 £'000
Capital					
Called up share capital	19		65		65
Capital funds					
Endowment fund	20		277		277
Income funds					
Restricted funds					
Restricted general funds	22	724,125		720,819	
Other restricted funds	22	889		889	
		725,014		721,708	
Pension reserve	22	(176,168)	548,846	(131,377)	590,331
Unrestricted funds					
Pension reserve	21	144,144		135,088	
	21	(2,212)		(2,640)	
Designated funds	21	2,915	144,847	3,768	136,216
			694,035		726,889

The financial statements were approved by the Board and authorised for issue on 7 February 2022 and signed on its behalf by:



Mr Neil Davidson, Trustee

The notes on pages 50-92 form part of these financial statements.

UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

CHARITABLE COMPANY BALANCE SHEET AS AT 31 AUGUST 2021

	Note	2021 £'000	2020 £'000
Fixed assets			
Tangible assets	13	177,887	181,384
Investments	11	737	625
		<u>178,624</u>	<u>182,009</u>
Current assets			
Debtors	15	142	1,969
Cash and cash equivalents		3	2
		<u>145</u>	<u>1,971</u>
Creditors: amounts falling due within one year	16	<u>(40,205)</u>	<u>(43,534)</u>
Net current liabilities		<u>(40,060)</u>	<u>(41,563)</u>
Total assets less current liabilities		138,564	140,446
Creditors: amounts falling due after more than one year	17	<u>(14,864)</u>	<u>(14,696)</u>
Net assets		<u><u>123,700</u></u>	<u><u>125,750</u></u>
Capital			
Called up share capital	19	65	65
Capital funds			
Endowment fund	20	277	277
Income funds			
Restricted funds	22	808	696
Unrestricted funds	21	122,529	124,691
Designated funds	21	21	21
		<u><u>123,700</u></u>	<u><u>125,750</u></u>

The Charitable Company generated a deficit for the year of £2.050m (2020 surplus: £6.203m).

The financial statements were approved by the Board and authorised for issue on 7 February 2022 and signed on its behalf by:



Mr Neil Davidson, Trustee

The notes on pages 50-92 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 2021

	Note	2021 £'000	2020 £'000
Cash flows from operating activities			
Net cash provided by operating activities	24	33,656	17,303
Cash flows from investing activities			
Purchase of tangible fixed assets		(20,006)	(22,692)
Purchase of intangible fixed assets		(419)	(460)
Proceeds from the sale of tangible fixed assets		1,454	5,327
Purchase of investments		(1,983)	(1,710)
Proceeds from the sale of investments		1,947	1,671
Dividends and interest received from fixed asset investments		268	331
ESFA capital grants received		16,367	10,443
Net cash acquired in business combinations		-	336
Net cash used in investing activities		(2,372)	(6,754)
Cash flows from financing activities			
Repayment of borrowings		(7,332)	(5,060)
Receipt of new bank loans		-	6,100
Repayment of finance leases		(21)	(20)
Interest paid		(378)	(546)
Net cash (used in)/from financing activities		(7,731)	474
Change in cash and cash equivalents in the year		23,553	11,023
Cash and cash equivalents brought forward		31,481	20,458
Cash and cash equivalents carried forward	25	55,034	31,481

The notes on pages 50-92 form part of these financial statements.

UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

CONSOLIDATED STATEMENT OF NET DEBT FOR THE YEAR ENDED 31 AUGUST 2021

	At 1 September 2020 £'000	Cash flows £'000	Other movements £'000	Repayment of bank loans £'000	At 31 August 2021 £'000
Cash and cash equivalents	31,481	30,885	-	(7,332)	55,034
Debt due within one year	(14,453)	-	168	7,332	(6,953)
Debt due after one year	(14,720)	21	(168)	-	(14,867)
	2,308	30,906	-	-	33,214

The notes on pages 50-92 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 2021**

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 2019) - (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 11. 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 12 months 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 2021**

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 2021

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. The pension reserve funds relate to the deficits arising on valuation of the various Local Government Pension Schemes in which the Group is a participating employer and other unfunded pension obligations. Pension reserve funds arising from the Charitable Group's academy schools are restricted by virtue of the fact that these are funded by restricted grant income from the Department for Education. All other pension reserves are unrestricted funds.

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, considering whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charitable Group to continue as a going concern. The Trustees make this assessment in respect of a period at least one year from the signing date of these financial statements. The Trustees have considered the effects of the COVID-19 pandemic in reaching their conclusions, preparing an annual budget and monitoring performance against it with forecasts for the balance of the financial year and beyond, and preparing a range of cash flow forecast scenarios. The Charitable Group maintains reserves to meet unexpected obligations and forecast models indicate that, even allowing for the economic impacts of the pandemic, the Charitable Group has adequate resources to continue in operational existence for the foreseeable future. The financial statements have therefore been prepared on a going concern basis as discussed in the Trustees' Report on pages 17 and 18.

UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

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

Accounting Policies (continued)**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.

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. Borrowing costs are not capitalised.

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.

UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

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

Accounting Policies (continued)**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.

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 stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of Financial Activities.

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 six 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 to the Local Authority until the end of the Project Agreement. Whilst the PFI agreement remains between the Local Authority and the Contractor, ULT 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 agreements 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 and it does not control the assets during this period. 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 Local Authority and then to the Charitable Group as part of a long lease at which point the buildings will be capitalised.

UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

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

Accounting Policies (continued)**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.

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 and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

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.

UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

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

Accounting Policies (continued)

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.

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 28, 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.

UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

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

Accounting Policies (continued)**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 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 28, 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 2021. 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 28. 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.

UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

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

Accounting Policies (continued)
Buildings occupied under PFI Agreements

At six 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. In making this judgement, the Charitable Group considers the risks and rewards associated with the buildings and to what extent it has control over these and for what period. In making this assessment, judgement is also applied in determining what substance the arrangements take between the Charitable Group and the respective Local Authorities.

The Charitable Group has concluded that the arrangements represent an operating lease on the basis that only the services elements are charged to the Charitable Group and it does not control the assets and has neither the rights of rewards from ancillary use of the building nor the risks associated with maintenance, insurance and replacement during the life of the agreement which also is not substantially all of the assets' useful economic life.

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.

Impairment of tangible fixed assets

An impairment review has been undertaken to consider the impact of COVID-19, at present the Trustees are not aware of any potential indicators of impairment, the specialist nature of the property assets meaning the majority are held on depreciated replacement cost and therefore their value is not linked to market.

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.

	2021	2020
	£'000	£'000
Gross fee income receivable	109,949	109,816
Scholarships, bursaries and reduced fees	(12,357)	(15,142)
	97,592	94,674
Catering income	1,166	1,420
	98,758	96,094
Net fee income receivable	98,758	96,094

In 2020 of the total income, £96,094k 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 2021**

3 Other educational related income

	2021 £'000	2020 £'000
Accounting services to other schools	742	537
Pupil registration fees	284	260
Charges for additional classes	1,050	1,002
Income from Government's Coronavirus Job Retention Scheme	2,493	3,529
Trip income	1,625	1,555
Other miscellaneous school income	9,962	9,356
	<u>16,156</u>	<u>16,239</u>

In 2020 of the total income, £16,239k 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.

4 Grants from DfE

	2021 £'000	2020 £'000
Grants from Department for Education:		
Capital grants for new buildings	13,516	17,328
Revenue grants for operating costs of existing academies	348,224	310,779
COVID-19 additional funding	6,711	947
	<u>368,451</u>	<u>329,054</u>

In 2020 of the total income, £nil was income from unrestricted funds, and £329,054k was income from restricted funds.

5 Voluntary income

	2021 £'000	2020 £'000
Other sponsorship and donations received	2,861	3,282
Gift aid – COVID-19 donations	-	10
	<u>2,861</u>	<u>3,292</u>

In 2020 of the total income, £3,148k was income from unrestricted funds, and £144k 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 2021**

6 Investment income

Investment income comprises income from:

	2021	2020
	£'000	£'000
Listed investments	239	258
Bank deposits	29	73
	<u>268</u>	<u>331</u>

In 2020 of the total income, £331k 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 2021**

7 Net assets transferred from other charities and on conversion

Academies recognised on conversion in the year:

Sedgehill School, Marsden Heights Community College and The Lowry Academy converted to academy trust status under the Academies Act 2020 on 1 September 2020, 1 November 2020 and 1 March 2021 respectively. All of the assets and liabilities were transferred to United Learning Trust on the date of conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Consolidated Statement of Financial Activities.

	ULT £'000	Total £'000
Marsden Heights Community College		
Current assets	-	-
Defined benefit pension scheme liabilities	<u>(1,635)</u>	<u>(1,635)</u>
Net liabilities	<u><u>(1,635)</u></u>	<u><u>(1,635)</u></u>
Sedgehill School		
Current assets	-	-
Defined benefit pension scheme liabilities	<u>(1,681)</u>	<u>(1,681)</u>
Net liabilities	<u><u>(1,681)</u></u>	<u><u>(1,681)</u></u>
The Lowry Academy		
Current assets	144	144
Defined benefit pension scheme liabilities	<u>(1,315)</u>	<u>(1,315)</u>
Net liabilities	<u><u>(1,171)</u></u>	<u><u>(1,171)</u></u>

There was no consideration paid, and the net liabilities acquired totalling £4,487k have therefore been recorded within voluntary income as net liabilities transferred from other charities.

UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

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

8 Analysis of total resources expended

	Staff costs £'000	Other costs £'000	Depreciation and amortisation £'000	Total 2021 £'000	Total 2020 £'000
Expenditure on raising funds					
Trading expenditure	1,190	830	34	2,054	2,332
Total expenditure on raising funds	1,190	830	34	2,054	2,332
Charitable activities					
Schools operating costs					
Education costs	297,928	21,439	-	319,367	293,113
Catering	784	13,164	-	13,948	11,225
Premises and services	10,653	38,160	-	48,813	42,349
Technology	9,603	7,993	-	17,596	17,304
Marketing	823	1,321	-	2,144	2,371
Administration and other costs	44,701	20,036	-	64,737	60,420
Exceptional cost:					
School acquisition and closure costs	-	195	-	195	211
Bank interest payable and charges	-	601	-	601	794
Depreciation and amortisation	-	-	26,718	26,718	25,521
Loss on disposals of tangible fixed assets	-	-	28	28	4,216
Corporation tax	-	15	-	15	13
Governance costs:					
Group secretarial costs	273	34	-	307	277
Audit and accountancy fees – Auditor's remuneration	-	311	-	311	285
Audit and accountancy fees – Sub-auditors	-	14	-	14	44
Other governance costs	-	194	-	194	171
Members' meetings and travel expenses	-	1	-	1	1
Total expenditure on charitable activities	364,765	103,478	26,746	494,989	458,315
Total resources expended	365,955	104,308	26,780	497,043	460,647

UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

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

8 Analysis of total resources expended (continued)

Exceptional costs incurred in school mergers, acquisitions and disposals during the year ended 31 August 2021 amounted to £195k (2020: £211k).

Exceptional costs incurred in school closures, mergers, acquisitions and disposals and in relation to the COVID-19 outbreak during the year ended 31 August 2021 amounted to £546k (2020: £2,285k).

On 31 August 2021, PHC Hitchin closed. PHC Hitchin has been treated as a discontinued operation, as disclosed on the face of the statement of financial activities.

All exceptional costs noted above are net after deducting associated exceptional income, and certain costs such as exceptional fee discounts, are set directly against income in the financial statements.

Total resources expended include:

	2021	2020
	£'000	£'000
Auditor's remuneration – audit of the Charitable Company	17	17
Auditor's remuneration – audit of the accounts of subsidiary undertakings	213	193
Auditor's remuneration – other assurance fees	45	39
Auditor's remuneration – all non audit services not covered above	36	36
Subsidiary auditor's remuneration – component auditor	14	44
Depreciation:		
Tangible fixed assets, owned	26,429	25,402
Tangible fixed assets, financed	28	28
Loss on sale of fixed assets	28	4,216
Amortisation	295	125
Operating lease rentals	2,158	2,017

Subsidiary auditor's remuneration – component auditor in the period is payable to a different firm than the statutory group auditor.

Deficit 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 deficit for the year includes a deficit of £2.059m (2020 surplus: £6.203m) relating to United Church Schools Foundation Ltd which is dealt with in the financial statements of the Charitable Group.

UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

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

9 Net interest

	2021	2020
	£'000	£'000
On bank loans and overdrafts	378	546
Interest on Local Government and Unfunded Pension Schemes	2,359	2,061
	<u>2,737</u>	<u>2,607</u>

10 Members and employees

Staff costs during the year were as follows:

	2021	2020
	£'000	£'000
Wages and salaries	267,626	247,056
Social security costs	25,098	22,023
Other pension costs	65,308	59,552
	<u>358,032</u>	<u>328,631</u>
Supply teacher costs	5,644	6,195
Staff restructuring costs	2,279	1,677
	<u>365,955</u>	<u>336,503</u>

The average number of employees during the year was 9,537 (2020: 9,495).

UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

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

10 Members and employees (continued)

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

	2021	2020
	Number	Number
£60,001 to £70,000	203	163
£70,001 to £80,000	85	63
£80,001 to £90,000	36	36
£90,001 to £100,000	30	31
£100,001 to £110,000	17	14
£110,001 to £120,000	14	9
£120,001 to £130,000	7	6
£130,001 to £140,000	7	3
£140,001 to £150,000	4	5
£150,001 to £160,000	2	1
£160,001 to £170,000	2	4
£170,001 to £180,000	2	1
£180,001 to £190,000	1	-
£190,001 to £200,000	2	-
£220,001 to £230,000	-	1
£230,001 to £240,000	-	1
£240,001 to £250,000	1	-
£250,001 to £260,000	1	1

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

	2021	2020
	£'000	£'000
Pension contributions to defined contribution, Teachers' Pension Scheme and Local Government Pension Scheme	<u>6,362</u>	<u>5,518</u>

During the year, 34 higher paid employees (2020: 27) participated in defined contribution schemes, 355 (2020: 295) participated in the Teachers' Pension Scheme (operated by the Teachers' Pension Agency), 17 (2020: 15) participated in the Local Government Pension Scheme and 8 (2020: 2) did not participate in any scheme.

None of the Trustees received any remuneration in the year (2020: none).

Expense reimbursements paid to 1 (2020: 2) Trustee of Group entities was £1,009 (2020: £641) and all related to travel and subsistence costs.

The remuneration for Key Management Personnel; as defined in the Reference and Administration details, totalled £1,383,038 (2020: £1,315,257). This remuneration was recorded as an expense in UCST.

UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

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

11 Fixed asset investments

	Listed investments and investment funds £'000
The Charitable Group	
Valuation	
At 1 September 2020	9,898
Additions	1,983
Disposals	(1,733)
Gain on revaluation	1,572
	11,720
At 31 August 2021	11,720

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.

	Investment funds £'000
The Charitable Company	
Valuation	
At 1 September 2020	625
Surplus on revaluation	112
	737
At 31 August 2021	737

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 2021**

11 Fixed asset investments (continued)

At 31 August 2021, 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
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

UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

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

11 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.

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

	2021	UCST	2021	ULT	Bacon's College	Community Services
	£'000	2020	£'000	2020	2021	Limited
		£'000		£'000	£'000	2020
						£'000
Incoming resources	121,961	114,470	374,879	440,195	90	213
Expenditure	(119,955)	(117,403)	(385,268)	(350,840)	(158)	(282)
(Loss)/gain on investments	2	-	1,672	(51)	-	-
Actuarial gains/(losses)	419	(278)	(23,715)	(8,507)	-	-
Net surplus/(deficit)	2,427	(3,211)	(32,432)	80,797	(68)	(69)
Assets	77,976	74,687	766,137	747,229	1,381	1,530
Liabilities	(56,908)	(56,046)	(213,249)	(161,909)	(862)	(943)
Net assets	21,068	18,641	552,888	585,320	519	587

UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

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

11 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:

	Regis Community Arena Limited		The Church Schools Trading Company Limited		ULT Trading Company Limited	
	2021	2020	2021	2020	2021	2020
	£'000	£'000	£'000	£'000	£'000	£'000
Turnover	1,583	1,766	627	679	986	1,687
Cost of sales, administration and other costs	(1,620)	(1,700)	(142)	(187)	(118)	(153)
Retained profit for the year	(37)	66	485	492	868	1,534
Assets	693	485	810	851	1,415	1,937
Liabilities	(664)	(419)	(325)	(359)	(544)	(409)
Net assets	29	66	485	492	871	1,528

UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

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

12 Intangible fixed assets

The Charitable Group

	Software development £'000
Cost	
At 1 September 2020	2,600
Additions	419
	3,019
At 31 August 2021	3,019
Amortisation	
At 1 September 2020	346
Charge for the year	295
	641
At 31 August 2021	641
Net book amount at 31 August 2021	2,378
Net book amount at 31 August 2020	2,254

UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

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

13 Tangible fixed assets

The Charitable Group	Total £'000	Freehold land and buildings £'000	Long term leasehold property £'000	Short leasehold improvements £'000	Fixtures and fittings £'000	Computer equipment £'000	Motor vehicles £'000	Assets under construction £'000
Cost								
At 1 September 2020	1,095,210	296,901	696,705	1,895	43,885	45,970	1,023	8,831
Additions	18,558	856	5,775	281	6,208	3,125	182	2,131
Disposals	(2,712)	(1,407)	-	-	(523)	(737)	(45)	-
Transfers between categories	-	3,862	6,468	(41)	41	-	-	(10,330)
At 31 August 2021	1,111,056	300,212	708,948	2,135	49,611	48,358	1,160	632
Depreciation								
At 1 September 2020	220,217	30,796	115,134	937	28,774	43,701	875	-
Provided in the year	26,457	5,723	14,511	46	3,476	2,584	117	-
Disposals	(1,232)	(159)	-	-	(295)	(735)	(43)	-
At 31 August 2021	245,442	36,360	129,645	983	31,955	45,550	949	-
Net book amount at 31 August 2021	865,614	263,852	579,303	1,152	17,656	2,808	211	632
Net book amount at 31 August 2020	874,993	266,105	581,571	958	15,111	2,269	148	8,831

UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

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

13 Tangible fixed assets (continued)

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

The net book value of assets held under finance lease, included above within fixtures and fittings is £30k (2020: £58k).

Included in freehold land and buildings is land with a carrying value of £15.481m (2020: £15.481m) on which depreciation has not been provided.

Included within the total carrying value of £865.614m (2020: £874.993m) 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.

The Charitable Group

	Total £'000	Freehold land and buildings £'000	Long term leasehold property £'000	Fixtures and fittings £'000	Computer equipment £'000	Assets under construction £'000
Net book amount at 31 August 2021	<u>686,199</u>	<u>87,349</u>	<u>583,497</u>	<u>-</u>	<u>15,353</u>	<u>-</u>

UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

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

13 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 2020	213,928	209,214	325	1,503	61	2,825
Additions	1,764	95	-	-	-	1,669
Transfers between categories	-	3,862	-	-	-	(3,862)
Disposals	(1,407)	(1,407)	-	-	-	-
At 31 August 2021	214,285	211,764	325	1,503	61	632
Depreciation						
At 1 September 2020	32,544	31,465	325	697	57	-
Provided in the year	4,013	3,883	-	128	2	-
Disposals	(159)	(159)	-	-	-	-
At 31 August 2021	36,398	35,189	325	825	59	-
Net book amount at 31 August 2021	177,887	176,575	-	678	2	632
Net book amount at 31 August 2020	181,384	177,749	-	806	4	2,825

All tangible fixed assets were used for charitable purposes.

Included in freehold land and buildings is land with a carrying value of £15.481m (2020: £15.481m) 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 2021**

14 Stocks

	The Charitable Group		The Charitable Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Finished goods and goods for resale	<u>185</u>	<u>200</u>	<u>-</u>	<u>-</u>

15 Debtors

	The Charitable Group		The Charitable Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Trade debtors	30,537	31,772	-	6
Amounts owed by group undertakings	-	-	137	114
Other debtors	14,380	19,425	6	1,849
Prepayments and accrued income	<u>6,172</u>	<u>4,480</u>	<u>-</u>	<u>-</u>
	<u>51,089</u>	<u>55,677</u>	<u>143</u>	<u>1,969</u>

16 Creditors: amounts falling due within one year

	The Charitable Group		The Charitable Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Bank loans	6,932	14,432	6,932	14,432
Bank overdrafts	9,925	6,408	9,925	6,408
Trade creditors	16,460	11,228	239	418
Amounts owed to group undertakings	-	-	23,049	22,214
Social security and other taxes	6,911	6,013	-	1
Corporation tax	-	-	-	-
Other creditors	19,970	19,394	-	-
Accruals and deferred income	48,152	47,506	60	61
Amounts due under finance leases	<u>21</u>	<u>21</u>	<u>-</u>	<u>-</u>
	<u>108,371</u>	<u>105,002</u>	<u>40,205</u>	<u>43,534</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 2021**

16 Creditors: amounts falling due within one year (continued)

The terms and conditions attached to bank and other loans are disclosed in note 18.

	2021	2020
	£'000	£'000
Deferred income		
Deferred income at 1 September 2020	35,454	35,557
Resources deferred during the year	36,930	35,454
Amounts released from prior year	(35,454)	(35,557)
	<hr/>	<hr/>
Deferred income at 31 August 2021	36,930	35,454
	<hr/> <hr/>	<hr/> <hr/>

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.

17 Creditors: amounts falling due after one year

	The Charitable Group		The Charitable Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Bank loans	14,864	14,696	14,864	14,696
Other creditors	188	173	-	-
Accruals and deferred income	104	110	-	-
Amounts due under finance leases	3	24	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	15,159	15,003	14,864	14,696
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The terms and conditions attached to bank and other loans are disclosed in note 18.

UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

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

18 Borrowings

Borrowings are repayable as follows:

	The Charitable Group		The Charitable Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Within one year				
Bank overdrafts, bank loans and other loans	16,857	20,840	16,857	20,840
Amounts due under finance lease	21	21	-	-
After one and within five years				
Bank loans and other loans	14,864	14,696	14,864	14,696
Amounts due under finance lease	3	24	-	-
	31,745	35,581	31,721	35,536

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%. A facility with year end balance of £6.5 million matures in March 2022, and another with year end balance of £14 million matures in October 2022. All outstanding balances fall due for repayment at maturity.

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

19 Share capital

	2021 £'000	2020 £'000
Authorised ordinary shares of £5 each	100	100
Allotted, called up and fully paid ordinary shares of £5 each	65	65

UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

**NOTES TO THE FINANCIAL STATEMENTS
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20 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 2021

21 Unrestricted funds

Current year	At 1 September 2020 £'000	Incoming resources £'000	Expenditure £'000	Transfers £'000	Gains and losses £'000	At 31 August 2021 £'000
The Charitable Group						
Unrestricted funds	135,088	122,720	(115,338)	-	1,674	144,144
Pension reserve	(2,640)	-	9	-	419	(2,212)
Designated funds						
Embley	21	-	-	-	-	21
Other school funds	3,747	(961)	108	-	-	2,894
Total designated funds	<u>3,768</u>	<u>(961)</u>	<u>108</u>	<u>-</u>	<u>-</u>	2,915
Total unrestricted funds	<u><u>136,216</u></u>	<u><u>121,759</u></u>	<u><u>(115,221)</u></u>	<u><u>-</u></u>	<u><u>2,093</u></u>	<u><u>144,847</u></u>
The Charitable Company						
Unrestricted funds	124,691	2,406	(4,568)	-	-	122,529
Designated funds						
Embley	21	-	-	-	-	21
Total unrestricted funds	<u><u>124,712</u></u>	<u><u>2,406</u></u>	<u><u>(4,568)</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>122,550</u></u>

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 2021

21 Unrestricted funds (continued)

Previous year	At 1 September 2019 £'000	Incoming resources £'000	Expenditure £'000	Transfers £'000	Gains and losses £'000	At 31 August 2020 £'000
The Charitable Group						
Unrestricted funds	127,846	124,430	(113,045)	(4,092)	(51)	135,088
Pension reserve	(2,351)	-	(11)	-	(278)	(2,640)
Designated funds						
Embley	21	-	-	-	-	21
Other school funds	185	(344)	(171)	4,077	-	3,747
Total designated funds	206	(344)	(171)	4,077	-	3,768
Total unrestricted funds	<u>125,701</u>	<u>124,086</u>	<u>(113,227)</u>	<u>(15)</u>	<u>(329)</u>	<u>136,216</u>
The Charitable Company						
Unrestricted funds	118,506	10,845	(4,660)	-	-	124,691
Designated funds						
Embley	21	-	-	-	-	21
Total unrestricted funds	<u>118,527</u>	<u>10,845</u>	<u>(4,660)</u>	<u>-</u>	<u>-</u>	<u>124,712</u>

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 2021

22 Restricted funds

Current year	At 1 September 2020 £'000	Incoming resources £'000	Expenditure £'000	Transfers £'000	Gains and losses £'000	At 31 August 2021 £'000
The Charitable Group						
Sponsorship fund	11,515	-	-	-	-	11,515
DfE funds – revenue	9,564	354,993	(344,416)	(4,896)	113	15,358
DfE funds - fixed assets	699,740	13,577	(20,961)	4,896	-	697,252
Pension reserve	(131,377)	(4,631)	(16,445)	-	(23,715)	(176,168)
	<u>589,442</u>	<u>363,939</u>	<u>(381,822)</u>	<u>-</u>	<u>(23,602)</u>	<u>547,957</u>
Other restricted funds						
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>
Total restricted funds	<u><u>590,331</u></u>	<u><u>363,939</u></u>	<u><u>(381,822)</u></u>	<u><u>-</u></u>	<u><u>(23,602)</u></u>	<u><u>548,846</u></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 DfE.

UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

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

22 Restricted funds (continued)

Previous year	At 1 September 2019 £'000	Incoming resources £'000	Expenditure £'000	Transfers £'000	Gains and losses £'000	At 31 August 2020 £'000
The Charitable Group						
Sponsorship fund	11,515	-	-	-	-	11,515
DfE funds – revenue	5,617	312,604	(308,675)	-	18	9,564
DfE funds - fixed assets	601,558	122,374	(24,207)	15	-	699,740
Pension reserve	(102,651)	(5,681)	(14,538)	-	(8,507)	(131,377)
	<u>516,039</u>	<u>429,297</u>	<u>(347,420)</u>	<u>15</u>	<u>(8,489)</u>	<u>589,442</u>
Other restricted funds						
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>
Total restricted funds	<u><u>516,928</u></u>	<u><u>429,297</u></u>	<u><u>(347,420)</u></u>	<u><u>15</u></u>	<u><u>(8,489)</u></u>	<u><u>590,331</u></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 DfE.

UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

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

22 Restricted funds (continued)

Current year	At 31 August 2020 £'000	Incoming resources £'000	Expenditure £'000	Transfer to other charity £'000	Gains £'000	At 31 August 2021 £'000
The Charitable Company						
Scholarship and prize funds	680	-	-	-	112	792
Sponsorship fund	6	-	-	-	-	6
Appeal funds	6	-	-	-	-	6
Other donations	4	-	-	-	-	4
	<u>696</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>112</u>	<u>808</u>
Previous year	At 31 August 2019 £'000	Incoming resources £'000	Expenditure £'000	Transfer to other charity £'000	Gains £'000	At 31 August 2020 £'000
The Charitable Company						
Scholarship and prize funds	662	-	-	-	18	680
Sponsorship fund	6	-	-	-	-	6
Appeal funds	6	-	-	-	-	6
Other donations	4	-	-	-	-	4
	<u>678</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>696</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 2021**

23 Analysis of net assets between funds
The Charitable Group - current year

	Unrestricted funds £'000	Restricted funds £'000	Endowment fund £'000	Total £'000
Investments	10,983	737	-	11,720
Intangible assets	2,378	-	-	2,378
Tangible assets	179,138	686,199	277	865,614
Current assets	43,425	72,808	-	116,233
Creditors: amounts falling due within one year	(73,641)	(34,730)	-	(108,371)
Creditors: amounts falling due after more than one year	(15,159)	-	-	(15,159)
Defined benefit pension liability	(2,212)	(176,168)	-	(178,380)
	<u>144,912</u>	<u>548,846</u>	<u>277</u>	<u>694,035</u>
Unrealised gains on investments included above	<u>2,293</u>	<u>485</u>	<u>-</u>	<u>2,778</u>

The Charitable Company – current year

	Unrestricted funds £'000	Restricted funds £'000	Endowment fund £'000	Total £'000
Tangible assets	177,610	-	277	177,887
Investments	-	737	-	737
Current assets	74	71	-	145
Creditors: amounts falling due within one year	(40,205)	-	-	(40,205)
Creditors: amounts falling due after more than one year	(14,864)	-	-	(14,864)
	<u>122,615</u>	<u>808</u>	<u>277</u>	<u>123,700</u>
Unrealised gains on investments included above	<u>-</u>	<u>485</u>	<u>-</u>	<u>485</u>

UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

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

23 Analysis of net assets between funds (continued)**The Charitable Group – previous year**

	Unrestricted funds £'000	Restricted funds £'000	Endowment fund £'000	Total £'000
Investments	9,273	625	-	9,898
Intangible assets	2,254	-	-	2,254
Tangible assets	182,424	692,292	277	874,993
Current assets	37,779	55,987	-	93,766
Creditors: amounts falling due within one year	(77,806)	(27,196)	-	(105,002)
Creditors: amounts falling due after more than one year	(15,003)	-	-	(15,003)
Defined benefit pension liability	(2,640)	(131,377)	-	(134,017)
	<u>136,281</u>	<u>590,331</u>	<u>277</u>	<u>726,889</u>
Unrealised gains on investments included above	<u>1,039</u>	<u>372</u>	<u>-</u>	<u>1,411</u>

The Charitable Company – previous year

	Unrestricted funds £'000	Restricted funds £'000	Endowment fund £'000	Total £'000
Tangible assets	181,107	-	277	181,384
Investments	-	625	-	625
Current assets	1,900	71	-	1,971
Creditors: amounts falling due within one year	(43,534)	-	-	(43,534)
Creditors: amounts falling due after more than one year	(14,696)	-	-	(14,696)
	<u>124,777</u>	<u>696</u>	<u>277</u>	<u>125,750</u>
Unrealised gains on investments included above	<u>-</u>	<u>372</u>	<u>-</u>	<u>372</u>

UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

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

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

	2021	2020
	£'000	£'000
Net income for the year (as per Statement of Financial Activities)	(9,558)	92,703
Adjustment for:		
Depreciation	26,457	25,430
Amortisation	295	125
Loss on disposal of fixed assets	26	3,589
(Profit)/loss on disposal of investments	(215)	4
Dividends and interest received on fixed assets investments	(268)	(331)
Unrealised (gain)/loss on investments	(1,572)	29
Decease/(increase) in stock	15	27
Decrease/(increase) in debtors	1,791	(1,537)
Increase/(decrease) in creditors	8,809	(3,716)
LGPS pension cost less contributions	16,527	14,549
Net liabilities/(assets) transferred from other charities and on conversion	4,487	(67,593)
Net assets transferred from local authorities	-	(35,556)
ESFA capital grants received	(13,516)	(10,966)
Interest paid	378	546
	33,656	17,303
Net cash provided by operating activities	33,656	17,303

25 Analysis of cash and cash equivalents

	2021	2020
	£'000	£'000
Cash and cash equivalents	64,959	37,889
Bank overdrafts	(9,925)	(6,408)
	55,034	31,481
Total cash and cash equivalents	55,034	31,481

26 Capital commitments

	The Charitable Group		The Charitable Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Contracted for but not provided in these financial statements	2,514	3,841	474	1,051

UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

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

27 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 £686,199k (2020: £692,292k) in United Learning Trust.

The Charitable Company

There were no contingent liabilities at 31 August 2021 or at 31 August 2020.

28 Retirement benefits

The total pension cost to the Charitable Group during the year ended 31 August 2021 was £65,308k (2020: £59,181k) of which £38,708k (2020: £35,837k) relates to the TPS, £24,930k (2020: £21,705k) relates to LGPS and £1,670k (2020: £1,639k) relates to defined contribution pension schemes. Employee and employer contributions payable to the schemes at the Balance Sheet date amounted to £6,037k (2020: £4,335k) 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 £1,004k (2020: £860k). The current service cost amounted to £nil (2020: £nil) and actuarial losses recognised through other comprehensive income amounted to £252k (2020: £73k). Benefits paid during the year amounted to £108k (2020: £107k).

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 1.7% with future pension increase and inflation being 4.8%.

UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

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

28 Retirement benefits (continued)**Teachers' Pension Scheme (TPS)****Teachers' Pension Scheme**

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2020. The key elements of the valuation and subsequent consultation are:

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

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the year amounted to £38.708m (2020 - £35.837m).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2020/04/teachers-pensions-valuation-report.aspx>).

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

UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

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

28 Retirement benefits (continued)

Local Government Pension Scheme (LGPS)

The Charitable Group 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 2021 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:

	2021	2020
	%	%
Discount rate for scheme	1.70	1.70
Rate of increase in pensions in payment	2.85	3.48
Rate of increase in salaries	4.25	2.43
Inflation assumption	2.80	2.35

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

	2021	2020
	£'000	£'000
Current service cost	24,651	21,888
Net interest cost	2,359	2,061
Past service cost	24	91
Losses on curtailments	16	19
Administration expenses	86	71
	<hr/>	<hr/>
Total	<u>27,136</u>	<u>24,130</u>

UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

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

28 Retirement benefits (continued)

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

	2021	2020
	£'000	£'000
Fair value of plan assets	246,899	195,639
Present value of funded and unfunded retirement benefit obligations	(425,279)	(329,656)
Net liability	(178,380)	(134,017)

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

	2021	2020
	£'000	£'000
Actuarial losses and return on assets less interest recognised in SOFA	(23,296)	(8,785)

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

	2021	2020
	£'000	£'000
Equities	149,636	115,145
Bonds	46,046	37,263
Property	21,340	17,557
Cash	7,205	8,086
Other	22,672	17,588
Total market value of assets	246,899	195,639

UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

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

28 Retirement benefits (continued)

The actual return on LGPS plan assets was as follows:

	2021	2020
	£'000	£'000
Actual return on LGPS plan assets	36,408	2,993

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

	2021	2020
	£'000	£'000
Opening defined benefit liabilities at 1 September 2020	329,656	281,360
Current service cost	24,651	21,888
Past service cost	24	91
Interest cost	5,847	5,546
Actuarial losses	56,216	8,293
Losses on curtailments	16	19
Contributions by plan participants	3,199	2,927
Acquired on business combinations	9,650	13,138
Benefits paid	(3,872)	(3,499)
Benefits paid – unfunded obligations	(108)	(107)
Closing defined benefit liabilities at 31 August 2021	425,279	329,656

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

	2021	2020
	£'000	£'000
Opening fair value of plan assets at 1 September 2020	195,639	176,358
Return on assets less interest	32,920	(492)
Interest on assets	3,488	3,485
Contributions by employer	10,593	9,474
Contributions by plan participants	3,199	2,927
Acquired on business combinations	5,019	7,457
Administration expenses	(87)	(71)
Benefits paid	(3,872)	(3,499)
Closing fair value of LGPS plan assets at 31 August 2021	246,899	195,639

UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

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

29 Leasing commitments

At 31 August 2021, the total of the Charitable Group's future minimum lease payments under non-cancellable operating leases was:

	2021	2020
	Total £'000	Total £'000
In one year or less	2,251	2,723
Between one and five years	3,689	3,905
In five years or more	4,438	5,013
	<u>10,378</u>	<u>11,641</u>

At 31 August 2021, the total of the Charitable Group's future minimum contractual payments under non-cancellable contracts was:

	2021	2020
	Total £'000	Total £'000
In one year or less	7,999	2,017
Between one and five years	28,701	6,874
In five years or more	48,365	9,112
	<u>85,065</u>	<u>18,003</u>

30 Relationship with related parties and other charities

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

At the reporting date, United Church Schools Foundation Limited owed £23,049k (2020: £22,214k) to United Church Schools Trust in respect of cash balances due. This balance can be seen within amounts owed to group undertakings due within one year.

There have been no other transactions with related parties that require disclosure under either FRS 102 Charities SORP (FRS 102) (effective 1 January 2019).

UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

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

31 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 the Charitable Company does not have control over the charitable application of the funds. The Charitable Company 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 2021, ULT received £416k (2020: £574k) and disbursed £302k (2020: £410k) from the fund. An amount of £819k (2020: £705k) 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 2021, ULT received £1,583k (2020: £1,685k) and disbursed £1,689k (2020: £1,693k) from the fund. An amount of £118k is included in other debtors (2020: £12k included in other debtors) relating to funds that are owed by or to the Department for Education if not disbursed.

32 Post balance sheet events

On 1 September 2021 the John Smeaton Academy in Leeds was transferred to The GORSE Academies Trust following discussions with the Department for Education that the school was best suited to a more local Multi Academy Trust.

Bank loans which were due to mature in March 2022, have been re-negotiated since the balance sheet date and mature in February 2025.

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 2021

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2021 £'000	Total 2020 £'000
Incoming resources					
Incoming resources from generated funds					
Investment income	392	-	-	392	564
Gains on disposals of tangible fixed assets	2	-	-	2	627
Incoming resources from charitable activities					
Rents	2,012	-	-	2,012	2,679
Net assets transferred from other charities	-	-	-	-	6,975
Total incoming resources	2,406	-	-	2,406	10,845
Resources expended					
Charitable activities					
School and academy operating costs, project management and finance costs	4,568	-	-	4,568	4,660
Total resources expended	4,568	-	-	4,568	4,660

UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

UNAUDITED STATEMENT OF FINANCIAL ACTIVITIES – UCSF FOR THE YEAR ENDED 31 AUGUST 2021

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2021 £'000	Total 2020 £'000
Net (outgoing)/incoming resources before transfers	(2,162)	-	-	(2,162)	6,185
Net (outgoing)/incoming resources before other recognised gains and losses	(2,162)	-	-	(2,162)	6,185
Other recognised gains and losses					
Investment revaluation gains	-	112	-	112	18
Net movement in funds for the year	(2,162)	112	-	(2,050)	6,203
Funds brought forward at 1 September 2020	124,712	696	277	125,685	119,482
Funds carried forward at 31 August 2021	<u>122,550</u>	<u>808</u>	<u>277</u>	<u>123,635</u>	<u>125,685</u>

UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

STATEMENT OF NET DEBT – UCSF FOR THE YEAR ENDED 31 AUGUST 2021

	At 1 September 2020 £'000	Cash flows £'000	Other movements £'000	Repayment of bank loans £'000	At 31 August 2021 £'000
Cash and cash equivalents	(6,406)	3,816	-	(7,332)	(9,922)
Debt due within one year	(14,432)	-	168	7,332	(6,932)
Debt due after one year	(14,696)	-	(168)	-	(14,864)
	<u>(35,534)</u>	<u>3,816</u>	<u>-</u>	<u>-</u>	<u>(31,718)</u>

UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

UNAUDITED CASH FLOW STATEMENT – UCSF FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £'000	2020 £'000
Cash flows from operating activities	1	4,314	4,007
Cash flows from investing activities:			
Purchase of tangible fixed assets		(1,764)	(4,024)
Sale of tangible fixed assets		<u>1,250</u>	<u>5,350</u>
Net cash used in investing activities		(514)	1,326
Financing			
Repayments of borrowing		(7,332)	(2,434)
Cash inflows from new borrowings		-	6,100
Interest paid		(376)	(543)
Interest received		<u>392</u>	<u>559</u>
Net cash (used in)/provided by financing activities		<u>(7,316)</u>	<u>3,682</u>
Change in cash and cash equivalents		<u>(3,516)</u>	<u>9,015</u>
Cash and cash equivalents brought forward	2	<u>(6,406)</u>	<u>(15,421)</u>
Cash and cash equivalents carried forward	2	<u>(9,922)</u>	<u>(6,406)</u>

UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

**UNAUDITED NOTES TO THE CASH FLOW STATEMENT – UCSF FOR THE YEAR ENDED
31 AUGUST 2021**

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

	2021	2020
	£'000	£'000
Changes in resources before transfers and revaluations	(2,049)	6,203
Depreciation	4,013	3,870
Profit on disposal of fixed assets	(2)	(650)
Revaluation of investments	(112)	(18)
Interest paid	376	543
Interest received	(392)	(559)
Decrease/(increase) in debtors	1,826	(1,561)
Increase in creditors	654	3,154
Net assets transferred from other charities	-	(6,975)
	4,314	4,007
Net cash provided by operating activities	4,314	4,007

2 Analysis of cash and cash equivalents

	2021	2020
	£'000	£'000
Cash and cash equivalents	3	2
Bank overdrafts	(9,925)	(6,408)
	(9,922)	(6,406)
Total cash and cash equivalents	(9,922)	(6,406)