

Financial Statements
United Church Schools
Foundation Limited and its
subsidiary undertakings

For the year ended 31 August 2016

**Company No 18582
Charity Registration No 313999**

Reference and Administrative Details of the Charitable Group, its Trustees and Advisers

For the year ended 31 August 2016

Company registered number:	18582
Charity registered number:	313999
Registered and principal office of the Charitable Group:	Worldwide House Thorpe Wood Peterborough PE3 6SB
Chief executive officer:	Mr J Coles
Company secretary:	Mr S Whiffen
Bankers	Barclays Bank PLC
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 Chartered Accountants Grant Thornton House 202 Silbury Boulevard Central Milton Keynes MK9 1LW

Trustees

For the year ended 31 August 2016

**Senior Management team and key
management personnel
(as at 1 September 2016)**

Mr J Coles, Chief Executive Officer
Ms A Bush, Head of Strategy and Performance
Mrs L Johnston, Chief Financial Officer
Mr G Harvey-Browne, Director of Estates
Mr D Norrish, Group Director of Technology
Mrs M Coalter, Director of People
Dame S Coates, Director of Secondary Academies (South)
Mrs J Woods, Directors of Secondary Academies (North)
Mr D Lee, Primary Director

Trustees

Sir A Greener (Chair)
Dr S Critchley
Mrs A Crowe
Mr M George
Mr R Greenhalgh
Mr M Litchfield
Mr N Robson

Biographies for the Trustees and Senior Management team can be found at www.unitedlearning.org.uk

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Trustees' Report incorporating the Strategic Report

The Board presents its report together with financial statements for the year ended 31 August 2016.

Constitution and objects

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

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

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

Members of the Board (hereafter called "Trustees")

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

All members of the Board of United Church Schools Trust ('UCST') hold one ordinary £5 share each for as long as they are members of the Board. There are 5 Trustees of UCST who each hold one £5 ordinary share. Mr Richard Greenhalgh and Mrs Angela Crowe also jointly hold 12,962 non-voting shares. The shares have no value.

Appointment of Trustees

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

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

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

Trustees' Report incorporating the Strategic Report

Governance of the Charitable Group

During the year the board of Trustees of UCSF held six meetings. Attendance at these meetings was as follows:

Trustee	Meetings Attended	Out of a Possible
Dr S Critchley	6	6
Mrs A Crowe	5	6
Mr M George	4	6
Sir A Greener (Chair)	5	6
Mr R Greenhalgh	6	6
Mr M Litchfield	6	6
Mr N Robson	3	6

UCSF has two subsidiary charitable companies, United Church Schools Trust ('UCST') which is responsible for running 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 carries out an annual self-evaluation process to review its effectiveness and continue to improve its performance. The Group Board met for a total of 7 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 Y Bevan	7	7
Mr J Coles	7	7
Mrs A Crowe	7	7
Mr M George	5	7
Sir A Greener	6	7
Mr R Greenhalgh (Chair)	7	7
Mrs L Heaver	7	7
Mr M Litchfield	7	7
Mr D Robinson	4	7
Mr N Robson	6	7
Mrs S Squire	6	7

The Board of Trustees of ULT and UCST delegate 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 Terms of Reference. The Group Board maintains links with the LGBs through the Company Secretary, and designated Directors for the primary and secondary schools. The Chairs of the LGBs attend meetings of the Education Board, which meets three times in the academic year and provides advice on strategy and education, further enhancing communications between Local Governing Bodies and the Trustees.

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

Trustees' Report incorporating the Strategic Report

Governance of the Charitable Group (continued)

The Finance Committee's purpose is to:

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

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

Trustee	Meetings Attended	Out of a Possible
Sir A Greener (Chair)	5	6
Dr S Critchley	6	6
Mrs A Crowe	6	6
Mr M George	4	6
Mr R Greenhalgh	6	6
Mr M Litchfield	6	6
Mr N Robson	3	6

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

- create and ensure implementation of a risk management framework for the Charitable Group and to oversee disaster recovery;
- ensure the accuracy of the Charitable Group's annual financial statements;
- ensure effective audit functions are in place (both external and internal);
- ensure adequate risk management processes are in place;
- ensure an adequate internal control environment is established.

Attendance at meetings during the year was as follows:

Committee member	Meetings attended	Out of a possible
Professor C Coulson-Thomas (Chair)	3	3
Mrs K Bowles	3	3
Dr S Critchley	3	3
Mr D D'Arcy Hughes	2	3

Trustees' Report incorporating the Strategic Report

Governance of the Charitable Group (continued)

A Group Nominations and Salaries Committee is in place whose purpose is to oversee the appointments of the Group Chairman, Directors and Senior Executives and to decide senior salaries and remuneration in line with the Group Board policy guidelines. The committee regularly reviews the terms of office, skills and attributes of the Board of Directors. Recruitment and selection of Directors is based on this and the committee ensures that key skills gaps are identified and addressed. The committee also takes account of Board diversity and strives to ensure the Board composition is diverse particularly in terms of gender and ethnicity. Succession planning has been considered and it is expected that identified future gaps in Board skills and experience will be addressed in the coming year.

The Committee membership is the Chair of the Group Board and the Chairs of UCSF, UCST, ULT and the Chief Executive in attendance. They are advised by the Director of People and Company Secretary. The members of the committee are responsible for recruiting and selecting new Trustees and making recommendations of appointment to the Board.

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

The Committee considers annual pay in relation of the performance of the organisation, and of individuals against their objectives and in their broader contribution and in any changes to job role. The non-executive members of the Committee consider Chief Executive pay on the same basis.

Attendance at meetings in the year was as follows:

Committee member	Meetings attended	Out of a possible
Mr R Greenhalgh (Chair)	2	2
Mr J Coles	2	2
Mrs A Crowe	2	2
Sir A Greener	2	2
Mr N Robson	2	2

In September 2016 a fourth Committee was established, the Group Education Standards and Performance Committee, whose purpose is to:

- ensure that the highest possible standards of education are set and maintained across all schools to ensure all pupils make the best progress they can;
- advise the Group Board with respect to group strategic educational priorities and key performance indicators;
- support the Chief Executive Officer in the creation, implementation and monitoring of the group strategic educational priorities and key performance indicators;
- review, on a regular basis, the performance, constitution, membership, terms of reference and scheme of delegation of local/regional governing bodies to ensure they are operating at maximum effectiveness.

Trustees' Report incorporating the Strategic Report

Governance of the Charitable Group (continued)

The Committee has been appointed by the Trustees and will comprise no more than seven and no fewer than three members, a majority of whom will be Trustees. The initial members of the Committee are Yasmin Bevan, Angela Crowe, Linda Heaver and Nigel Robson.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Charitable Group policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Charitable Group for the year 1 September 2015 to 31 August 2016 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 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 2015 to 31 August 2016 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 12 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 executive 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 bi-annual report. Further details of the key risks are shown in risk assessment section on pages 17-18.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

Trustees' Report incorporating the Strategic Report

Governance of the Charitable Group (continued)

The Charitable Group employs an internal auditor who has a direct reporting line to the Chair of the Risk and Audit Committee. The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Charitable Group's financial systems. In particular, the checks carried out in the current period included testing of payroll and purchase systems, testing of control accounts, bank reconciliations and fixed assets, testing of compliance with the scheme of delegation and internal control, a review of financial reporting, fraud investigation, testing of other fundamental financial and non-financial systems and departments and a review of strategic and operational risks.

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

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 Limited and other charities as set out in note 33.

Trustees' Report incorporating the Strategic Report

Strategic report

Objectives, strategies and activities

About United Learning

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

In 2001 it created a subsidiary charity, United Learning Trust to extend its work into some of the most challenging inner city areas through the City Academy programme. As at 31 August 2016 United Church Schools Trust sponsors 43 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 130 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 schools, 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 2016, United Learning – the trading name of the Charitable Group – comprises 13 Independent schools, 43 state sector academies and a central office function that serves our schools.

Improved Academic Performance

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

At A Level:

- 19% of entries were awarded A*
- 74% of entries were awarded A*-B
- The overall pass rate was 99%

Notable performances were seen at:

- **Guildford High School**, which saw 84% of entries achieving A* or A;
- **AKS**, which improved on all headline measures and where 44% of entries achieved an A* or A, up nine percentage points on 2015;
- **Dunottar School**, which also improved on all headline measures, in particular in the A*-A and A*-B brackets;
- **Bournemouth Collegiate School**, where 32% of entries were graded at A* or A, an increase of eleven percentage points on 2015.

Trustees' Report incorporating the Strategic Report

Objectives, strategies and activities (continued)

For our Independent schools, destinations data for the 2015/16 academic year was also strong; 50% of Sixth Formers went on to take up places at Oxbridge or Russell Group universities.

At GCSE, 91% of students achieved the GCSE headline measure of five or more A* to C grades including English and maths. Within this, performance at the highest grades (A* and A) increased to 59%, exceeding the Group KPI by seven percentage points.

Particular GCSE success was seen at:

- **AKS**, where the number of entries achieving A*-A grades increased by ten percentage points;
- **Guildford High School** and **Surbiton High School**, both of which saw 100% of students achieving five or more A*-C grades including English and maths.

Over the course of the year, two schools received ISI inspections. AKS received a full integrated inspection in February 2016 and was awarded outstanding or good in all categories.

Academies

Across our academies, A Level results continued to improve:

- 17% of entries were awarded A* or A
- 68% of entries were awarded A* -C
- The overall pass rate was 98%

Overall, at GCSE:

- The Group's headline measure of students achieving at least five A* to C grades including English and maths has increased by four percentage points to 54%;
- Attainment in English and maths improved at both the A*-A and A*-C brackets;
- More students made expected progress and more students exceeded expected progress in English and maths;
- 70% of schools maintained or improved their performance on the 5 A*-C EM measure.

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

- **Glenmoor and Winton Academies**, which saw their headline measures increase to 70% and 74% respectively to achieve their best ever results;
- **The Hurlingham Academy** – since joining United Learning in January 2015, the school has seen its GCSE headline results increase by eighteen percentage points to 60%;
- **Carter Community School**, which achieved its best ever results, with 46% of students gaining at least five A* to C grades including English and maths;
- **Northampton Academy**, which saw the number of students achieving the benchmark rise by twelve percentage points;
- **North Oxfordshire Academy**, which had a similar increase in results of thirteen percentage points;
- **Stockport Academy** – a record 57% of students achieved at least five good GCSEs including English and maths.

Trustees' Report incorporating the Strategic Report

Objectives, strategies and activities (continued)

Improving Primary School Performance

Across our primaries, nine of our schools exceeded the national average at Early Years and Foundation Stage (EYFS) and eleven exceeded the national average in phonics.

With tougher government measures in place, Key Stage 1 results fell nationally. We have, however, reduced the gap between the percentage of pupils meeting the expected standard in reading, writing and maths and the national average at KS1.

Several of our schools were above the national average on combined measures:

- Corngreaves Academy saw 83% of pupils achieve the expected standard in reading, writing and maths combined at KS1 and at KS2;
- At Silverdale Primary Academy, 70% of children achieved the above standard at KS1 and 67% at KS2;
- At High Hazels Academy, 65% of pupils met the KS1 reading, writing and maths combined standard;
- Timbertree Academy saw 58% of pupils achieve the combined reading, writing and maths standard at KS2.

Closing the Gap

Last year, we set ourselves an ambitious target to close the gap between children eligible for the pupil premium and their more advantaged peers across the Group; at GCSE, we narrowed this from twenty percentage points to fourteen and aim to minimise this further in the new academic year. Overall, prior attainment figures have been low for our schools but our Progress 8 figures, particularly those which are well above average, demonstrate that many of our students are achieving more than they would at other schools nationally.

Trustees' Report incorporating the Strategic Report

Objectives, strategies and activities (continued)

Powerful Knowledge

We have continued to develop and refine the United Learning Curriculum over the course of the year, offering a central common curriculum for schools to follow, adapt and mould as they see fit.

Following the implementation of the new, highly rigorous English and maths curricula at Key Stage 3, we have developed and embedded these at Key Stage 2 along with frameworks for science and computing. We have also designed curricula for science, history, geography, computing, PE and music at Key Stage 3.

In all instances, our focus has been on mastery and ensuring that students are being taught the content they need in order to progress successfully to the next year of their studies, using specially developed KPIs as a method of formative assessment. The curricula have been developed by teachers across United Learning, with direct involvement from Education Leads and overseen by an external Chair of Standards.

Following the 2014/15 pilot of our United Classroom initiative, we completed the first full year of A Level physics and economics teaching via our virtual learning platform. With teaching provided by staff at Paddington Academy and Surbiton High School, the programme has opened up these academic subjects whose schools would otherwise be unable to offer them.

Education with Character

While academic excellence is the central focus of the Charitable Group, we place significant value on providing students with an enriched educational experience.

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

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

Following its establishment in July 2014, the purpose of the United Learning Partnership Fund, is to nurture collaboration between schools and to give students and staff exceptional academic, sporting and cultural experiences.

Through the generosity of donors, we have been able to extend our group-wide enrichment offer. In the Partnership Fund's second academic year, tens of thousands of pupils across the country took part in a range of opportunities in sport, music, leadership, enterprise and more, organised through the Central Office team and United Learning's Heads of Sport and Music and Performing Arts.

Key projects developed through the Fund this year include the Russell Group Entrance Project, collaborations between our academies and some of the country's best performing independent schools and deep professional development for teachers.